

**LODI PLANNING COMMISSION  
REGULAR COMMISSION MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, MAY 27, 2009**

1. CALL TO ORDER / ROLL CALL

The Regular Planning Commission meeting of May 27, 2009, was called to order by Chair Kiser at 7:00 p.m.

Present: Planning Commissioners – Cummins, Heinitz, Hennecke, Kirsten, Mattheis, Olson, and Chair Kiser

Absent: Planning Commissioners – None

Also Present: Community Development Director Konradt Bartlam, Deputy City Attorney Janice Magdich, Assistant Planner Immanuel Bereket, and Administrative Secretary Kari Chadwick

2. MINUTES

“March 25, 2009”

MOTION / VOTE:

The Planning Commission, on motion of Commissioner Kirsten, Cummins second, approved the Minutes of March 25, 2009 as written. (Mattheis abstained because he was not in attendance of the subject meeting)

“April 8, 2009”

MOTION / VOTE:

The Planning Commission, on motion of Commissioner Kirsten, Heinitz second, approved the Minutes of April 8, 2009 as written. (Mattheis abstained because he was not in attendance of the subject meeting)

“April 22, 2009”

MOTION / VOTE:

The Planning Commission, on motion of Commissioner Kirsten, Mattheis second, approved the Minutes of April 22, 2009 as written. (Cummins, Heinitz, and Hennecke abstained because they were not in attendance of the subject meeting)

3. PUBLIC HEARINGS

- a) Notice thereof having been published according to law, an affidavit of which publication is on file in the Community Development Department, Chair Kiser called for the public hearing to consider the request to amend a previously approved Use Permit 07-U-01 to increase the number of tables, expand the hours of operation and increase the number of legal cardroom games at 1800 S. Cherokee Lane. (Applicant: Chris Ray, on behalf of Wine Country Cardroom & Restaurant. File Number: 07-U-01.)

Assistant Planner Bereket gave a brief PowerPoint presentation based on the staff report.

Commissioner Heinitz disclosed that he met with the applicant and eats lunch in the restaurant about once a week, but has never gambled there.

Commissioner Kirsten disclosed that he met with the applicant regarding the project.

Commissioner Hennecke asked about the last condition requiring the parking to be complete within 120 days of approval. Mr. Bartlam stated that in this situation the establishment is open and operating legally already. What has occurred is there isn't enough parking to accommodate the current patrons and the City has chosen the 120 days because of the Cherokee Lane improvements as well as the parking improvements that will be necessary.

Vice Chair Cummins asked how many parking spaces are currently on site. Assistant Planner Bereket stated that there are 84 parking spaces. Commissioner Cummins stated that the applicant is trying to increase the parking by 60 stalls (40%). Director Bartlam stated that the original Use Permit based the parking on the restaurant occupancy and it has been discovered that that amount is inadequate. Cummins asked why a traffic study wasn't done. Director Bartlam stated that in this case it is a hindsight situation. The upgrades to the parking are being based on the current traffic flow not the anticipated traffic with the three new tables. Cummins asked if City Council has approved parts of this project. Bartlam stated that the City Council has approved the amendment to the Ordinance not the Use Permit.

Commissioner Mattheis asked why staff isn't tying the completion of the parking with the approval of the expansion. Director Bartlam stated that that is an option, but staff looked at it from a standpoint that there is already a deficiency. Mattheis stated that he has a problem with the displacement of the vehicles that are currently parking in the unfinished areas for whatever amount of time, 120 days according to the resolution, the upgrades take. He then asked if the parking surveillance will include the expanded area. Bartlam stated that it already does.

Commissioner Heinitz asked what the City's Development Standard is for the parking lot. Director Bartlam stated that there are a variety standards such as; an impervious surface, curb, gutter, sidewalks, lighting standards, etc.

Commissioner Mattheis asked about the storm water pretreatment. Director Bartlam stated that that is one of the Public Works requirements.

Chair Kiser asked if there will be any purple pipe. Director Bartlam stated that purple pipe is not a requirement at this time.

Commissioner Hennecke asked who owns the property to the south of the proposed project. Director Bartlam stated that neither the applicant nor owner of the property where the business is located own the parcel in question.

#### Hearing Opened to the Public

- Stephen Snider, spokesperson for applicant, came forward to address the Commission. He asked that the City work with the applicant in the timing of the improvements. He stated that the 120 days is going to be an ambitious undertaking. Mr. Snider stated that this establishment has proven itself to be a good neighbor and last year this project was brought before the Commission as an informational item with a positive update on what started out to be a controversial project.
- Chair Kiser asked if there will be an increase in the security. Mr. Snider stated that there is one security guard for every 100 guests and that will increase as needed.
- Commissioner Heinitz asked about the tax revenue to the City from this establishment. Mr. Snider stated that as of a couple of months ago it was at \$180,000. Heinitz asked about the job revenue. Mr. Snider stated that there are currently 60 employees and with three new tables it may increase by another 9 employees. Heinitz asked about the pay rate. Mr. Snider stated that the pay for the dealers is very good especially with tips.

- Commissioner Mattheis asked where the patrons will be parking while the construction is taking place. Mr. Snider stated that it will have to be done in phases with overflow parking on Cherokee. Mattheis asked how much of a burden would it be if this was not approved until the parking was completed. Mr. Snider stated that it would be a huge burden. Mattheis asked how many parking spaces are on Cherokee. Snider stated he was not sure.
- Commissioner Olson asked why the expanded hours are necessary for this type of business. Mr. Snider stated that at two in the morning they have to kick customers out. At eight in the morning you will get the night shift people that want to come in and wind down before going home and the restaurant will serve breakfast, so the establishment will not just be open for gambling only. Commissioner Olson stated that she is uncomfortable with the expanded hours. She asked if there is any evidence from other cities that shows that the extended hours are financially beneficial. Mr. Snider stated that they have not done that analysis, but are basing the need from their own customer base.
- Chair Kiser asked if the applicant plans to come back and ask to stay open 24 hours. Mr. Snider stated that there isn't any plan to do that.
- Commissioner Kirsten stated that he has spoken with members of the Police Department and they are quite impressed with the lack of problems from this establishment. Kirsten also added that he is impressed with the tract record, revenues, and jobs that are associated with this project.
- Commissioner Hennecke stated his concern over the parking and doesn't feel comfortable with the parking on Cherokee Lane. Mr. Snider stated that it is not the intention of the business to endanger any of the patrons. Hennecke asked if the condition of requiring the upgrades to be complete before the expansion is approved was placed on this project would that kill the project. Mr. Snider stated that he would have to have the financing agent take a look at that.
- Chair Kiser asked if it would be feasible for the applicant if there was a condition placed on the project that 1/3 of the parking needed to be complete before approval. Mr. Snider stated that he wasn't sure.
- Vice Chair Cummins stated that the business has done very well just playing Texas Hold'em and asked what new games are going to be played. Mr. Snider stated that the games that will be added will be three card poker and black jack. Cummins asked how this establishment is going to protect the customer from the seedier side of gambling like what has been experienced in Stockton at the Cameo Club. Mr. Snider stated that the Gaming Commission is very strict and if this establishment wants to keep its license it will continue to be proactive in keeping that element out of the area.
- Commissioner Olson stated that she would like to support the project, but would like to have a better compromise in the timing of the parking completion. Mr. Snider stated that the applicant will be working with the Planning Department.
- Chair Kiser asked how long it will take to convert the inside over for play. Mr. Snider stated that it will take some time because of the ordering of the materials and the permitting process.
- Commissioner Kirsten stated that he visited the site on a Thursday after lunch and asked if that was a peak time. Mr. Snider stated that there really is no way of knowing what the peak day and time is. Kirsten stated that during his visit it was pointed out that the overflow parking was being used by the employees. Mr. Snider stated that he is sure something can be done to alleviate the impact of the overflow parking issue while the construction is going on.
- Commissioner Mattheis suggested some alternative language be placed in the resolution regarding the parking once the hearing is closed to the public.

- Commissioner Hennecke agreed with Commissioner Mattheis and asked if there are any alternative off street parking areas that have been considered while the upgrades are being done in particular the property to the south of the proposed expansion. Mr. Snider stated that that property is owned by the same person that owns Lodi Honda and they have been very pleased with the Cardroom as a neighbor and he is sure something could be worked out.
- Ken Owens, founder of Christian Community Concerns, came forward to oppose the project. The three issues that he would like to address are: Gambling, the effects on Lodi, and the effect on the neighborhood in the immediate area. Mr. Owen stated some of the negatives related to gambling and read from the documents that were given to the Commission before the meeting tonight (attachment A of these minutes). He stated that this establishment has not been in business long enough to show the negative effects of gambling. The traffic and parking congestion is a major issue and will only get worse. Mr. Owen stated that the increase in the games and operational hours will continue to disrupt that neighborhood. The 9% of the revenue that this establishment is giving is over and above the amount that other businesses give which could lead to corruption. It has been said many times at Council meetings by one of the partners of this establishment that the City is its best partner.
- Commissioner Kirsten stated his appreciation for the added material from Mr. Owens and that the Commission is being asked to make judgment on the Land Use issues of the project not the moral issues.

Chair Kiser called for a brief recess.

Chair Kiser called the meeting back to order.

Public Portion of Hearing Closed

- Commissioner Heinitz stated his support for the project and agrees with Commissioner Mattheis in adding verbiage requiring the applicant to submit a parking plan for approval to the Community Development Director.
- Commissioner Mattheis stated his support for the project and suggested that the applicant submit a parking plan to the Community Development Director for approval and that some kind of verbiage should be added to the resolution to that affect.
- Vice Chair Cummins stated his disagreement with finding number three in the resolution and based on that finding can not support the project.
- Chair Kiser stated his support for the project.

MOTION / VOTE:

The Planning Commission, on motion of Commissioner Heinitz, Mattheis second, approved the request of to amend a previously approved Use Permit 07-U-01 to increase the number of tables, expand the hours of operation and increase the number of legal cardroom games at 1800 S. Cherokee Lane subject to the conditions in the resolution with the added verbiage below:

Director Bartlam added to Condition #18: "in the interim and during the construction period the applicant shall submit a parking plan to the Community Development Department outlining the actions that will be taken to satisfy the parking demand during that time."

The motioned carried by the following vote:

Ayes: Commissioners – Heinitz, Hennecke, Kirsten, Olson, Mattheis, and Chair Kiser  
Noes: Commissioners – Cummins

4. PLANNING MATTERS/FOLLOW-UP ITEMS

- a) Construction of Alternative to Measure K Railroad Grade Separation Project.

Director Bartlam gave a brief report based on the memorandum in the packet.

Chair Kiser asked if this would be a part of the General Plan. Mr. Bartlam stated that it has been and will continue to be a part of the General Plan.

Commissioner Heinritz asked if there would need to be any disturbance to the residential homes on the northwest corner of this area. Mr. Bartlam stated that there would not be a need to disturb any of the homes in that subdivision because of the forethought of getting the right-of-way at the time that this subdivision was created. The only land disturbance that will be necessary will be to the south and the property owners are well aware of this need.

Commissioner Mattheis stated his support for the recommendation.

Commissioner Kirsten stated his support for the recommendation.

Hearing Opened to the Public

- None

Public Portion of Hearing Closed

MOTION / VOTE:

The Planning Commission, on motion of Commissioner Mattheis, Heinritz second, approved the recommendation to the City Council supporting the replacement of Measure K funding for the Harney Lane Grade Separation Project. The motion carried by the following vote:

Ayes: Commissioners – Cummins, Heinritz, Hennecke, Kirsten, Olson, Mattheis, and Chair Kiser

Noes: Commissioners – None

5. ANNOUNCEMENTS AND CORRESPONDENCE

Vice Chair Cummins stated that the Planners Institute will be in Monterey in March 2010.

6. ACTIONS OF THE CITY COUNCIL

Director Bartlam stated that he was available to answer any questions regarding the summary memo in the packet. He went through a few of the highlights from the budget and how the reductions affect the Community Development Department and the Planning Commission.

7. GENERAL PLAN UPDATE/DEVELOPMENT CODE UPDATE

Director Bartlam stated that the policy documents are going through the administrative process and will come to the Planning Commission as the pieces become available.

8. ACTIONS OF THE SITE PLAN AND ARCHITECTURAL REVIEW COMMITTEE

None

9. ART IN PUBLIC PLACES

Kirsten gave a brief report regarding the meeting that took place today.

10. COMMENTS BY THE PUBLIC

None

*Continued*

11. COMMENTS BY STAFF AND COMMISSIONERS

None

12. ADJOURNMENT

There being no further business to come before the Planning Commission, the meeting was adjourned at 9:03 p.m.

ATTEST:

Konradt Bartlam  
Planning Commission Secretary

# WHO we are

Formed in 1994, the National Coalition AGAINST Legalized Gambling (NCALG) is a nationwide educational group. It informs citizens about the detrimental effects of legalized gambling on the economic, political, social and physical well being of individuals, the community and the nation. Because NCALG is an educational non-profit 501(c)(3) organization, contributions to NCALG are tax deductible.

NATIONAL COALITION  
**ncalg**  
AGAINST LEGALIZED GAMBLING

The National Coalition AGAINST Gambling Expansion is the political action arm of NCALG. The two organizations share the same boards of directors and officers. NCAGE works at the national level and assists grass roots organizations to defeat the expansion of legalized gambling and to roll back legalized gambling.

Because it is a 501(c)(4) non-profit political action committee, contributions to NCAGE are NOT tax deductible. They are helpful, however, because they may be used to influence specific legislation and to encourage citizens to take action to influence voters and legislators.

THE NATIONAL COALITION  
**NCAGE**  
AGAINST GAMBLING EXPANSION

## Isn't this a moral issue?

Over time, activities that damage a society, its culture, its economy, its families and its ability to survive come to be considered "immoral." It's a bit of a chicken and egg debate. Are activities bad because they're immoral, or are they immoral because they are bad? Consider this:

### Gambling

- ▶ Causes addiction
- ▶ Increases bankruptcy
- ▶ Increases crime
- ▶ Increases suicides
- ▶ Contributes to divorce
- ▶ Damages the economy
- ▶ Cannibalizes jobs
- ▶ Corrupts politics
- ▶ Stimulates illegal gambling

### It's a free country isn't it?

Important Constitutional duties of state and national government include protecting citizens from dangerous products, health risks, ponzi schemes, false advertising, bait and switch tactics and crime. Gambling fits all of those descriptions and worse. America criminalized gambling twice before in its history. The nation shouldn't have to learn the same lesson three times.

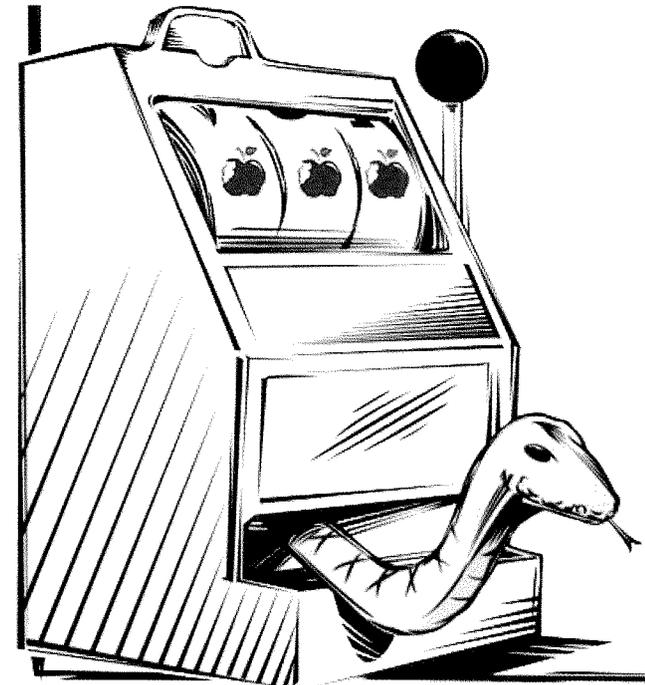
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**NATIONAL COALITION AGAINST LEGALIZED GAMBLING**  
100 Maryland Avenue NE  
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Washington, DC, 20002  
[www.ncalg.org](http://www.ncalg.org)  
**800-664-2680**

Brochure Rev. 8/20/04 by Carl Bechtold. Contact [carl@spiritmountain.net](mailto:carl@spiritmountain.net) with comments.

# Legalized Gambling

THE INSIDE STORY



ARTWORK COURTESY KIP AOKI, HONOLULU STAR-BULLETIN

**Facts every citizen  
should know before  
gambling comes  
to YOUR town**

# WHY we care

## Gambling brings addiction

When gambling appears in a community, it brings a wave of addiction. In a mature gambling market, compulsive gambling typically seizes the lives of 1.5% to 2.5% of the adult population. That amounts to three to five times the number of people suffering from cancer.

**"Gambling is an addictive behavior, make no mistake about it . . . Gambling has all the properties of a psychoactive substance, and again, the reason is that it changes the neurochemistry of the brain."**<sup>1</sup>

The American Psychiatric Association says between 1% and 3% of the U.S. population is addicted to gambling, depending on location and demographics.<sup>2</sup> Youth have even higher addiction rates, between 4 and 8%.<sup>3</sup>

## Proximity and poverty matter

Addiction rates double within 50 miles of a casino.<sup>4</sup> Probable pathological gambling in Nevada in 2000 measured 3.5%. Other states ranged from 2.1% in North Dakota in 2000 to 4.9% in Mississippi in 1996.<sup>5</sup> A casino within 10 miles of a home yields a 90% increased risk of its occupants becoming pathological or problem gamblers. Neighborhood disadvantage increases that risk another 69%.<sup>6</sup> Slots and other gambling machines push susceptible players to the pathological level in an average of 1.08 years, vs. 3.58 years with more "conventional" forms of table and racetrack gambling.<sup>7</sup>

## Gambling doubles bankruptcy.

It takes three to five years for gamblers in a newly opened market to exhaust their resources. When addiction ripens in the market, so do the social costs. The most recent study of all the casino counties in the nation confirmed personal bankruptcy rates are 100% higher in counties with casinos than in counties without casinos.<sup>8</sup>

## Expect suicides.

A study of addicted gamblers revealed, "Between 20% and 30% of the respondents made actual suicide attempts. No other addictive population has had as high a prevalence for attempts."<sup>9</sup> Nevada has been the highest in the nation for suicides for 10 of the last 12 years.<sup>10</sup>

## Gambling increases crime

Desperate to "chase" and recover gambling losses, pathological gamblers often turn to crime. Fraud and embezzlement become common among formerly hard-working and highly trusted people. Violent crimes also increase. Three years after the introduction of casinos in Atlantic City, there was a tripling of total crimes. Per capita crime there jumped from 50th in the nation to first.<sup>11</sup> Comparing crime rates for murder, rape, robbery, aggravated assault, burglary and motor vehicle theft reveals Nevada is the most dangerous place to live in the United States.<sup>12</sup>

## Real costs for everyone

Gambling costs more than raising taxes, even for those who NEVER gamble! Each compulsive gambler costs the economy between \$14,006 and \$22,077 per year.<sup>13</sup> If 2% become addicted, that's \$280 to \$440 per year paid by every other citizen!

## Trading jobs kills development

Most casinos attract 80% or more of their market from a 35-50 mile radius. Casinos absorb existing entertainment, restaurant and hotel business, and deplete dollars available to other retail businesses. That destroys other jobs in the trade area and eliminates their sales, employment and property tax contributions.<sup>14</sup>

## Illegal gambling remains

Legalizing gambling does not reduce illegal gambling.<sup>15</sup> Legalized gambling may even increase illegal gambling because untaxed illegal operators may offer better odds, bigger payoffs and loans that legal operations cannot. Patrons in gambling states feel gambling is generally legal and they are less averse to gambling in unlicensed establishments. Law enforcement in gambling states see illegal gambling as a state revenue issue rather than a criminal activity, and may be less motivated to investigate.

### FOOTNOTES: (For more complete information and citations, visit [www.ncalg.org](http://www.ncalg.org))

<sup>1</sup> Shaffer, Howard, Harvard University addictions department, cited by Kindt in Managerial and Decision Economics, 22: p. 17-63

<sup>2</sup> American Psychiatric Association, DSM-IV, P 673.

<sup>3</sup> Shaffer, H.J. & Hall, M.N. (1996) Estimating prevalence of adolescent gambling disorders: A quantitative synthesis and guide toward standard gambling nomenclature. *Journal of Gambling Studies*, 12, 193-214.

<sup>4</sup> National Gambling Impact Study Commission, "Final Report" Sec. 4, p. 5.

<sup>5</sup> Volberg, Rachel A., Ph.D. "Gambling and Problem Gambling in Nevada: Report to the Nev. Dept. of Human Resources," p. iii.

<sup>6</sup> Welte, John W.; Wieczorek, William F.; Barnes, Grace M.; Hoffman, Joseph H. Reference cited in "The Relationship of Ecological and Geographic Factors to Gambling Behavior and Pathology" p. 15.

<sup>7</sup> Breen, Robert B. and Zimmerman, Mark, "Rapid Onset of Pathological Gambling in Machine Gamblers" p.2

<sup>8</sup> Gross, Ernie and Morse, Edward, "The Impact of Casino Gambling on Bankruptcy Rates: A County Level Analysis" p. 1

<sup>9</sup> Scherer, R. Keith; Thompson, William H.; Nakamura, Daryl; "Beyond the Limits of Recreation: Social Costs of Gambling in Southern Nevada," p. 4

<sup>10</sup> <http://www.suicidology.com/>

<sup>11</sup> Witgeny, Robin, President of Social Systems, "Warning: Legal Gambling is a Costly Game." 1994 edition.

<sup>12</sup> Morgan Quatro Press, "Determining the Safest and Most Dangerous State Rankings" [http://www.governmentaluide.com/community\\_and\\_home/whete\\_i\\_live/factors.asp](http://www.governmentaluide.com/community_and_home/whete_i_live/factors.asp)

<sup>13</sup> Grinols, Earl L., "Cutting the Cards and Craps, right thinking about gambling economics." P. 14.

<sup>14</sup> Grinols, Earl L., Gambling in America, Costs and Benefits, p. p. 55-92.

<sup>15</sup> Abt, Vickie, Ph.D., Univ. Penn. Cited in Executive Summary, Casinos in Florida: An analysis of the Economic and Social Impacts, for the Florida Office of Planning and Budgeting

# HOW you can help

Gambling expansionists spend hundreds of millions of dollars each year influencing lawmakers and voters. To counter their propaganda, we need to visit more communities, print more information and help more people. In short, we need contributions of time and money. Please be as generous as you can.

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**EXCERPTS FROM THE 2006 CALIFORNIA PROBLEM  
GAMBLING PREVALENCE SURVEY**

**CALIFORNIA DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
OFFICE OF PROBLEM AND PATHOLOGICAL GAMBLING**

**DATA COMPILED BY NATIONAL OPINION RESEARCH CENTER  
UNIVERSITY OF CHICAGO**

past-year, monthly and weekly gamblers (see Table 6) by the number of adult Californians who participated in these activities at different rates in the past year (see Table 3).

**Table 7: Comparing Gross Revenues and Estimated Losses by Gambling Venue**

|           | 2004 Gross Revenues | 2005 Estimated Losses |
|-----------|---------------------|-----------------------|
| Casino    | \$5.78 billion      | \$9.1 billion         |
| Lottery   | \$1.4 billion       | \$1.7 billion         |
| Track/OTB | \$800 million       | \$426 million         |
| Cardroom  | \$655 million       | \$591 million         |

Table 7 shows that there is a distinct lack of fit between reported gross revenues for tribal casinos in California and estimated losses among casino patrons as well as for gross revenues and estimated losses among racetrack bettors. Conversely, the fit between reported gross revenues for the California Lottery and the cardrooms and estimated losses among lottery players and cardroom bettors is quite good.

There are at least two likely reasons for the lack of fit between reported revenues and estimated losses for tribal casinos and racetracks in California. One reason is the well-known tendency for survey respondents to over-state their expenditures on some gambling activities, particularly casino table games and pari-mutuel betting. Another reason is our inability—using survey methods—to account for sources of gambling revenues derived from out-of-state players and, separately, high-end players. A substantial fraction of gambling revenues, particularly from casino table games and some pari-mutuel betting pools, have historically been derived from a very small number of high-end players. Due to the amount of money that these individuals put into play at casinos (and to a lesser extent in other games), any denomination of gambling in monetary units based on survey data will likely be missing this component (Volberg, Gerstein et al, 2004).

## The Geography of Gambling in California

The relationship between increased access to legal gambling and the prevalence of at-risk, problem, and pathological gambling is important in light of the remarkable expansion of gambling throughout the U.S. and internationally over the last 25 years. Increased gambling opportunities create more problem and pathological gamblers by increasing the risk of exposure. As more people gamble, the risks are greater that individuals with specific vulnerabilities will gamble and develop problems related to their gambling. Major government reviews in the United States, Great Britain, Australia, and New Zealand have all concluded that increased gambling availability has led to an increase in

problem gambling and that future increases will generate additional problems (Abbott, 2001; Gambling Review Body, 2001; National Research Council, 1999; Productivity Commission, 1999).

One important goal of the California prevalence survey is to assess the distribution of gambling and problem gambling throughout the State in relation to geography. In this section, we examine the survey data in relation to gambling participation; we examine the data in relation to problem gambling in a later section (see *The Geography of Problem Gambling in California* on Page 66).

### ***Data Sources and Analytic Approach***

**Respondent Data.** The California survey included a series of questions designed to permit exploration of the proximity issue. Most pertinent here, we obtained the ZIP code of the respondent's primary residence to provide information comparable to the addresses of gambling regions and venues. Additionally, we asked all respondents their impressions regarding the number of casinos, racetracks, cardrooms, lottery outlets, and bingo halls within 20 minutes drive of their residence and we asked past-year gamblers how much time it took for them to get to each facility in which they last placed a bet during the year.

**Regions of California.** The Department of Alcohol and Drug Programs recognizes 15 sections of California, with each section including about four counties. In view of the size of the survey sample, we aggregated these 15 sections into six geographically contiguous regions as shown in Figure 2 on the following page. The regions varied in population from approximately 10 million in Los Angeles County (the only region comprised of a single county) to approximately 3 million in Upper Southern California, most of them living along the coast from Ventura to Santa Barbara and in the western corners of Riverside and San Bernardino counties, adjacent to coastal Los Angeles and Orange.

There are substantial differences in the demographic characteristics of the survey respondents residing in the six regions in California. Respondents in the Central and Upper Southern regions are least likely to be male while respondents in the Northern region are most likely to be male. Respondents in the Central region are most likely to be under the age of 40 while those in the Northern region are most likely to be age 40 and over. Respondents in the Northern region are the most likely and those in the Bay Area and Los Angeles regions the least likely to have been born in the United States. Finally, respondents in the Northern region are the most likely to be non-Hispanic Whites; respondents in the Los Angeles and Central regions are the most likely while those in the Bay Area and Northern regions are the least likely to be Hispanic; respondents in the Los Angeles region are most likely to be African American and respondents in the Bay Area are far more likely to be Asian than respondents in every other region of the state—50% more likely than

This table shows that average past-year casino losses increase significantly across the low-risk, at-risk and problem gambling groups with losses among problem and pathological gamblers just over ten times higher than among low-risk gamblers. Losses on private wagering and the lottery show a similar trend, increasing significantly as gambling problems increase. Past-year losses on horse race betting are significantly higher among problem gamblers compared with low-risk and at-risk gamblers. Past-year cardroom losses are significantly higher among problem gamblers compared with low-risk gamblers but the differences between low-risk and at-risk gamblers, on the one hand, and at-risk and problem gamblers, on the other, are not statistically significant. The differences in past-year losses on Internet gambling across gambler types are not statistically significant and none of the pairwise comparisons are significant for past-year losses on bingo.

When past-year losses are summed across the various venues, problem and pathological gamblers ( $M = \$10831.80$ ,  $SE = 1124.59$ ) recall losing significantly more money than either at-risk gamblers ( $M = \$2590.72$ ,  $SE = 326.03$ ) or low-risk gamblers ( $M = \$918.22$ ,  $SE = 95.35$ ) and at-risk gamblers recall spending significantly more money than low-risk gamblers ( $F(2, 2670) = 210.85$ ,  $p < .001$ ).

### *Proportion of Losses by Problem Gambler Type*

We noted above that there is great interest among policymakers, regulators and other stakeholders in the question of the proportion of gambling revenues accounted for by problem and pathological gamblers. While there are difficulties in obtaining accurate information on gambling losses from survey respondents, it is possible to examine the proportion of reported losses accounted for by low-risk, at-risk and problem and pathological gamblers to obtain an approximation of how heavily different sectors of the legal gambling industry in California rely for revenues on problem and pathological gamblers.

Table 24 presents information about the proportion of losses accounted for by low-risk, at-risk and problem and pathological gamblers for the largest sectors of the gambling industry in California. This table shows that tribal casinos and cardrooms are the sectors of the gambling industry in California that rely most heavily on problem and pathological gamblers for revenues. As a group, problem and pathological gamblers account for over 50% of the losses reported by all of the respondents who gambled at a casino or cardroom in the past year. More generally, the data in this table indicate that problem and pathological gamblers account for much larger proportions of annual losses than their prevalence in the general population, or even among past-year participants in specific gambling activities, would suggest (see Table 14 on Page 63).

**Table 24: Proportion of Losses Accounted for by Low-Risk, At-Risk and Problem Gamblers**

|           | Total<br>Estimated<br>Losses | Low-Risk<br>Gamblers<br>% | At-Risk<br>Gamblers<br>% | Problem &<br>Pathological<br>Gamblers<br>% | Sig.  |
|-----------|------------------------------|---------------------------|--------------------------|--------------------------------------------|-------|
| Lottery   | \$1.7 billion                | 51.4                      | 16.6                     | 32.0                                       | <.001 |
| Casino    | \$9.1 billion                | 25.2                      | 22.4                     | 52.4                                       | <.001 |
| Track/OTB | \$426 million                | 48.9                      | 9.2                      | 41.9                                       | .003  |
| Cardrooms | \$591 million                | 17.2                      | 28.1                     | 54.7                                       | .018  |

As we have noted elsewhere, there is evidence that all gamblers engage in a range of cognitive biases, including illusions of control, superstitions, erroneous beliefs, biased evaluation of outcomes, and distorted assumptions about randomness (Ladouceur & Walker, 1996). There is no scientific evidence at present to support the notion that problem gamblers' reporting errors are different from low-risk gamblers' reporting errors. However, if this were the case, then survey estimates of the proportion of losses for a particular game derived from problem gamblers or frequent players will be affected by these errors. Further research is needed to examine this issue in depth.

## Physical, Mental, and Emotional Correlates of Problem Gambling

### *Physical and Mental Health*

Table 25 presents differences between low-risk, at-risk and problem gamblers on several health-related dimensions. This table shows that problem gamblers are significantly more likely than at-risk or low-risk gamblers in California to identify their physical health status as poor or fair as opposed to good or excellent.

**Table 25: Differences in Physical and Mental Health by Problem Gambler Type**

|                             | Low-Risk<br>Gamblers<br>(4982)<br>% | At-Risk<br>Gamblers<br>(674)<br>% | Problem &<br>Pathological<br>Gamblers<br>(264)<br>% | Sig.  |
|-----------------------------|-------------------------------------|-----------------------------------|-----------------------------------------------------|-------|
| General health poor to fair | 20.5                                | 26.5                              | 36.2                                                | <.001 |
| Physical impairment         | 19.4                                | 21.4                              | 34.5                                                | <.001 |
| Mental impairment           | 4.0                                 | 5.3                               | 11.6                                                | <.001 |
| Depression (past year)      | 12.2                                | 20.3                              | 37.0                                                | <.001 |
| Suicidal thoughts (ever)    | 7.9                                 | 13.1                              | 19.7                                                | <.001 |
| Suicide attempt (ever)      | 2.3                                 | 4.5                               | 8.0                                                 | <.001 |

Problem gamblers are also significantly more likely than at-risk or low-risk gamblers to acknowledge that they presently have a physical disability (including hearing problems, vision problems and mobility problems) or an emotional or mental disability. Finally, problem gamblers are significantly more likely than at-risk or low-risk gamblers to have experienced symptoms of major depression at some time in their lives and within the past 12 months and to have ever contemplated or attempted suicide.

### ***Tobacco, Alcohol and Illicit Drugs***

Table 26 presents information about tobacco, alcohol and illicit drug use among low-risk, at-risk and problem gamblers in California. This table shows that at-risk and problem gamblers in California are significantly more likely than low-risk gamblers to smoke cigarettes on a daily basis. The table also shows that past-year illicit drug use is significantly higher among at-risk and problem gamblers than among low-risk gamblers. Marijuana is the most frequently used illicit drug followed by tranquilizers, cocaine, other drugs (including club drugs, hallucinogens, opiates and inhalants) and methamphetamine. Past-year marijuana use is correlated generally with gambling-related problems and shows little variation in relation to problem level. Past-year tranquilizer, cocaine, methamphetamine and other illicit drug use is significantly higher among pathological gamblers compared with problem gamblers as is daily cigarette smoking (see Table XX in Appendix A).

**Table 26: Tobacco, Alcohol and Drug Use Among Low-Risk, At-Risk and Problem Gamblers**

|                                                 | Low-Risk<br>Gamblers<br>(4982)<br>% | At-Risk<br>Gamblers<br>(674)<br>% | Problem &<br>Pathological<br>Gamblers<br>(264)<br>% | Sig.  |
|-------------------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------------------------|-------|
| <b>Tobacco and Alcohol Use</b>                  |                                     |                                   |                                                     |       |
| Daily cigarette use                             | 12.3                                | 25.9                              | 29.0                                                | <.001 |
| Weekly alcohol use                              | 18.3                                | 21.2                              | 15.4                                                | .090  |
| <b>Largest # drinks in 24 hours (past year)</b> |                                     |                                   |                                                     |       |
| Didn't drink in past year                       | 31.4                                | 28.3                              | 37.9                                                | <.001 |
| 1 - 2                                           | 44.8                                | 26.5                              | 32.9                                                |       |
| 3 - 4                                           | 26.0                                | 22.4                              | 20.7                                                |       |
| 5 - 7                                           | 15.6                                | 21.3                              | 19.5                                                |       |
| 8 or more                                       | 13.7                                | 29.8                              | 25.8                                                |       |
| <b>Drug Use</b>                                 |                                     |                                   |                                                     |       |
| Past year marijuana use                         | 8.2                                 | 16.7                              | 17.4                                                | <.001 |
| Past year tranquilizer use                      | 1.5                                 | 3.3                               | 5.8                                                 | <.001 |
| Past year cocaine use                           | 1.0                                 | 2.7                               | 3.4                                                 | <.001 |
| Past year other drugs                           | 1.0                                 | 1.3                               | 4.2                                                 | <.001 |
| Past year methamphetamine use                   | 0.7                                 | 1.9                               | 4.6                                                 | <.001 |

Given the abundance of research demonstrating a link between alcohol misuse and gambling-related problems, it is surprising that the relationship between weekly alcohol *consumption* and gambling-related problems in California is not statistically significant. An even more surprising finding is that problem gamblers in California are the least likely respondents to have consumed *any* alcoholic beverages in the past year. Despite significantly lower rates of past-year alcohol consumption, the lifetime rate of help-seeking for an alcohol or drug problem is significantly higher among problem gamblers than among low-risk or at-risk gamblers. Among respondents who had consumed alcohol in the past year, 4% of low-risk gamblers and 7% of at-risk gamblers have ever sought help for problems related to their drinking or drug use compared with 10% of problem gamblers and 23% of pathological gamblers ( $p < .001$ ).

### ***Family, Indebtedness and Criminal Justice Impacts***

Table 27 shows differences in the impacts of problematic gambling on family, indebtedness and the criminal justice system among low-risk, at-risk and problem gamblers in California. This table shows that problem gamblers in California are significantly more likely than low-risk or at-risk gamblers to have been troubled in the past year by the gambling involvement of someone they know. Respondents who have been concerned about the gambling of someone with whom they do not live are most likely to have been concerned about a friend or acquaintance (59%), followed by immediate family members (18%, primarily siblings and parents) and extended family members (15%). This table also shows that problem gamblers in California are significantly more likely than low-risk or at-risk gamblers to have been troubled by the gambling of someone they lived with in the past year. Respondents concerned about the gambling of someone they live with are most likely to have been concerned about a spouse or domestic partner (36%), followed by immediate family members (24%) and friends or acquaintances (23%). While low-risk and at-risk gamblers are most likely to have been concerned about a spouse or domestic partner, problem gamblers are most likely to have been concerned about a friend or family member.

In a further indication of the impact of problem gambling on families, respondents who answered the problem gambling questions in the survey were queried at the end of this section about whether they had ever argued with a family member about their gambling to the point where it became emotionally harmful. When asked if they had ever argued with a family member about their gambling, 2% of at-risk gamblers, 10% of problem gamblers and 29% of pathological gamblers replied that they had argued about their gambling to the point where it became emotionally harmful.

**Table 27: Differences in Family, Financial and Criminal Justice Impacts by Problem Gambler Type**

|                                             | Low-Risk<br>Gamblers<br>(4982)<br>% | At-Risk<br>Gamblers<br>(674)<br>% | Problem &<br>Pathological<br>Gamblers<br>(264)<br>% | Sig.  |
|---------------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------------------------|-------|
| Troubled by someone else's gambling         | 12.0                                | 15.0                              | 30.3                                                | <.001 |
| Troubled by gambling of s'one you live with | 2.4                                 | 3.6                               | 8.0                                                 | <.001 |
| Household debt                              |                                     |                                   |                                                     |       |
| None                                        | 19.4                                | 16.3                              | 26.8                                                | <.001 |
| Less than \$10,000                          | 18.8                                | 25.1                              | 17.7                                                |       |
| \$10,000 - \$200,000                        | 33.8                                | 33.6                              | 33.3                                                |       |
| \$200,000 or more                           | 28.0                                | 25.1                              | 22.1                                                |       |
| Don't know or refused                       | 16.1                                | 11.2                              | 6.9                                                 |       |
| Ever filed for bankruptcy                   | 7.9                                 | 9.0                               | 11.3                                                | .105  |
| Ever arrested                               | 13.5                                | 25.0                              | 35.1                                                | <.001 |
| Ever incarcerated                           | 6.3                                 | 11.1                              | 20.5                                                | <.001 |

This table also shows that there are significant differences among low-risk, at-risk and problem gamblers in California with regard to amounts of household debt, including car loans, student loans, credit card debt, mortgages and other loans. However, the difference is only significant because low-risk gamblers are much more likely to claim that they do not know the extent of their indebtedness or refuse to answer the question while problem gamblers are much more likely to say that they do not have any household debt. In contrast to similar surveys in other jurisdictions, there is no significant difference in rates of bankruptcy among low-risk, at-risk and problem gamblers.

Finally, this table shows that problem gamblers in California are significantly more likely than low-risk or at-risk gamblers to have ever been arrested and incarcerated. As Table A-29 in Appendix A shows, pathological gamblers, in turn, are significantly more likely than problem gamblers to have ever been arrested and ever incarcerated, suggesting that the magnitude of criminal justice impacts increases with problematic gambling status.