

STATUS OF DISCUSSIONS COUNTY OF SANTA BARBARA AD HOC SUBCOMMITTEE AND SANTA YNEZ BAND OF CHUMASH INDIANS

On August 25, 2015, the Santa Barbara County Board of Supervisors appointed Third District Supervisor Doreen Farr and Fourth District Supervisor Peter Adam to serve on the Ad hoc Subcommittee. This Subcommittee was created for the purposes of engaging in discussions with the Santa Ynez Band of Chumash Indians related to land use and financial matters of mutual concern, that include but are not limited to the Waiver of Sovereign Immunity, the Santa Ynez Valley properties of interest (Camp 4, Mooney and Escobar, and the 350-acre "Triangle Property"), and other general topics between the County and the Tribe as appropriate. The Ad hoc Subcommittee met with representatives of the Tribe in these discussions seven times since September 2015, in public meetings, and through that process, has exchanged terms of a potential agreement. Consensus was reached identifying key areas foundational to future agreement. A detail of the progression of discussions in each of the focus areas is attached. The focus areas are:

1. ***Waiver of Sovereign Immunity***
 2. ***Term***
 3. ***Municipal Finance***
 4. ***Future Use of Land and Limits***
 - ***Gaming***
 - ***Williamson Act considerations***
 - ***Fee to Trust lands***
-

1. Waiver of Sovereign Immunity

Discussion: In order for any agreement to be enforceable by the County, the Tribe must provide an express waiver of sovereign immunity. The County and the Tribe have reached tentative agreement on this language. The language must be approved by Tribal members through a formal vote. Similarly, this language will also be presented to the full Board of Supervisors for approval on August 30, 2016.

2. Term

Discussion: The County proposed a term of the agreement coterminous with any existing or future gaming compact with the State. This proposal recognized the need for a dedicated revenue stream for the Tribe to address payment in lieu of taxes/revenue requests made by the County as a component of the agreement. The Tribe initially referenced a term consistent with the end of their existing gaming compact of December 31, 2040. As of March 1, this was replaced with a term through December 2040 with a reopener if Class II Gaming exclusivity is breached and the compact with the State is reopened. This aspect will be discussed going forward.

3. Municipal Finance

Discussion: Consistent with property tax paid by residents of Santa Barbara County and to provide for the overall services enjoyed by the Tribe and community, the County requested payment in lieu of property taxes of 38% of the 1% assessed market valuation of properties for both land and improvements. The Tribe has asserted that they will pay the 38% of the 1% only on improvements (homes) not owned by the tribal entity, as the land is owned by the United States for the Tribe in Trust. The Tribe's valuation of homes at \$500,000 would, at full build out, yield approximately \$335,000 annually at full build out of the 143 homes identified in Alternative B of the Environmental Assessment for Camp 4. The proposed County model, in which the value of land and improvements is assessed,

STATUS OF DISCUSSIONS COUNTY OF SANTA BARBARA AD HOC SUBCOMMITTEE AND SANTA YNEZ BAND OF CHUMASH INDIANS

reflects a valuation of \$2.1M per home. The potential payment in lieu of property taxes to the County is approximately \$1.4 million annually at full build out of the 143 homes. The annual differential in revenue generation between the proposed models is approximately \$1 million ongoing at full build out.

4. Future Use of Land and Limits

• Gaming

Discussion: HR1157 states that no gaming will be conducted on Camp 4. In addition, the Tribe has not pursued gaming on Camp 4 via the BIA administrative process to take land into trust. Therefore, consistent with statements made before Congress regarding components of HR1157, and the BIA process, the County requested a no gaming on Camp 4 provision as part of a potential future agreement. As of the March 3, 2016 Ad hoc Subcommittee meeting with the Tribe, the Tribe has not been willing to state unequivocally that gaming will not occur on Camp 4 as a term within the proposed agreement.

• Williamson Act Considerations

Discussion: Initially the County proposed that the Tribe comply with provisions of the Williamson Act contract through the end of the existing term of 2023. This term is consistent with the Tribal Resolution honoring the existing terms of the Williamson Act contract on Camp 4. In the Tribe's January 14, 2016 proposal they requested the County work with the Tribe on cancellation of the contract on Camp 4. The County responded that cancellation of the Williamson Act would be considered on parcels 2 and 4 of Camp 4 if there is total agreement with the Tribe on overall terms of the agreement and, as required by law, there is overall public benefit to support findings required for Williamson Act cancellation, As of March 1, 2016 the Tribe is indicating a desire for cancellation of the contract for parcels 2 and 4 only, as well as a waiver of penalty fees; otherwise the Tribe is proposing they will comply with the contract until the end of the non-renewal period.

• Fee to Trust Lands

Discussion: The formal fee-to-trust application submitted by the Tribe for Camp 4 requests 1,400 acres be taken into trust. The County has expressed significant concerns and opposed fee to trust acquisitions due to the land use, service, and economic impacts to the community-at-large. However, in order to address the Tribe's expressed need for housing and government facilities, the County's initial December 10, 2015 proposal to the Tribe included 194 acres for tribal housing and 30 acres for tribal facilities for fee-to-trust land in order to accommodate the Tribe's need for land for housing and governmental uses. The Tribe's January 14, 2016 response remained at 1,400 acres. On February 1, 2016, the County returned with a provision to support Parcels 2 and 4 of Camp 4 being taken into trust (over 900 acres) to support housing and government purposes. The Tribe's February 5 response remained at 1,400 acres. However, they also included a provision for a tribal land trust/conservancy controlled by the Tribe on Parcels 3 and 5 of Camp 4. The details of the structure of the conservancy were not fully explored. On March 1, 2016, the Tribe provided the County with a new proposal indicating that they will pursue fee to trust on the 1,400 acres of Camp 4, as well as, the 356 acre commonly known as the "Triangle Property", and all properties owned at the Edison/Highway 246 intersection and east of the 6.9 acres including the gas station property.

###