



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Submitted on:
(COB Stamp)

Department Name: CEO
Department No.: 012
For Agenda Of: October 7, 2014
Placement: Departmental
Estimated Time: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department: Mona Miyasato, County Executive Officer, 568-3400
Director(s):
Contact Info: Terri Maus-Nisich, Assistant CEO, 568-3400
SUBJECT: Update on Proposed Chumash Casino/Hotel Expansion Project

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

1. Receive an update from the County Executive Officer regarding the Santa Ynez Band of the Chumash Indian's Proposed Hotel and Casino Expansion Project, and;
2. Provide direction to the County Executive Officer on next steps, and;
3. Determine that Recommended Actions (1) and (2) above are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b) (3) because it can be seen with certainty that there is no possibility that those actions by the County may have a significant effect on the environment.

Summary Text:

On July 15, 2014, the Santa Ynez Band of the Chumash Indians (Tribe) released an Environmental Evaluation for a proposed casino and hotel expansion project. The Environmental Evaluation proposed to: (1) add 215 hotel rooms in a 12-story tower; (2) add 584 parking spaces in a 5-story structure; (3) expand the casino area by 75,000 square feet; and (4) remodel 150,000 square feet of hotel and casino space. The Environmental Evaluation was prepared pursuant to the Tribes Off-Reservation Impacts Environmental Policy Ordinance and section 10.8 of the Tribal-State Gaming Compact. Per the Tribal-State Gaming Compact, the Tribe must: (1) have adopted an environmental ordinance; (2) prepare an environmental study prior to commencement of construction or expansion of the gaming facility; (3) consult with local jurisdictions, and if requested, meet with them regarding the mitigation of the project and significant adverse off-reservation impacts; and 4) make a good faith effort to mitigate significant adverse impacts. The County is not a party to the Tribal-State Gaming Compact. However, in order to effectively communicate the significant off-Reservation impacts resulting from the proposed casino/hotel expansion project, the County took the following key actions:

- Provided formal comment letters to the Tribe regarding proposed project off-Reservation impacts and mitigations via comment letter of August 13, 2014 to the Tribe.
- Conduced Board of Supervisors Hearing of August 26, 2014 to discuss proposed project off-Reservation Impacts and mitigations. At that meeting the Board of Supervisors directed the County Executive Office to meet with the Tribe to discuss mitigation measures.
- Met with the Tribal Chairman on August 28, 2014 to discuss proposed project off-Reservation impacts and mitigations.

However, on September 10, 2014 the Business Committee of the Santa Ynez Band of the Chumash Indians approved the Final Environmental Evaluation and adopted the mitigations set for the within the document. In addition on September 23, 2014, the Tribe provided formal notice of the project approval and released the Final Environmental Evaluation. This item is now on the Board of Supervisors Agenda to provide an update on all activities and receive further direction on this matter.

Background:

Since the release of the Environmental Evaluation of July 15, 2014, the County communicated concerns regarding the Tribe’s analysis of the environmental impacts of the proposed expansion, and where appropriate, provided detail regarding mitigation measures necessary to address impacts. Events and key communications to date regarding the proposed project and the environmental review include the following:

Date	Action
July 15, 2014	Notice of Availability on Casino/Hotel Expansion Project Released
July 15, 2014 – August 14, 2014	Public review period
July 31, 2014	Tribe conducts public meeting on proposed project
August 13, 2014 (Attachment C)	County provides formal comment letter to Tribe on Project EE
August 14, 2014 (Attachment D)	Attorney General sends comment letter to Tribe on Project EE
August 26, 2014 (Attachment E)	Board of Supervisors Hearing to discuss off-reservation impacts, proposed mitigation measures, and provide direction to staff for meeting with the Tribe
August 28, 2014	Meeting with County Representatives and Tribal Chairman Armenta
September 4, 2014 (Attachment F)	County receives letter from Tribe responding to County’s requested mitigation and concerns. Tribe includes some new mitigations; requests County response by September 10 for consideration in Final EE comments.
September 10, 2014 (Attachment G)	County provides response to Tribe’s September 4 letter, indicating inadequacy of proposed mitigation, reiterating County’s requested mitigation, and welcoming opportunity to continue discussions.
September 10, 2014	Business Committee of Tribe approves final EE for project
September 15, 2014 (Attachment H)	County receives response from Tribe to September 10 letter and Aesthetic Evaluation.
September 23, 2014	Formal notice of EE approval dated September 22, 2014 received

On September 10, 2014, the Business Committee of the Santa Ynez Band of the Chumash Indians approved the Final Environmental Evaluation and adopted the mitigations set forth in the Final Environmental Evaluation. The Business Committee also determined that the project will not have a significant impact on the environment and can proceed as designed with the mitigation set forth in the Final Environmental Evaluation. The Notice of Adoption and Approval (Attachment I) and the Final Environmental Evaluation was distributed to all on September 23, 2014.

(Link to report Final Environmental evaluation): <http://www.chumashee.com/wp-content/uploads/2014/09/Hotel-Expansion-Final-EE-September-2014.pdf>

For reference regarding mitigation measures **Attachment A** summarizes the key off-Reservation mitigation measures set forth by the Tribe in the Final Environmental Evaluation as compared with the County's requested mitigations in the County's August 13, 2014 comment letter. As referenced in the chart, the Tribe did not fully address the issue areas identified by the County in multiple areas including but not limited to:

- Water Resources
- Transportation and Traffic
- Aesthetics
- Law Enforcement
- Fire Protection

Attachment B references the status of funding for mitigation for off-Reservation public safety impacts for both the existing Chumash Hotel/Casino as well as the proposed expansion. This chart quantifies the cost of mitigation to address impacts to public safety inclusive of fire protection and law enforcement annually. The costs do not however include cost associated with other aspects of criminal justice system impacted such as the Public Defender, District Attorney, Superior Court, Probation and the jail.

In total, it is estimated that the cost to mitigate impacts in the areas referenced (fire protection and law enforcement) totals approximately \$5.5 million annually. Most of this is a request for additional Fire protection personnel to staff an aerial ladder truck and staff for a paramedic rescue squad. In addition to the ongoing cost, one time funding for equipment needs is approximately \$1.9 million. The chart also illustrates the reduction in and ultimate elimination of Special Distribution Fund (SDF).

The SDF implemented in 2002, was designed to offset the impact of California's tribal government gaming industry. The fund, established in the California Tribal-State Gaming Compacts of 1999, was to be used to fund problem gambling treatment programs, reimburse local governments impacted by tribal casinos and help the state pay for regulatory costs. The SDF was not reauthorized by the California State Legislature during their last session; therefore Fiscal Year 2013/2014 is anticipated to be the last year for funding.

The Tribe's proposed mitigation for public safety referenced in the Final Environmental Evaluation totals approximately \$1 million. This amount is less than funding that had been provided to address impacts of the existing casino/hotel in previous years through the SDF. Therefore, there is a significant differential in the amount of contribution requested by the County to mitigate the ongoing impacts of the existing casino hotel and expansion, approximately \$5.5 million annually, and the amount set forth within the Final Environmental Evaluation as Tribal mitigation of \$1.0 million annually. The ongoing annual differential is approximately \$4.5 million.

Staff recommends that your Board receive an update on activities and provide any specific direction on the matters referenced.

Performance Measure:

There are no performance measures associated with this report.

Fiscal and Facilities Impacts:

Please see Attachment B

Attachments:

- Attachment A: Summary Chart - Final Environmental Evaluation for Proposed Chumash Casino and Hotel Expansion
- Attachment B: Status of Mitigation for Off-Reservation Public Safety Impacts for Existing Chumash Hotel/Casino and Proposed Expansion
- Attachment C: August 13, 2014 County formal comment letter to Tribe on Project EE
- Attachment D: August 14, 2014: Attorney General Comment letter to Tribe on Project EE
- Attachment E: August 26, 2014, County Board of Supervisor's Board Agenda Letter
- Attachment F: September 4, 2014 Response letter from Tribe to County
- Attachment G: September 10, 2014: County Response Letter to Tribe's September 4 letter
- Attachment H: September 15, 2014: Response letter from Tribe to County
- Attachment I: Notice of Environmental Evaluation and Approval

Authored by:

Terri Nisich, Assistant CEO