

HOOD RIVER SITE ANALYSIS

**FEASIBILITY AND PRACTICABILITY OF A CASINO AT A HOOD RIVER SITE,
WARM SPRINGS CASINO**

Submitted to:

Confederated Tribes of the Grand Ronde Community of Oregon
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Submitted by:

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EXECUTIVE SUMMARY

Golder Associates and Otak, Inc. were selected by the Confederated Tribes of the Grand Ronde Community of Oregon (Grand Ronde) to examine the feasibility, practicability and constructability of a casino near the town of Hood River, in Hood River County Oregon. The casino has been proposed by the Warm Springs Tribe of Oregon - which currently has a 644,000 acre reservation in central Oregon - as an alternative to the tribe's preferred site in Cascade Locks, Oregon. The proposed Hood River casino would be located on one of two possible site configurations: a development to be built entirely on tribal trust lands, and a development to be built on trust lands and adjacent lands brought into trust for the Tribe by the Bureau of Indian Affairs.

The Golder/Otak team looked at factors which would contribute to the practicability and feasibility of a casino development at these locations. The analysis focused on engineering feasibility, land use, site development costs, agency approvals, and related issues.

The site under evaluation is a steeply sloped and undeveloped area south of I-84 near the town of Hood River in Hood River County. The site is significantly constrained by access limitations. The only existing access is a narrow, curved roadway that is classified as a historical roadway and listed on the historic register. In fact, the road is closed to traffic and parts of it have been converted to a state trail by the Oregon Parks and Recreation Department (OPRD). It is currently managed and protected by the OPRD and by a federal law protecting federally-listed historic sites.

Our conclusion, in evaluating the issues with this site, is that it is highly unlikely that any casino development could, or would, be developed at this site, whether tied to a fee-to-trust conversion or developed on trust lands alone. The principal findings in our analysis related to this conclusion and site feasibility are listed below:

- Federal and local land ownership – An engineering analysis concluded that the only feasible access route crosses U.S. Forest Service (USFS) land – the same federal agency responsible for consistency with the Scenic Area Management Plan, which has already stated that the project is inconsistent with land use. The USFS would not approve an inconsistent project and allow the road right of way across its land. Other access options cross lands owned by OPRD and the City of Hood River. Both have opposed the project and are not likely to provide access across their lands.
- Access road authorization – The most logical access road route crosses USFS land. The USFS has already submitted a letter with preliminary conclusions indicating that the proposed casino is inconsistent with the Scenic Area Management Plan, making it highly unlikely that the Forest Service would allow access across its land to the trust lands.
- Registered historic and park lands – The Tribe's proposed access road follows the Historic Columbia River Highway which is listed on the National Register of Historic Places and protected by Federal law. Part of the same highway is a state park (Columbia River Highway State Trail) under authority of the OPRD.
- Scenic Area land use consistency – The proposed casino is inconsistent with the Scenic Area Management Plan's purpose of protecting the scenic, cultural, natural and recreation resources in the area (USFS, 1992). Section 14(d) of the National Scenic Area Act requires BIA's actions in the fee-to-trust transfer to be consistent with the Act as determined by the USFS. The USFS has already submitted a letter with preliminary conclusions indicating that the proposed casino is inconsistent with the Scenic Area

- Management Plan. The fee lands may not be granted trust status by the BIA under such a serious land use conflict.
- Governmental opposition – BIA, in its fee-to-trust process would have to ignore objections by all local governments, city, state (OPRD) and county, and ignore land use inconsistency objections by the USFS and Gorge Commission (CRGC), in order to approve the conversion to trust lands.
 - Freeway interchange approvals – Freeway interchange construction issues at that location include elimination of considerable public wayside and beach access, violating the two-mile interchange spacing criteria, and not meeting Oregon State interchange design/operation criteria, making it unlikely that the required interchange would be approved. The Koberg Beach wayside is one mile from the existing East Hood River interchange. This distance does not meet the current six mile rural spacing standard. This spacing standard is considered critical to maintaining reasonable safety and operational levels for through traffic. Exceeding this standard with a major interchange modification that mainly benefits a private development will encounter stiff resistance from the Oregon Department of Transportation (ODOT) and Federal Highway Administration (FHWA).
 - Wastewater treatment - The existing tribal trust lands and the private lands adjacent to it which have been purchased by the Tribe are not in the urban growth boundary of Hood River. Oregon land use regulations prohibit cities from providing wastewater services beyond their urban growth area boundaries. Therefore, the City of Hood River cannot provide wastewater treatment services to the site. City officials have stated that they cannot and would not provide wastewater treatment. Any wastewater treatment services would need to proceed independently by the Tribe with federal (U.S. Environmental Protection Agency) approval required for any discharge under the requirements of the Clean Water Act. The Tribe would need to build its own wastewater treatment plant on site to accomplish this.
 - Site preparation costs – The construction costs for site preparation and freeway access due to the remote and sloped site conditions are likely to exceed \$200 million, before any facilities are built.
 - Public relations and support – It would seem incongruous for the Tribe to proceed with, or be able to get financing for, a project that is excessively expensive to develop, is opposed by applicable city, county, state and federal agencies, is not likely to receive state access approvals and does not meet fee-to-trust criteria for public support and land use consistency.