J. Bryce Kenny P.O. Box 361 462 Ocean Ave. Trinidad, CA 95570 (707) 442-4431

April 4, 2017

Chad Broussard Bureau of Indian Affairs Pacific Regional Office 2800 Cottage Way Sacramento, CA 95825

Re: Fee to Trust Petition of Cher-Ae Heights Indian Community of the Trinidad Rancheria

Dear Mr. Broussard:

I take his opportunity comment on the NEPA aspect of the Environmental Assessment (EA) on the proposed trust transfer referenced above.

It must first be stated that the Rancheria has done an outstanding job of preserving and improving the use of the harbor for commercial and recreational fishing for all who come to Trinidad for those and other recreational reasons. Trinidad harbor is one of only a few small ports in California that maintains its traditional charm, commercial functionality, and relatively undeveloped state.

And, the Rancheria has been generous to the local school and surrounding community with its casino revenues. It is a well-established part of the local social fabric. However, the improvements it proposes to its harbor property can and should be done without transferring the property into federal trust status. It is simply not necessary, and as set forth below, the subject property is totally unique in that it is the only year-round access for small boats to the Pacific Ocean between Eureka and Crescent City.

As a point of fact which is not clearly stated in the EA, the marine railway for launching and retrieving boats up to approximately 25 feet in length, erroneously referred to as the "boat launch ramp" in the EA, is only open from about May 1 through September 30 of each year. The rest of the time, the boating public uses

the beach adjacent to the boat launcher for access to the bay and the ocean beyond. This includes the currently very popular ocean kayaks, whose numbers are increasing steadily. I have been launching my boat there since approximately 1982. Exhibit 1 is a photograph of me, on the right, and my brother-in-law and nephew rowing out from the boat launch beach in the spring of 2001. It is extremely likely that this beach was used for that purpose by the original Yurok inhabitants, with their ocean-going redwood canoes, because it is the most sheltered spot from incoming ocean swells of any place in the bay. It is also extremely likely that the earliest European visitors, including Don Bruno de Hezeta, who claimed Trinidad Head for Spain on June 11, 1775, used that beach for the same reason.

As set forth in detail below, the EA does not comply with NEPA, because it does not acknowledge how placing the subject property into trust status may affect the boat launching beach, motorized access to Trinidad Head, and parking for Trinidad State Beach, among other things.

I. ANALYSIS

A. The EA Does not Take Into Account or Properly Interpret the Expansive Language Used in Title 40 of the Code of Federal Regulations

40 CFR §1508.3 provides as follows: "Affecting" means will **or may** have an effect on." (Emphasis provided.) The word "may," used in this context, is a term of expansion, not limitation. It is synonymous with "might," "could," or "possibly." As one federal district court has stated, "*Lincoln Properties* notes that because "the word 'may' precedes the standard of liability" Congress included expansive language intended "to confer upon the courts the authority to grant affirmative equitable relief to the extent necessary to eliminate *any risk* posed by toxic wastes." <u>California Dept. of Toxic Substances Control v. Interstate Non-Ferrous Corp.</u> (E.D. Cal. 2003) 298 F.Supp.2d 930, 980–81 (Emphasis in original.)

40 CFR §1508.8 further defines as follows: "Effects" include: (a) Direct effects, which are caused by the action and occur at the same time and place. (b) Indirect effects, which are caused by the action and are later in time or farther removed in distance, but are still reasonably foreseeable. Indirect effects may include growth inducing effects and other effects related to induced changes in the pattern of land use, population density or growth rate, and related effects on air and water and other natural systems, including ecosystems. Effects and impacts as used in these regulations are synonymous. Effects includes ecological (such as the effects on natural resources and on the components, structures, and functioning of affected

ecosystems), aesthetic, **historic**, **cultural**, economic, **social**, or health, whether direct, indirect, or cumulative. Effects may also include those resulting from actions which may have both beneficial and detrimental effects, even if on balance the agency believes that the effect will be beneficial." (Emphasis provided.)

"[T]he word 'including' in a statute is 'ordinarily a term of enlargement rather than limitation.' "(Hassan v. Mercy American River Hospital (2003) 31 Cal.4th 709, 717, 3 Cal.Rptr.3d 623, 74 P.3d 726; see People v. Western Air Lines, Inc. (1954) 42 Cal.2d 621, 639, 268 P.2d 723 ["The statutory definition of a thing as 'including' certain things does not necessarily place thereon a meaning limited to the inclusions"].) Ortega Rock Quarry v. Golden Eagle Ins. Corp. (2006) 141 Cal.App.4th 969, 982. That means that when the regulations state examples of things that are included in the term "effects," it is not meant to limit other things not listed, as also being "effects" for purposes of NEPA analysis.

40 CFR Sec. 1508.7 "Cumulative impact. "Cumulative impact" is the impact on the environment which results from the incremental impact of the action when added to other past, present, and **reasonably foreseeable future actions** regardless of what agency (federal or non-federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time." (Emphasis provided.)

40 CFR §1508.27 "Significantly. "Significantly" as used in NEPA requires considerations of both context and intensity: (a) Context. This means that the significance of an action must be analyzed in several contexts such as society as a whole (human, national), the affected region, the affected interests, and the locality. Significance varies with the setting of the proposed action. For instance, in the case of a site-specific action, significance would usually depend upon the effects in the locale rather than in the world as a whole. Both short and long-term effects are relevant. (b) Intensity. This refers to the severity of impact. Responsible officials must bear in mind that more than one agency may make decisions about partial aspects of a major action. The following should be considered in evaluating intensity: (1) Impacts that may be both beneficial and adverse. A significant effect may exist even if the federal agency believes that on balance the effect will be beneficial. (2) The degree to which the proposed action affects public health or safety. (3) Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas. (4) The degree to which the effects on the quality of the human environment are likely to be highly controversial. (5)

The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks. (6) The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration. (7) Whether the action is related to other actions with individually insignificant but cumulatively significant impacts. Significance exists if it is reasonable to anticipate a cumulatively significant impact on the environment. Significance cannot be avoided by terming an action temporary or by breaking it down into small component parts. (8) The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources. (9) The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973. 29 (10) Whether the action threatens a violation of federal, state, or local law or requirements imposed for the protection of the environment. [43 FR 56003, Nov. 29, 1978; 44 FR 874, Jan. 3, 1979]." (Emphasis provided.)

40 CFR § 1508.18 Major Federal action.

"Major Federal action includes actions with **effects that may be major** and which are potentially subject to Federal control and responsibility. Major reinforces but does not have a meaning independent of significantly (§ 1508.27). Actions **include** the circumstance where the responsible officials fail to act and that failure to act is reviewable by courts or administrative tribunals under the Administrative Procedure Act or other applicable law as agency action.

- (a) Actions include new and continuing activities, including projects and programs entirely or partly financed, assisted, conducted, regulated, or approved by federal agencies; new or revised agency rules, regulations, plans, policies, or procedures; and legislative proposals (§§ 1506.8, 1508.17). Actions do not include funding assistance solely in the form of general revenue sharing funds, distributed under the State and Local Fiscal Assistance Act of 1972, 31 U.S.C. 1221et seq., with no Federal agency control over the subsequent use of such funds. Actions do not include bringing judicial or administrative civil or criminal enforcement actions. (emphasis provided)
- (b) Federal actions tend to fall within one of the following categories:
- (1) Adoption of official policy, such as rules, regulations, and interpretations adopted pursuant to the Administrative Procedure Act, <u>5 U.S.C. 551et seq.</u>; treaties

and international conventions or agreements; formal documents establishing an agency's policies which will result in or substantially alter agency programs.

- (2) Adoption of formal plans, such as official documents prepared or approved by federal agencies which guide or prescribe alternative uses of Federal resources, upon which future agency actions will be based.
- (3) Adoption of programs, such as a group of concerted actions to implement a specific policy or plan; systematic and connected agency decisions allocating agency resources to implement a specific statutory program or executive directive.
- (4) Approval of specific projects, such as construction or management activities located in a defined geographic area. Projects include actions approved by permit or other regulatory decision as well as federal and federally assisted activities." (Emphasis provided.)

The correct interpretation of the above terms strongly supports the idea that the transfer to trust itself--because it is the end result of a specific BIA "policy and plan"-- must be analyzed for compliance with NEPA in the EA.

B. The EA is Inadequate Because it Fails to Consider the Reasonably Foreseeable Impacts From the Transfer of the Subject Property Into Trust Status

The EA limits its analysis to the possible effects of those aspects of the project meant to cure the problems identified in the cease and desist order issued by the State Water Resources Control Board, such as contaminants flowing from the paved parking area, identified as Bay Street in the EA, into the ocean. It must be noted here that, while eliminating such runoff is a laudable goal, the problem was caused by the Rancheria shortly after it acquired the property in 2000, when it paved the parking without a permit from the City of Trinidad or the California Coastal Commission. Ariel photos of the Humboldt County Planning Department confirm this. Viewed in that light, the question arises whether the BIA should be assisting the Rancheria in benefiting from its own wrongdoing.

The unique character of the subject property, combined with the unique status of property held in trust for the benefit of Indian tribes, makes clear that the very act of transferring the property into trust status poses a significant risk under the definitions set forth in Section A, above.

Article X, section 4 of the California Constitution provides: "No individual, partnership, or corporation, claiming or possessing the frontage or tidal lands of a harbor, bay, inlet, estuary, or other navigable water in this State shall be permitted to exclude the right of way to such water whenever it is required for any public purpose, nor to destroy or obstruct the free navigation of such water; and the Legislature shall enact such laws as will give the most liberal construction to this provision, so that access to the navigable waters of this State shall be always attainable for the people thereof." This provision was first adopted by the People as part of the Constitution of 1879, at the end of California's third decade as a state. (Grodin, Shanske & Salerno, The California State Constitution (2d ed. 2016) (Grodin) at pp. 248, 255; former Cal. Const., art. XV, § 2.

The subject property "fronts" on the tidal lands that comprise the boat launching beach, visible in photo No. 1 appearing at page 3-38 in the EA. At the highest tides, the ocean comes all the way up to the rocks appearing in the right side of the photo. Thus, there is no doubt that those lands are "tidal" and are owned by the State of California and under the jurisdiction of the State Lands Commission. These tidal lands are not part of the mooring field in the bay, which was given by the State Lands Commission to the City of Trinidad. As the United States Supreme Court has stated: "If tideland, the title of the state was complete on admission to the Union. No transfer to private parties was necessary to perfect or assure that title and no power of disposition remained with the United States." Borax Consolidated v. City of Los Angeles (1935) 296 U.S. 10, 19. And, "...by the common law, the shore 'is confined to the flux and reflux of the sea at ordinary tides.' Blundell v. Catterall, 5 B. & A. 268, 292. It is the land 'between ordinary high and low water mark, the land over which the daily tides ebb and flow. Id. at 22-23.

As the EA correctly points out, if the subject property is placed in trust status, there will be no state or local control over it, the Rancheria will be able to control it under the limited sovereignty it enjoys under federal law. Within the meaning of "significant" 40 CFR Sec. 1508.27 (3) the subject property possesses "[u]nique characteristics of the geographic area such as proximity to historic or cultural resources," namely, the historic entry point for vessels entering and leaving Trinidad Bay, and to fish the waters, a right considered so important, it is enshrined in the California Constitution.

If placed in trust status, the subject land will become "Indian country," a term of art, defined, as applicable to the Rancheria, as "all dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a state,..." 18 U.S.C.A. § 1151(b) (West).

The Rancheria will have inherent power to exclude nonmembers from the subject lands. Merrion v. Jicarilla Apache Tribe (1982) 455 U.S. 130, 159. Though the EA seeks to assure everyone that the Rancheria has no intention of doing so, the right of unfettered access to Trinidad Bay is too important to leave to the whim of future Rancheria members who might, for financial reasons, elect to impose a hefty fee for crossing their lands, or even make the area into a private resort for the wealthy.

One big difference between tribal governments and state or federal governments, is general transparency. Both state and federal laws include open meeting laws and public records laws that allow the citizenry to keep close track of what its governments are doing. The Rancheria is not required to share its internal affairs with anyone but its membership, or authorized federal or state officials. Therefore, it is very difficult for nonmembers to predict what the tribal government will do.

Under the expansive definition of 40 CFR 1508.3, it "may" well happen that a decision will be made to change course and exploit other financial aspects of the subject property. With no local or state control, that would be a detrimental "affect" on the rights of nonmembers who wish to exercise their historic and constitutionally guaranteed right to free access to the navigable waters of this state, or to insist on reasonable height limitations and other zoning related controls on development. In the parlance of 40 CFR, it is "reasonably foreseeable" that the trust transfer will lead to the impairment of access to the boat launcher beach, or other harms to nonmembers of the Rancheria.

Apparently, an agreement was made between the Rancheria and the California Coastal Conservancy to maintain "public access to the Trinidad Pier and associated marine access and recreational improvements (whatever that means) until 2032." (EA at 2-2) However, given the likelihood of the boat launch beach having been used by the Yuroks since time immemorial, and by Europeans since 1775, that is cold comfort for those who believe that its free and unfettered use should go on in perpetuity.

C. The EA Does not Provide Adequate Analysis of the Boat Launch Beach as a Traditional Cultural Property Under Section 106 of the National Historic Preservation Act (NHPA)

It cannot be gainsaid that the California Gold Rush was a major historical event in U.S. and world history. The gold acquired by the United States there propelled it on its course to becoming a world power. Of course, it is also undisputable that its impact on the Native Americans of California was disastrous. But for NEPA analysis, one culture's values cannot be placed above another's. It is simply a question of whether a place or thing qualifies under the standards set forth at 36 CFR Part 800.

The harbor in general, and as it applies to these comments, the boat launch beach in particular, is an "historic site" that should be eligible for inclusion in the National Register of Historic Places, as referenced at page 3-22 of the EA. As noted in the EA, until the discovery of Humboldt Bay, Trinidad was the port of access to the gold fields in the vicinity of the Trinity River, and thousands of people disembarked there.

Under the fourth bullet point at page 3-22 of the EA, transfer of the subject property to trust status may "change the character of the property's use," if the Rancheria invokes its self-determination power to exclude non-members or all but certain members of the public, from entering its lands in order to get to and from the boat launching beach. As pointed out earlier, this implicates a right protected by the California Constitution. The BIA has not done an adequate NEPA review until this issue is fully discussed in the EA.

The seventh bullet point is also implicated in that the trust transfer would be a "transfer...of the property out of federal control without adequate and legally enforceable restrictions or conditions to ensure long-term preservation of the property's historic significance." While technically, the property would be titled in the federal government's name, the beneficial ownership inures to the Rancheria, and under principles of sovereignty and self-determination, the BIA does not transfer property into trust subject to restrictions or conditions. City of Linclon v U.S. Department of Interior, 229 Fed.Supp.2nd 1109, 1124 (D.Ore. 2002). Therefore, as a practical matter, the Rancheria will be free to use the property as its sees fit, without regard to impacts to its historical uses.

The question naturally comes up as to why the Rancheria would ever want to significantly alter the historic uses of the subject property. The fact that it is currently pursuing the construction of a new freeway interchange and a 130-room hotel, would give a reasonable person pause on this issue. (Exhibit 2)

It must be understood that the Trinidad area is currently a living "picture post card," so stunning is the natural scenery. It is one of few places left in California still like that. It is respectfully submitted that a group that would so go against the values of the community at large by pursuing development that has such a drastic impact on the rural nature of the area, would also have no qualms about turning the subject property into an upscale resort, simply for the money it could bring in. Therefore, it is reasonably foreseeable that that will happen.

D. The EA Does not Demonstrate That the Yurok Tribe was Consulted as Part of the Section 106 NHPA Process

The archeological study discussed in the EA plainly states that the subject property is in the aboriginal territory of the Yurok Tribe. That tribe attained federal recognition in 1988 and is the largest tribe in California, with over 5,000 members. That the Rancheria has members who claim Yurok ancestry does not allow the EA to skip this important part of the cultural impacts analysis required by NEPA.

The EA at page 4-10 states, in error, that the project would increase the Rancheria's land base within its aboriginal territory. By the EA's own analysis, the Rancheria's aboriginal territory is the 60 acres it started with in 1908. The EA further arbitrarily and incorrectly describes the Rancheria's "traditional homeland" as a 20-mile radius around its current lands and labels this as its "area of interest." (EA at 1-7)

Page 3-22 lays out the seven criteria that 36 CFR Sec. 800.5(a)(2) provides, but it skips altogether the critical language that precedes those considerations.

36 CFR Sec. 800.4(a)(4) requires, in relevant part, that the agency official "Gather information from any Indian tribe....identified pursuant to § 800.3(f) to assist in identifying properties, including those located off tribal lands, which may be of religious and cultural significance to them and may be eligible for the National

¹ The 60- acre conclusion may also be in error. A map from the 1940's, attached as Exhibit 3, shows a parcel that appears to be much smaller than 60-acres as Indian Reservation. It is possible that by the time that map was made, some land was converted to individual allotments, or was sold to non-Indians.

Register...." (Emphasis provided.) Given this directive, it is shocking that the EA does not mention any consultation with the Yurok Tribe, whose aboriginal territory includes the subject property. It also should be understood that there is a local association of Indians who trace their lineage to the actual Yurok village located just east of the subject property, the Tsurai Ancestral Society. They have been very active for over 35 years in efforts to preserve and protect the village site and surrounding lands. They should also have been consulted as part of the NEPA process.

E. The Presence of the Access Road to Trinidad Head on the Subject Property and Parking for Trinidad State Beach are not Properly Addressed in the EA

Numerous exhibits to the EA show that the subject property is traversed by the paved road that goes up onto Trinidad Head, including Figure 1-3. While the EA correctly notes that most visitors walk up the trail, which appears to be located on the legal right of way, the road always has and does provide motorized access and is likely the subject of an implied dedication to public use going back to the time the lighthouse was built. Because the Rancheria will obtain the power to exclude non-members if the land is put into trust status, a discussion of this possibility must be included in the EA.

The same goes for the portion of Parcel 1 that is used for public parking for Trinidad State Beach, which starts just north of Trinidad Head.

Moreover, once the land goes into trust status, no public easements can be created on it by judicial action. This is because the federal Quiet Title Act, 28 U.S.C. Sec. 2409a (a) exempts Indian trust lands. Thus, the United States has not waived its immunity from suits which seek to establish, among other things, easements over land held in the federal government's name. Although the law is not entirely clear on the point, it appears that a suit to enforce an easement that already existed of record before the transfer into trust, would also be barred by the federal Quiet Title Act. These uncertainties highlight the point that the subject property is not a good candidate for transfer into trust status.

These issues are germane to the Land and Water resources elements, the Cultural Resources element, Transportation and Circulation, and Land Use elements of the EA.

II. CONCLUSION

The EA does not adequately analyze the impact of the trust transfer itself under the criteria for NEPA. The definitions for 40 CFR Sec. 1508 show that NEPA was intended to cast a wide net to ensure that its purposes are achieved. Important issues are not discussed in the EA at all. As to the claim that it is not reasonably foreseeable that the Rancheria will eventually put the property to a use other than what they state, 40 CFR §1508.27 (5) comes into play, as defining "significantly": "The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks." The subject property is unique in that it is the gateway to the boat launch beach, Trinidad Head, and Trinidad State Beach. It has tremendous historical significance as the port of entry to the northern part of the Gold Rush. Users of coastal resources and the State of California have an interest in protecting public access, not just for a period of years, but in perpetuity for future generations. The risk is that the Rancheria is not required to share those concerns. It is only required to provide for its members, and it is not required to conduct its governmental activities open to the public. The future of such a unique property should not be put into the hands of a semi-sovereign whose interests do not necessarily align with those of the other U.S. citizens.

At the very least, an Environmental Impact Statement should be prepared, after consulting with all interest parties and properly interpreting the NEPA guidelines. Or, more appropriately, it should be acknowledged that the Alternate B, no project alternative, is the appropriate one, owing to the unique status of the property and the legal principles applicable to it. The Rancheria will not be prohibited from carrying out its laudable efforts to improve storm water drainage, as a result of that.

Respectfully Submitted,

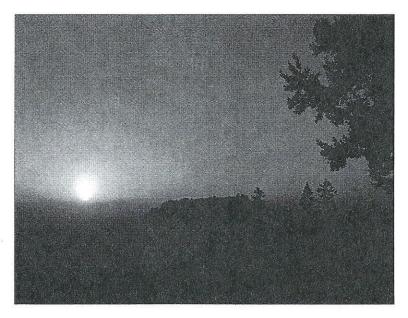
J. Bryce Kenny



Exhibit"1"

CHER-AE HEIGHTS INDIAN COMMUNITY

of the Trinidad Rancheria



Comprehensive Community-based Plan

DRAFT June 2011

prepared by the

Local Government Commission

Opticos Design, Inc.

Sherwood Engineers

Exhibit "Z"

or are primarily used by tribal members, may be designated as IRR's. The Bureau of Indian Affairs and the Federal Highway Administration through an interagency agreement jointly administer the Federal Land Highway Program's IRR program (*Cher-Ae Heights Indian Community of the Trinidad Rancheria Tribal Transportation Plan 2006 - 2026*, Winzler & Kelly Consulting Engineers, March 15, 2006).

The Yurok Tribe's ancestral territory includes routes along State Highways 101, 299, 96, and 169 along with numerous other roads and routes throughout Humboldt and Del Norte Counties. State Highway 299 is already designated as a National Forest Scenic Byway (Smith River Scenic Byway) extending from Jedediah Smith State Park to the Oregon border in Del Norte County. State Highway 96 is also designated as a National Forest Scenic Byway (Big Foot Scenic Byway) extending from Willow Creek to Happy Camp in Humboldt County. Both of these scenic byways are administered by Six Rivers National Forest. State Highways are administered by the California Department of Transportation (Caltrans). Local county roads are usually administered by the county public works department (A History of Transportation on the Yurok Indian Reservation, Humboldt and Del Norte Counties, California, Yurok Tribe, Winzler & Kelly, Consulting Engineers, January 18, 2005).

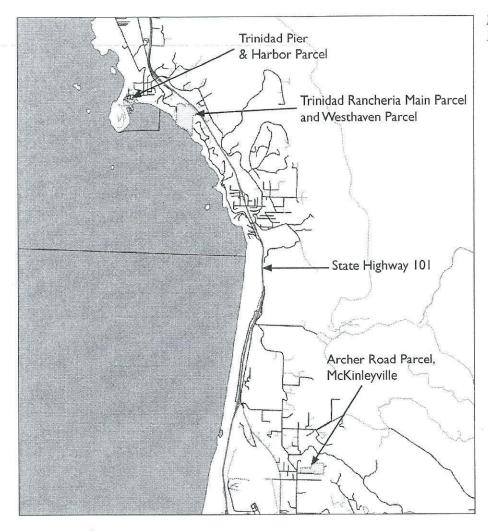
Highway 101 Interchange Design Fair (August 2009)

On May 17 – 21, 2009, the Trinidad Rancheria and the City of Trinidad invited Tribal members, community members, and other stakeholders to come together and share their vision for the future of the Trinidad Rancheria and surrounding communities by participating in a Community Design Fair. The four-day Design Fair focused on creating a community vision for a livable and walkable community, the incorporation of cultural values and highlighted the proposal for a new Highway 101 Interchange to the Trinidad Rancheria. The overall theme of the Design Fair was:

Noo-kwo-mey (Yurok) "Gather together, bring together"

The Trinidad Rancheria is developing a Comprehensive Plan that identifies long-range planning goals for member services, housing, economic development, land use, harbor planning, transportation, and environmental issues. The Trinidad Rancheria's proposal to construct an interchange from Highway 101 to the core landholdings of the Tribe, near the City of Trinidad, is pertinent to all other future planning efforts.

Currently, the only automotive access to the Rancheria is by way of Scenic Drive, a two-lane, three-mile-long road that parallels U.S. Highway 101 along the west side from the City of Trinidad to the north and Moonstone and Westhaven communities to the south. Scenic Drive was constructed in the early 1920s on the face of a steep bluff adjacent to the Pacific Ocean, and has experienced extensive damage associated with slope instability and



Left: Map of Highway 101 access to Rancheria properties.

bluff erosion at several locations. Scenic Drive is subject to regular road closures because of its inherent instability (*Honoring the Past...Looking toward the future, Trinidad Rancheria Highway 101 Interchange Community Design Fair,* Local Government Commission, June 2009).

The Design Fair followed a 4-step process to engage the community in identifying values, priorities, and general agreement on options.

Accordingly, the Design Team explored a variety of design geometries and proposed four different options:

- Option 1 Bicycle/pedestrian overpass
- Option 2 Overpass from Rancheria West to Westhaven Drive without on/off ramps
- Option 3 Interchange with On/Off Ramps and access to the Rancheria only.
- Option 4 Interchange with On/Off Ramps and a bridge that connects the Rancheria to Westhaven Drive.

Over the years, updated and expanded facilities of competitors (Blue Lake Rancheria, Bear River Band of the Wiyot Tribe) have placed the Trinidad Rancheria at a competitive disadvantage (*Preliminary Assessment of Development Opportunities on Tribal Coastal Property, Trinidad, Humboldt County, California*, Economics Research Associates, August 2007).

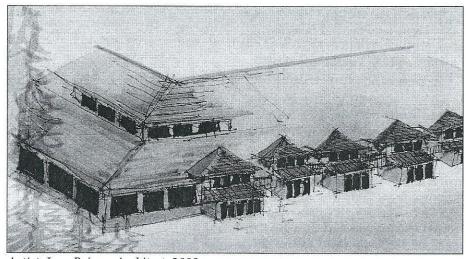
New Casino Hotel

The study suggested that increasing competitiveness, mostly through facility improvement, could generate about \$11 million in gross gaming revenue from the regional day trip market, an increase of about 33 percent over current levels. Additionally, the opportunity exists to augment the market through capturing overnight visitors with a casino hotel.

Due to the differences in guest experience, the overnight market does not merely shift revenue away from the day trip market but adds to the day trip market (Economics Research Associates, August 2007).

The study further concluded that a 130-room casino hotel positioned as a 3.5 star property ranks highest among the uses and capital projects evaluated and promises a strong economic performance based on two factors: 1) the hotel would produce substantial incremental gaming revenue; and 2) the existing casino would somewhat reduce the building requirements of the hotel as the Sunset Restaurant already exists. The casino hotel would incorporate about 50 rooms for resort-oriented guests (Economics Research Associates, August 2007).

The study also looked at a smaller "boutique" hotel of 50-75 rooms, though the economics of a traditional resort-hotel are marginal. The economics could be improved by marketing the hotel units as condominiums. Another alternative involves broadening the casino hotel concept to a position as a resort-casino hotel, whereby the market for the boutique hotel can at least be partially captured (Economics Research Associates, August 2007).



Artist: Joan Briggs, Architect, 2009

Left: An artist's sketch illustrates a new hotel built on top of the existing casino & bingo hall with expansive westerly views of the Pacific Ocean and coastline.

