

SUMMARY

The Confederated Tribes of the Warm Springs Reservation of Oregon (Tribe) has submitted an application to the Secretary of the Interior, through the Bureau of Indian Affairs (BIA), for a fee-to-trust transfer of approximately 25 acres of land within the City of Cascade Locks, Oregon. The Tribe would develop a resort and casino on the land after it is acquired in trust. The purpose of and need for agency action is to improve the Tribe's long term economic conditions, and support its self-sufficiency. The BIA is preparing this Environmental Impact Statement (EIS) in accordance with the National Environmental Policy Act (NEPA).¹

Purpose of the EIS

NEPA requires federal agencies to prepare a detailed statement on the environmental impacts of "major federal actions significantly affecting the quality of the human environment." NEPA mandates that the EIS determine, characterize, analyze, and document the project's environmental impacts, as well as specify possible mitigation of adverse effects. The EIS is used, along with other relevant information, by federal officials in making decisions.

An essential element of the NEPA process is interactive public participation, whereby a Draft EIS is published and comments are solicited from the general public and interested parties (including governmental entities, regulatory agencies, Indian tribes, and organizations). These comments may range from simple statements of support or opposition to complex technical discussions of project alternatives, study methods, determination and characterization of impacts, and mitigation recommendations. The Final EIS documents and responds to all substantive comments on the Draft EIS. An additional 30-day period follows publication of the Final EIS, and responses to comments received during that period will be documented in a Record of Decision.

Organization of the EIS

This document is the Draft EIS for the Cascade Locks Resort and Casino Project. The Draft EIS is organized as follows:

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¹ National Environmental Policy Act (NEPA) of 1969 (Public Law 91-190, 42 United States Code (USC) §§ 4321 *et seq.*)

Proposed Action

The Secretary of the Interior, through the Bureau of Indian Affairs (BIA), is proposing to approve an application by the Confederated Tribes of the Warm Springs Reservation of Oregon (Tribe) for the fee-to-trust transfer of approximately 25 acres of land within the City of Cascade Locks at the Port of Cascade Locks Industrial Park, Hood River County, Oregon. After transfer, the land would be used for the development of a casino and related entertainment facilities (including dining venues, hotel, spa, and cultural experiences). The Tribe would also lease adjacent lands (approximately 35 acres) from the Port of Cascade Locks for ancillary facilities associated with the proposed project, including parking, site drainage, and utilities connections. The proposed project also would include the local transportation system improvements necessary to provide access to the proposed development, as well as the addition of a new interchange on Interstate 84 (I-84). For purposes of this EIS, the “proposed action” refers specifically to BIA’s trust acquisition of 25 acres in Cascade Locks. The “proposed project” refers to the development of the Cascade Locks Resort and Casino and associated facilities, including transportation improvements.

Purpose of and Need for Agency Action

At present, the Tribe faces a serious financial situation caused by steadily declining tribal revenues and shrinking tribal budgets against a backdrop of a rapidly growing and youthful tribal population with significant unmet social and economic needs, including health care, housing, education, employment, and job skills training. The Tribe’s “Adjusted Governmental Needs” unmet by current revenues are approximately \$26 million per year. This shortfall is expected to increase as revenues continue to decline and tribal membership grows. The unmet governmental needs hinder the Tribe’s ability to adequately support tribal self-sufficiency, tribal investment in its economic and social services infrastructure, or tribal government provision of benefits and services to tribal members or to otherwise support the health and well being of the tribal community.

Therefore, the purpose of and need for BIA action is to improve the Tribe’s long term economic condition, and support its self-sufficiency, both with respect to its government operations and its members.

Summary of the Proposed Project and Alternatives Considered

NEPA requires an EIS to consider a reasonable range of alternatives that could meet the purpose and need. The Draft EIS for the Cascade Locks Resort and Casino Project evaluates the following alternatives:

- No Action Alternative
- Cascade Locks Resort and Casino Project
- Hood River Alternative
- Warm Springs Alternative

The following are brief descriptions of the alternatives.

No Action Alternative

Under the No Action Alternative, 25 acres of the Port of Cascade Locks Industrial Park property within the City of Cascade Locks would not be placed into federal trust for the benefit of the Tribe. Neither the 25-acre parcel nor the adjacent 35 acres of the Port’s Industrial Park property

would be developed as a resort and casino, and access to I-84 at Forest Lane would not be modified. Land use jurisdiction of the property would remain with the City of Cascade Locks.

The Tribe would continue to operate its gaming facility at the Kah-Nee-Ta High Desert Resort and Casino and seek other ways to improve its revenues. The Tribe has trust and fee land in Hood River County that it could use for economic development. The fee land in Hood River could be harvested for timber, mined for gravel, or sold. Such activity could require compliance with the Columbia River Gorge National Scenic Area Act. The trust land could also be used for timber harvest or gravel mining, or it could be developed for commercial use, such as a casino. Some activities on the trust land would require review and approval by the BIA.

Cascade Locks Resort and Casino Project

The Tribe seeks a fee-to-trust transfer of approximately 25 acres for the development of gaming and related entertainment facilities. These 25 acres are part of a 120-acre tract of industrial lands located at the eastern edge of the City of Cascade Locks, within the Port of Cascade Locks Industrial Park. In addition to the fee-to-trust parcel, the Tribe intends to lease approximately 35 acres of adjacent lands from the Port of Cascade Locks for ancillary facilities associated with the resort and casino (including parking, site drainage, and utilities connections). The Tribe also proposes to develop a new interchange on I-84 near the existing Forest Lane overpass of I-84. The fee-to-trust transfer is subject to Section 20 of the Indian Gaming Regulatory Act (25 USC § 2719) and requires the Secretary of the Interior to determine that gaming on the newly acquired land (1) would be in the best interest of the Tribe and its members, and (2) would not be detrimental to the surrounding community.

Financial projections indicate that the Cascade Locks Resort and Casino would allow the Tribe to meet its tribal government needs by 2011 and, in following years, to provide financial resources to allow existing tribal enterprises to expand and new ventures to be developed. With the new casino in Cascade Locks, the Tribe would discontinue casino operations at Kah-Nee-Ta.

The fee-to-trust transfer is connected to the agreements set forth in the Tribal-State Compact signed by the Tribe and the Governor of Oregon on April 6, 2005. The compact includes provisions for preserving the Tribe's Hood River trust and fee lands. Under the compact, the Tribe agrees to:

- Convey to the State a perpetual conservation easement over the Tribe's Hood River trust land to prevent gaming or other future development of that land (except for limited recreational development);
- Grant to the State a perpetual conservation easement over the Tribe's Hood River fee lands and transfer ownership interest of those fee lands to the State of Oregon, through the Oregon Parks and Recreation Department, to the greatest extent legally permissible; and
- Convey to the State a perpetual road easement to settle the parties' dispute regarding title to the Historic Columbia River Highway.

Initial plans for the destination resort and casino include an approximately 90,000-square-foot gaming casino, 250-room hotel, meeting and convention facility, spa and fitness center, retail shops, cultural and interpretive center, child program center (short-term daycare facility), and a variety of dining options. The resort and casino building would be located entirely on the 25-acre fee-to-trust parcel. Parking would be provided for approximately 3,700 vehicles in a 3-story garage and in surface lots. Operation of the proposed resort and casino would require a staff of approximately 1,700.

To provide adequate vehicular access to the Port of Cascade Locks Industrial Park, as well as to the resort and casino, the Tribe proposes to finance construction of a full interchange with I-84 at the approximate location of the existing Forest Lane overpass. The proposed interchange is a fully directional interchange with direct connectivity to I-84 at Forest Lane. The new full interchange would require closure of adjacent partial interchanges (Herman Creek Interchange and the westbound off-ramp of the East Cascade Locks Interchange) to meet interchange spacing standards. The BIA prepared an Access Point Decision Report, a requirement of the Federal Highway Administration (FHWA) and Oregon Department of Transportation (ODOT) as part of the review and approval process for modifying access to an interstate facility.

Hood River Alternative

Hood River Alternative would involve development of a casino on the 40-acre parcel of the Tribe's trust land east of the City of Hood River in Hood River County, Oregon. The development would include parking, storm water treatment, water supply, and wastewater facilities. The development proposed in the Hood River Alternative would be smaller than the Cascade Locks proposal, and would consist of a casino building with restaurant and entertainment facilities, administrative office space, and parking. There would be no hotel, meeting and convention facility, or spa and fitness center, or other entertainment venues. Operation of the proposed casino would require a staff of approximately 750. With the new casino in Hood River, the Tribe would discontinue casino operations at Kah-Nee-Ta.

Option A of the Hood River Alternative would place facilities related to water supply, wastewater treatment, and storm water treatment on trust land. Other than the access road, there would be no development related to the casino off the trust land.

Option B of the Hood River Alternative would make use of six parcels (totaling approximately 175 acres) that are next to or near the trust land for the development of ancillary facilities to the casino, including parking, storm water treatment, water supply, and wastewater facilities. These six parcels are currently owned in fee by the Tribe. To develop these adjacent parcels with ancillary facilities to the casino, the Tribe would seek a fee-to-trust transfer of all six parcels.

For both Options A and B, the casino building would be accessed along a newly constructed road that would connect with the Historic Columbia River Highway approximately 450 feet east of its intersection with OR 35. The casino access road would roughly parallel the Historic Columbia River Highway, crossing over it at one point.

Financial forecasts indicate that the Hood River Alternative would allow the Tribe to meet its tribal government needs by 2014 and in following years provide financial resources to allow existing tribal enterprises to expand and new ventures to be developed.

Warm Springs Alternative

Under this alternative, the Tribe would construct a casino on the existing Warm Springs Indian Reservation along US 26. The casino would be located on a 36-acre former gravel pit site approximately 1 mile west of the community of Warm Springs. The site is adjacent to US 26 and, therefore, more visible to travelers between Portland and Central Oregon and more likely to attract visitors than the existing casino at Kah-Nee-Ta. While a location directly accessible from US 26 may encourage visitors, market studies indicate the distance from the Portland metropolitan area would reduce the number of visitors, and therefore, the potential to generate revenue.

Although this alternative would provide a source of revenue to the Tribe, it would not generate sufficient income to fully meet the Tribe's financial need. Thus, it is reasonable to expect that the Tribe would seek other sources of income. As with the No Action Alternative described above, the Tribe may plausibly decide to use its fee and trust land east of Hood River for timber harvest or gravel mining. The fee land could be sold; the trust land could be developed with commercial uses. Some activities on the trust land would require review and approval by the BIA.

The proposed casino building would be a single-story structure with a gross footprint of 51,000 square feet. Nongaming facilities would include two dining areas: a 106-seat buffet and a 42-seat deli. Operation of the proposed casino would require a staff of approximately 310 employees. Under the Warm Springs Alternative, gaming activities at Kah-Nee-Ta would be replaced by the new casino.

Environmental Consequences and Mitigation

This EIS evaluates the potential impacts of the proposed Cascade Locks Resort and Casino Project, the Hood River Alternative, the Warm Springs Alternative, and the No Action Alternative on land resources, land use, water resources, air quality, biological resources, cultural resources, socioeconomic conditions, resource use patterns, transportation systems and traffic, noise, scenic resources and visual quality, and hazardous wastes and materials. This EIS characterizes the direct, indirect, and cumulative effects of the proposed project and alternatives and identifies mitigation measures and the parties responsible for implementing such measures. The environmental consequences and mitigation measures associated with the key issues related to each of the alternatives are described below.

No Action Alternative

The No Action Alternative would have no direct effect on the natural or human environment of Cascade Locks, Hood River, or Warm Springs in the near term. Future development at the Port of Cascade Locks Industrial Park site could occur and would likely be consistent with the current zoning of the site (industrial) and limited by the indirect access to I-84 and the at-grade crossing of the UPRR tracks. The No Action Alternative could result in the Tribe's use of tribal trust and fee lands in Hood River. The fee land could be harvested for timber or mined for gravel. The trust land could also be used for timber harvest or gravel mining, or it could be developed for commercial use. Future use of the Warm Springs site could involve construction equipment staging or gravel extraction, similar to recent and past uses.

Under this alternative, the Tribe would continue to face a serious financial situation caused by steadily declining tribal revenues and shrinking tribal budgets. The Tribe has identified an existing annual governmental need (budget shortfall) of \$26 million. With the projected growth in the tribal population, the social and economic needs of the community (e.g., health care, housing, education, employment, and job skills training) will continue to rise, resulting in greater governmental need.

Although the No Action Alternative would result in no substantial adverse impact to the human and natural environment in the three study areas, it would adversely affect the Tribe's ability to improve its financial position and provide crucial government services to tribal members. The No Action Alternative would not meet the purpose of and need for the proposed action, which is to improve the Tribe's long-term economic condition and support its self-sufficiency.

Cascade Locks Resort and Casino Project

The proposed Cascade Locks Resort and Casino project would be developed within the urban growth boundary of Cascade Locks at the Port of Cascade Locks Industrial Park. Because the proposed facilities are within the urban growth boundary of Cascade Locks, the proposed project would be exempt from the requirements of the Columbia River Gorge National Scenic Area Act and Management Plan. The proposed project would be consistent with the intent of the Act, which encourages growth and economic development in urban areas of the Columbia River Gorge. The project site is zoned for industrial use and the proposed use of the lease parcels would be consistent with this zoning. The fee-to-trust parcel would be exempt from local zoning requirements once it is brought into trust. Once the parcel is in trust, it would be managed under Tribal code (Ordinance 56 - Zoning and Land Use Code). Most of the project site has been disturbed by fill and previous development.

The proposed project would create over 2,000 jobs in the region (i.e., total direct, indirect, and induced jobs; see Table 2-1). Housing needs and other development that would occur as a direct or indirect result of the proposed project would contribute to the economic growth of Cascade Locks and the surrounding communities, and would be in conformance with growth management plans and other land use plans and policies. The demand on public services would increase but could be addressed with revenues from the Community Benefit Fund.

Transportation improvements associated with the proposed project would contribute to the improvement of the Cascade Locks traffic circulation system by providing needed direct access to the Port's Industrial Park with a fully directional interchange at the existing Forest Lane overpass. With a new interchange, ramps at adjacent interchanges would be closed to bring the interchanges in Cascade Locks closer to ODOT's interchange spacing standards. Traffic accessing downtown from east of Cascade Locks would use the new Forest Lane Interchange and Frontage Road or Forest Lane to reach WaNaPa Street. Travel times on these new routes would be 1 minute and 21 seconds longer (via Frontage Road) to 1 minute and 37 seconds longer (via Forest Lane) than existing conditions.

Increased traffic associated with the resort and casino would contribute incrementally to regional congestion on westbound I-84. The Tribe would work, in consultation with ODOT, to minimize the effect of traffic generated by the resort and casino on I-84 mobility. The BIA would work with ODOT to develop an Interchange Area Management Plan to protect the function of the interchange and ensure safe and efficient operation between the interchange and connecting roadways.

Increased traffic on the Historic Columbia River Highway in Cascade Locks (Forest Lane and WaNaPa Street) would not affect the integrity of that resource. New roadway construction would alter a 1,400-foot segment of the historic highway (Forest Lane immediately west of its intersection with Port Industrial Parkway). BIA recommends a finding of no adverse effect on this segment of the historic highway with conditions to protect the integrity of the resource. These conditions are to be developed with the Historic Columbia River Highway Advisory Committee and the signatories of the Programmatic Agreement for the historic highway as it passes through the city of Cascade Locks (i.e., FHWA, ODOT, SHPO, City of Cascade Locks, and Hood River County). The proposed project would not affect the setting of this segment of the historic highway, which is currently rural industrial.

Temporary disturbance to bald eagle (listed as "threatened" under the Federal Endangered Species Act) forage habitat in Columbia River shoreline and adjacent open water areas could occur as a result of construction noise; however, no loss to the species population or long-term

change in forage activity is anticipated. Noise muffling devices would be used on all construction equipment to minimize this disturbance. Construction related to the widening of the I-84 bridge over Herman Creek would disturb the stream channel and riparian vegetation, adversely affecting Lower Columbia River Chinook, coho, and steelhead (listed as threatened under the Federal ESA) and their critical habitat. To minimize these effects, in-water work would be isolated from the stream and fish would be moved outside of the construction area. The storm water management system for the site would minimize pollutant discharge to fish-bearing streams, resulting in no long term adverse effect on listed species or their habitat. Additional avoidance, minimization, and conservation measures for project construction and operation may be agreed upon by federal government representatives as conditions of the final federal Letter of Concurrence or Biological Opinion. These measures would be incorporated into the project design, construction, and operating plans.

The proposed project would have a low to medium impact on scenic resources within the project vicinity. The visibility of the resort and casino building from key viewing area is low as a result of the topography, which permits only limited visibility from key viewing areas. The new Forest Lane Interchange and associated roadway improvements would be most visible from I-84 within the urban growth boundary. Removal of mature trees in the interchange area would have a negative visual impact (medium), whereas removal of industrial facilities on Forest Land to construct the loop road and Forest Lane/UPRR overpass would have a positive visual impact (low).

The Tribe would grant to the State a perpetual conservation easement to the Tribe's Hood River trust and fee lands, which are within the Columbia River Gorge National Scenic Area. The easement would prohibit development of those lands (except limited recreational development) and would contribute to the long-term protection of scenic, natural, and cultural resources in the region.

Hood River Alternative

The Hood River Alternative (Options A and B) would provide sufficient revenue for the Tribe to address its current shortfall of \$26 million in governmental needs within seven years of opening. This alternative would provide capital for investment in tribal infrastructure and enterprises that can create long-term economic stability and self-sufficiency for the Tribe. With this alternative, the Tribe would meet the social and economic needs of its members.

The Hood River Alternative would convert currently undeveloped lands surrounded by lands zoned Forest, Open Space, and Public Recreation to develop an eight-story commercial building and related facilities. Option A would site all project facilities on 23 acres of the Tribe's 40-acre trust parcel south of the Historic Columbia River Highway. Option B would site project facilities on 27 acres of trust and fee-to-trust parcels totaling 223 acres. Both options would require 5.5 acres of easement for the casino access road. Option B would convert 174 acres of land currently protected by the Columbia River Gorge National Scenic Area into trust land. Trust lands area exempt from regulatory authority of the Columbia River Gorge National Scenic Area Act and Management Plan.

The Hood River Alternative would result in loss of forested habitat, primarily coniferous and deciduous forest and oak woodland that provides diverse and intact wildlife habitat for a variety of birds, small and large mammals, reptiles, amphibians, and invertebrates for most of the year. Species within the vicinity of the Hood River Alternatives could also be adversely affected by noise, light, and overall human presence resulting from a casino. Impacts to Federal ESA listed species are not anticipated.

The Hood River Alternative would have an adverse effect on the Historic Columbia River Highway. The overpass for the casino access road and the casino structure would alter the visual setting for the highway, and increased auditory elements from facility operations and traffic along the casino access road would compromise the integrity of the highway's historic character. Additional traffic on a small segment of the historic highway (i.e., 450 feet from OR 35 to the casino access road) would also adversely affect this resource.

The Hood River Alternative would result in net employment growth of approximately 1,100 jobs in the region. Housing needs and other development that would occur as a direct or indirect result of the Hood River Alternative would contribute to the economic growth of Hood River and the surrounding communities, and would be in conformance with growth management plans and other land use plans and policies. The demand on public services would increase but could be addressed with revenues from the Community Benefit Fund.

Under the Hood River Alternative, the clearing of trees, substantial excavation of the hillside and construction of the casino and access road would alter the scenic resources within the vicinity. The scenic resources and key viewing areas of the Columbia River Gorge, as identified in the Columbia River Gorge National Scenic Area Management Plan, would be adversely affected by a new, visually dominant feature in the natural landscape. Impacts would be low/medium (i.e., in the view from the Historic Columbia River Highway of access road overpass) to medium/high (i.e., view from Washington near SR 14 to the project site).

The intersection of OR 35 and the Historic Columbia River Highway in Hood River currently operates at unacceptable levels and casino traffic at the intersection would exacerbate this problem. Opportunities for adding capacity at this intersection have been investigated in previous studies (ODOT 2005b), but are limited by the presence of the historic highway and the physical constraints of this area (topography, the Hood River). The Hood River Alternative would adversely affect traffic mobility on the interstate system at the Exit 63/Exit 64 westbound weave section by exceeding ODOT's mobility standard for that section. A proposed improvement to divert local trips from the interstate (identified in a study specifically related to Exit 64; Parsons Brinkerhoff, 2005) would bring mobility on the interstate to an acceptable level with the Hood River Alternative. The Tribe would work, in consultation with ODOT, to minimize the effect of traffic generated by the casino on the Exit 63/Exit 64 westbound weave section.

Warm Springs Alternative

Revenues from the Warm Springs Alternative would not reach levels to satisfy the Tribe's current shortfall of \$26 million within 10 years. Considering that the Tribe's current shortfall is expected to increase as revenues continue to decline and tribal membership grows (see Section 1.3.2), it can be inferred that the shortfall would be more than \$26 million in 10 years. With insufficient revenue to provide capital for investment in tribal infrastructure and enterprises, this alternative would not create economic stability and self-sufficiency for the Tribe. This alternative would not improve the Tribe's long-term economic condition.

The Warm Springs Alternative would be developed on lands currently designated for agricultural use (grazing) and would require a conditional use permit or zoning change; however, because the site has been used as a gravel pit and construction staging and material storage area, the effect on land use would be minor.

The available habitat on the site is limited as a result of grazing and past mining operations. An ephemeral stream and riparian habitat along Shitike Creek could be disturbed by utility line construction; however, these effects would be minimized by placing the utilities in existing

roadbeds. Storm water runoff from the casino site would be managed to minimize adverse effects to Shitike Creek water quality and aquatic habitat.

Construction of the proposed interchange with US 26 would eliminate 11 known archaeological sites. These effects could be mitigated with subsurface investigation, appropriate documentation, and retrieval. The Warm Springs Alternative also would have an indirect adverse effect on a cemetery north of the site by creating a visual intrusion in the traditional use of the cemetery and diminish the quality of the cemetery.

Operations of the Warm Springs Alternative would result in net employment growth in the region of 400 jobs. Housing needs associated with new jobs in the region would place additional demand on the Warm Springs Indian Reservation, which currently experiencing a housing shortage. The demand on public services would increase but could be addressed with revenues from the Community Benefit Fund.

The Warm Springs Alternative would require the construction of a new interchange on US 26 to provide safe access to the site, although access in this expressway section of US 26 may not comply with ODOT requirements. The Tribe would coordinate with ODOT to develop acceptable access to the site from US 26. With the addition of the Warm Springs Alternative, traffic volumes on US 26 and other roads in the region would meet ODOT mobility standards.

Although the development would be visible from US 26 and some rural areas within and surrounding the Warm Springs community, the effect of the development on visual resources would be minor.

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