

United States Department of the Interior

OFFICE OF THE SECRETARY Washington, DC 20240

JAN 19 2017

The Honorable Bill Anoatubby Governor, The Chickasaw Nation P.O. Box 1548 Ada, Oklahoma 74821

Dear Governor Anoatubby:

On June 17, 2014, the Chickasaw Nation (Nation) submitted to the Bureau of Indian Affairs (BIA) an application to acquire in trust approximately 30.05 acres known as the Terral Site located near the town of Terral in Jefferson County, Oklahoma, for gaming and other purposes.' The Terral Site is located within the Nation's former historic reservation boundaries.

The proposed gaming facility will consist of 37,197 square feet with a 22,153 square-foot gaming floor comprised of approximately 500 class II and class III gaming machines, table games, and off-track betting amenities. The remainder will be used for offices, back-of-the house activities, a restaurant, and the Nation's Office of Gaming Commissioner. Approximately 715 surface-level parking spaces would be constructed to accommodate patrons and employees. Approximately 10.48 acres will be reserved for a greenbelt for native vegetation and habitat.

We have completed our review of the Nation's request and supporting documentation. As discussed below, it is my determination that the Terral Site will be acquired in trust for the benefit of the Nation.

Background

The Nation historically occupied its homelands in Mississippi, Alabama, Tennessee, and Kentucky.² Through treaties in the early 1800s, the Nation ceded its ancestral lands east of the Mississippi River. 3 Ultimately, through the Treaty of 1832, the Nation ceded the remainder of

Letter from Bill Anoatubby, Governor, the Chickasaw Nation, to Ashley Large, Superintendent, Bureau of Indian Affairs, Chickasaw Agency (June 17, 2014) [hereinafter Nation's Application], in Memorandum from Regional Director, Eastern Oklahoma Region, to Deputy Director, Office of Indian Gaming (April 26, 2016) [hereinafter Regional Director's Recommendation], Attachment I. On November 19, 2014, the Nation withdrew its request for the trust acquisition, *see* Letter from Cody Simmons, Realty Manager, the Chickasaw Nation, to S. Ashley Large, Superintendent, Chickasaw Agency (Nov. 19, 2014), in Regional Director's Recommendation, Attachment I, and resubmitted it on April 14, 2015. On March 2, 2016, the Nation submitted additional documentation to support its application. *See* Letter from Bill Anoatubby, Governor, the Chickasaw Nation, to S. Ashley Large, Superintendent, Bureau ofIndian Affairs, Chickasaw Agency (March 2, 2016) [hereinafter Nation's Supplement], in Regional Director's Recommendation, Attachment I.

² Nation's Supplement at 5.

its lands in exchange for land west of the Mississippi River. The boundaries of the Nation's reservation in Oklahoma were finally established by the Treaty of 1855.

In 1897, under the authority of the General Allotment Act, the Nation joined the Choctaw Nation in negotiations with the Dawes Commission.⁶ The two Nations signed the Atoka Agreement in 1897 that provided for the allotment of the lands of both Nations.⁷ Through the allotment process, the Chickasaw Nation lost most of its tribal lands.⁸ By 1920, it is estimated that 75% of the Nation's land, or 4.7 million acres, no longer belonged to Chickasaw members.⁹ The Nation once held title to approximately 4,707,081 acres of land.¹⁰ The Nation currently owns approximately 6,177.011 acres of trust land, only 0.13% of its land base prior to allotment.¹¹ Allotment also resulted in a checkerboard of alternating slate and tribal jurisdiction that has compromised the Nation's self-determination and continues to negatively impact the Nation's social and economic goals.¹²

Description of the Property

The Nation owns the Terral Site in fee. B The legal description is enclosed as Enclosure I.

Eligibility for Gaming Pursuant to the Indian Gaming Regulatory Act

The Indian Gaming Regulatory Act (IGRA) was enacted "to provide express statutory authority for the operation of such tribal gaming facilities as a means of promoting tribal economic development, and to provide regulatory protections for tribal interests in the conduct of such gaming." ¹⁴ Section 20 of IGRA generally prohibits gaming activities on lands acquired in trust by the United States on behalf of a tribe after October 17, 1988. ¹⁵ However, Congress expressly provided several exceptions to the general prohibition. One such exception exists for lands located within the fonner reservation of an Oklahoma tribe who did not have a reservation on October 17, 1988 (Oklahoma Exception)."

'See Id.

⁴ Treaty with the Chickasaw, Oct. 20, 1832, 7 Stat. 381.

⁵ Treaty with the Choctaw and Chickasaw, June 22, 1855, 11 Stat. 611.

⁶ See Nation's Supplement at 7.

In 1898, Congress enacted the Curtis Act, 30 Stat. 495, which ratified the Atoka Agreement.

⁸ See Nation's Supplement at 7.

⁹ See Nation's Application at 7.

¹⁰ See Revised Proposed Findings of Fact (July 6, 2016) [hereinafter Regional Director's Revised Findings of Fact] at 9 (on file with the Office of Indian Gaming).

¹¹ See Id. at 9-10.

¹²See Nation's Supplement at 7.

¹³ See Regional Director's Recommendation at 3.

¹⁴ Grand Traverse Band of Ottawa and Chippewa Indians v. UnitedStates Atty. for the W. Dist. of Mich., 198 F. Supp. 2d 920,933 (W.D. Mich. 2002). See also 25 U.S.C. § 2702(1) (stating that one purpose of IGRA is to "provide a statutory basis for the operation of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments....").

¹⁵ See 25 U.S.C. § 2719.

¹⁶ See Section § 2719(a)(2)(A)(i).

The Department of the Interior's regulations at 25 C.F.R. Part 292, set forth the procedures for implementing Section 20 of IGRA. Pursuant to these regulations, gaming is allowed under the Oklahoma Exception when a tribe had no reservation on October 17, 1988, the land is located in Oklahoma, and is located within the boundaries of the tribe's former reservation or contiguous to other land held in trust or restricted status for the tribe in Oklahoma. ¹⁷

Herc, the Terral Site meets the Oklahoma Exception because the Nation had no reservation on October 17, 1988, and the Terral Site is located within the boundaries of the Nation's former reservation in Oklahoma. Accordingly, the Terral Site will be eligible for gaming upon its acquisition in trust.

Trust Acquisition Determination Pursuant to 25 C.F.R. Part 151

The Secretary of the Interior's (Secretary) general authority for acquiring land in trust is found in Section 5 of the Indian Reorganization Act (IRA), 25 U.S.C. § 5108. The Department's regulations at 25 C.F.R. Part 151 set forth the procedures for implementing Section 5 of the IRA.

25 C.F.R. § 151.3 - Land acquisition policy

Section 151.3(a) sets forth the conditions under which land may be acquired in trnst by the Secretary for an Indian tribe:

- (I) When the property is located within the exterior boundaries of the tribe's reservation or adjacent thereto, or within a tribal consolidation area; or
- (2) When the tribe already owns an interest in the land; or
- (3) When the Secretary detem1ines that the acquisition of the land is necessary to facilitate tribal self-detennination, economic development, or Indian housing.

The acquisition of the Terral Site will facilitate tribal self-determination, economic development, and Indian housing under Section 151.3(a)(3). Through the exercise of tribal governmental authority, the Terral Site will be subject to the Nation's management, protection, and conservation after it is acquired in trust. Development of the proposed gaming facility will generate revenue to facilitate tribal self-determination by funding educational, social, and employment programs for tribal members.²⁰

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¹⁷ 25 C.F.R. § 292.4(b)(1).

¹⁸ See Regional Director's Recommendation at 3; Regional Director's Revised Findings of Fact at 7.

¹⁹ Although only one factor in Section I51.3(a) must be met, the Nation's application also satisfies the criteria of subsection (a)(1) and (a)(2). The property is located within the exterior boundaries of the Nation's former reservation in Oklahoma and therefore meets the regulatory definition of "Indian reservation" in Section 151.2 as relied upon in Section 151.3(a)(1).

Additionally, the Nation owns the property in fee and therefore satisfies Section 151.3(a)(2).

²⁰ See Regional Director's Revised Findings of Fact at 2-3.

The Nation has approximately 61,000 enrolled members as of 2015.²¹ Approximately 32,272 members live in the Nation's service area.²² Over the past decade, the Nation has experienced steady population growth. It added over 2,000 new members in 2015.²³ The Nation relics on economic opportunities such as gaming to provide for the needs of its members.²⁴

Acquisition of the Terral Site in trust will facilitate tribal economic development. The majority of funding for the Nation's governmental programs comes from revenues generated through gaming facilities that the Nation owns and operates through its Department of Commerce (CNDOC). ²⁵ In 2015, gaming revenue distributions provided approximately 91.72% of the Nation's total income for its general treasury. ²⁶ Because the Nation does not distribute revenues on a per capita basis, all net revenues from gaming go directly to the Nation's treasury for expenditure in support of tribal programs and operations for the Nation's core governmental functions. ²⁷

The Nation's Fiscal Y car 2016 budget allocations show that Chickasaw-generated revenues represented 70.8% of the Nation's budget; federal funds and other resources represented the balance of 29.2%. Without the added revenue derived from CNDOC's gaming activities, the Nation would have to drastically reduce services to Chickasaw members.²⁹

Waiting lists for tribal programs and services offered by the Nation are commonplace as the demand for services often outweighs the annual operating budget.³⁰ Presently, 303 Chickasaw members are waiting to have their homes rehabilitated with common necessities, 484 are waiting for rental assistance, 503 are waiting for low income homeownership, and 64 members are awaiting the installation of a tornado shelter.³¹ In addition, the Nation reports that approximately 1,900 Chickasaw members will become age-eligible for the Nation's senior programs over the next 10 years.³² Care for the Nation's elderly is a significant financial expenditure for the Nation. Elders are offered the following services: in-home chore services, lawn mowing service, firewood program, assisted living, caregiver program, independent living apartments, home maintenance program, daily meal service, medical alert, and over-the-counter medicine service.³³ The growing number of elders will also create an increased demand on the Nation's 12 senior sites where daily meals and activities are provided to members.³⁴

²² Id.; U.S. Department of the Interior, Office of the Assistant Secretary-Indian Affairs, 2013 American Indian

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Population and Labor Force Report, available at http://www.bia.gov/cs/groups/public/documents/text/idc1-024782.pdf at 24.

23 The Chickasaw Nation Progress Report (2015) at 35, available at http://reader.mediawiremobile.com/ChickasawTimes2/issues/101711/viewer?page=I.

24 See Nation's Supplement at 20.

25 Regional Director's Revised Findings of Fact at 3; Nation's Supplement at 14.

26 Regional Director's Revised Findings of Fact at 3.

27 Id.

28 Id.

29 Id.

30 Id. at 4.

31 See id. (Citing Attachment 42, Memorandum from Wayne Scribner to Jeff O'Dell (June 28, 2016)).

32 Id.

33 See Id. at 4.
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21 See The Chickasaw Nation Progress Report (2015) at 35, available at

http://reader.mediawiremobile.com/ChickasawTimes2/issues/101711/viewer?page=1.

According to the Nation's statistics, the demand for services grows every year. The Nation projects an increase in all service areas with the largest increases in the area of emergency energy assistance (4.7%), community health assistance (5.97%), career services (15%), transportation services (3%), honor guard (9.8%), shortfalls in BIA funded services (36%), youth services (30% - preceding four years), and education (35% - preceding four years).35 The proposed gaming project on the Terral Site will help ensure that the following projected shortfalls will be funded so that Chickasaw members will not be denied the needed services in Fiscal Year 2017:

•0	Energy Assistance	- \$11,811
•0	Community Health Assistance	-\$37,815
•0	Career Services	-\$934,286
•0	Transportation Services	- \$23,217
•0	Honor Guard	- \$10,600
•0	BIA Funded Programs	-\$65,648,585
•0	Youth Services	- \$9,820,703
•0	Education	- \$15,869,465 ₃₆

These shortfall amounts clearly demonstrate the need for additional economic development. If new funding cannot be created through gaming, the Nation will not be able lo provide services on the same level as Fiscal Ycar 20 I 6.37

Housing

Acquisition of the Terral Site will facilitate housing opportunities. When the Nation determined that nearly 60% of its members' home loan applications were being denied, the Nation's Division of Housing created the Chuka Chukmasi, or "Beautiful Home, Home Loan Program," to provide housing assistance. In 2014, nearly \$5.5 million in funding was issued to 44 Chickasaw families through Chuka Chukmasi, and more than \$720,000 in down payment and closing cost assistance was awarded to 243 Chickasaw families. For existing homeowners, the Nation offers a number of home improvement services including grants of up to \$5,000 for the repair or rehabilitation of privately owned homes. To protect against severe weather, the Nation has installed more than 3,992 storm shelters for over 4,000 Chickasaw families. These programs provide direct financial assistance to Chickasaw members.

Education

³⁴ Id. (citing Attachment 42, Memorandum from Wayne Scribner to Jeff O'Dell (June 28, 2016)).

³⁵ Id.

h Id.

³⁷ **Id**.

^{3*} *Id.* at 5; Nation's Supplement at 23.

³⁹ Regional Director's Revised Findings of Fact at 5.

⁴º *Id*.

Regional Director's Revised Findings of Fact at 5.

Acquisition of the Terral Site will facilitate self-determination by supporting tribal educational programs. The Nation invests heavily in the education of its members through initiatives such as early childhood development programs, scholarships, and an adult learning center. These educational and child development programs and services are administered through the Chickasaw Nation Division of Education (CNDE). In 2014, the CNDE awarded more than \$16 million in grants, scholarships, incentives, and other educational assistance to more than 4,100 Chickasaw students pursuing higher education. Examples of assistance include a career technology program, which awarded nearly \$1.4 million to 369 students to cover tuition, fees, and supplies. To encourage and reward learning, the Chickasaw Honor Club awarded incentives to 2,281 Chickasaw students.

The Nation also provides job and vocational training. 46 In 2014, the Nation administered a summer youth program under which over 600 youth were taught skills needed for future success. Under the "Creating Chickasaw Leaders" program, approximately 2,100 high school students were provided training on leadership qualities and skills. The Nation's Adult Education Program provides assistance to members preparing for the GED, employment testing, as well as tutoring assistance for educational program entrance exams (e.g. vocational and technical exams, college entrance exams, etc.). Approximately 250 to 300 adult learners are served every year; 75% will go on to college or vocational programs. 47 The Chickasaw Nation Head Start served 301 students during the 2013-2014 school year at four Head Start centers. 48

These programs and opportunities are made possible through profits and investments made by the Nation from gaming revenues and supplemented by federal and state grants.⁴⁹ Of the \$45,341,331 allocated for education and child development programs and services, approximately \$36,136,000 will be funded by the Nation's gaming and other tribal funds.⁵⁰ The additional revenue that would be generated by the proposed gaming facility on the Terral Site would allow the Nation to continue providing these educational programs and services.⁵¹

Health Services

Revenue from the proposed gaming facility on the Terral Site will help ensure that the Nation's members receive adequate health care. In 2014, the Nation, through its Chickasaw Nation Department of Health (CNDH), served more than 580,000 patients and incurred approximately \$219,989,158 in health expenditures. The Nation's comprehensive state-of-the-art health care system is anchored in the Chickasaw Nation Medical Center, a 72-bed medical center in Ada,

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42: See Id.; Nation's Supplement at 21.
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⁴³ Regional Director's Revised Findings of Fact at 5; Nation's Supplement at 21.

⁴⁴ Id.

⁴⁵ See Regional Director's Revised Findings of Fact at 5-6; Nation's Supplement at 21-22.

⁴⁶ Regional Director's Revised Findings of Fact at 6.

⁴⁷ Regional Director's Revised Findings of Fact at 6; Nation's Supplement at 22.

^{4×} Id.

⁴⁹ Id.

⁹⁰ Id.

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⁵² Regional Director's Revised Findings of Fact at 6; Nation's Supplement at 21.

⁵³ Regional Director's Revised Findings of Fact at 6.

Oklahoma.⁵⁴ The CNDH also provides services through five health clinics, and operates three nutrition centers, three wellness centers, and a diabetes care center. ⁵⁵ The Nation's health clinics and wellness centers are wholly funded by the Nation's gaming and other tribal funds. ⁵⁶ Acquisition of the Terral Site in trust will ensure that these services remain open, and lessen the Nation's dependence on federal funding. ⁵⁷

Conclusion

The Regional Director determined, and we concur, that acquisition of the Terral Site in trust will facilitate tribal self-determination and economic development. 58

25 C.F.R. § 151.10 - On-reservation acquisitions

The Terral Site is located within the former reservation boundaries of the Nation. 59 Section 151.2 defines "Indian reservation" as "that area of land over which the tribe is recognized by the United States as having governmental jurisdiction, except that, in the State of Oklahoma ... 'Indian reservation' means that area of land constituting the former reservation of the tribe as defined by the Secretary." Accordingly, the Nation's application is considered under the on-reservation criteria of Section 151.10.

25 C.F.R. § 151.10(a) - The existence of statutory authority for the acquisition and any limitations contained in such authority

Section 151.10(a) requires the Secretary to consider whether there is statutory authority for the trust acquisition and, if such authority exists, to consider any limitations contained in it.

In *Carcieri v. Salazar*, 555 U.S. 379 (2009), the United States Supreme Court held that the Secretary's authority to take land into trust for an Indian tribe under the first definition of "Indian" in the IRA extends only to those tribes that were "under federal jurisdiction" when the IRA was enacted on June 18, 1934. ⁶⁰ We have evaluated the applicability of *Carcieri* to the Nation's application, and have determined that the Secretary is authorized to place land into trust for the Nation pursuant to Section 5 of the IRA.

The IRA is a statute of general applicability. Congress provided an opt-out provision in Section 18 of the IRA, where a majority vote of Indians of the reservation voting at a special election called by the Secretary of the Interior could opt out of the IRA. To accommodate the unique situation of tribes in Oklahoma, Congress specified in Section 13 that certain provisions of the IRA did not apply to listed tribes in Oklahoma, leaving the remaining provisions of the IRA to apply. Section 13 of the IRA provides in relevant part:

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Id.
 Regional Director's Revised Findings of Fact at 7; Nation's Supplement at 21.

¹⁶ *Id*.

⁵⁷ Id.

⁵⁸ See Regional Director's Revised Findings of Fact at 2.

⁵⁹ See Regional Director's Recommendation at 4.

^{60 555} U.S. at 395.

[...] That sections 2, 4, 7, 16, 17, and 18⁶² of this title shall not apply *to the following named Indian tribes*, the members of such Indian tribes, together with members of other tribes affiliated with such named tribes located in the State of Oklahoma, as follows: Cheyenne, Arapaho, Apache, Comanche, Kiowa, Caddo, Delaware, Wichita, Osage, Kaw, Otoe, Tonkawa, Pawnee, Ponca, Shawnee, Ottawa, Quapaw, Seneca, Wyandotte, Iowa, Sac and Fox, Kickapoo, Pottawatomi, Cherokee, Chickasaw, Choctaw, Creek, and Seminolc.⁶¹

Significantly, this section of the IRA did two things. First, it specifically named the Nation as one of the Indian tribes to which certain provisions of the IRA would not apply. Second, it authorized the Secretary to take land into trust for those named Oklahoma Indian tribes pursuant to Section 5 of the IRA, because it did not include Section 5 in the list of IRA sections that would not be applicable to the named Oklahoma tribes. Thus, those Oklahoma tribes specifically named in Section 13 of the IRA were "under federal jurisdiction on June 18, 1934," and the Secretary is authorized by Section 5 of the IRA to take land into trust for those tribes. The listing of the Nation in Section 13 is sufficient for purposes of finding the Nation to be under federal jurisdiction in 1934.

25 C.F.R. § 151.to(b) - The need of the individual Indian or the tribe for additional land

Section 151.10(b) requires the Secretary to consider the tribe's need for additional land.

The Nation once held title to approximately 4,707,081 acres in what is now the State of Oklahoma.⁶⁵ The Nation currently owns approximately 6,177.011 acres of trust land, only 0.13% of its land base prior to the allotment process.⁶⁶ The Nation needs additional land to reduce jurisdictional "checkerboarding," and expand its land base so that it can pursue economic

⁶¹ By 1934, specific statutes applied to the Five Civilized Tribes and Osages and to the land base of Oklahoma tribes. Similarly, specific provisions in the IRA addressed Alaska where there were few reservations.

⁶² Section 2 (25 U.S.C. § 5102) extended the existing periods of trust and any restriction on alienation placed upon Indian lands. Section 4 (25 U.S.C. § 5107) limited sales, devise, gift, exchange or other transfer of restricted Indian lands or of shares in the assets of the tribe or corporation organized under the Act. Section 7 (25 U.S.C. § 5110) authorized the Secretary to proclaim new reservations or add lands to existing reservations. Section 16 (25 U.S.C. § t5123) provided that any Indian tribe, or tribes, residing on the same reservation, the right to organize and adopt at constitution. Section 17 (25 U.S.C. § 5124) provides that the Secretary, upon a petition by at least one-third of thet adult Indians, may issue a charter of incorporation to such tribe. Section 18 (25 U.S.C. § 5125) provided that thet adult Indians on any reservation could vote in a special election to opt out of the IRA.t

⁴⁴ See 78 Cong. Rec. 11125-26 (June 12, 1934), where Mr. Thomas of Oklahoma, discussing the land acquisition provision, offered an amendment that passes, that Section 5 expressly reference the purchase of lands for individual Indians. He wanted the money available "not only in my State for individual Indians but in other States where Indian lands have been allotted." See also 78 Cong. Rec. 11739 (June 15, 1934), where Mr. Hastings of Oklahoma pointed out that the amendment "exempts the various Indian tribes in Oklahoma" from various sections of the act and that he does "not object to assistance by the Government in the form of and to the extent of the purchase of land for landless and indigent Indians, and to additional appropriations for health work and for Indian education." Thus, both Mr. Thomas and Mr. Hastings understood that Section 5 was applicable in Oklahoma.

⁶⁵ See Regional Director's Revised Findings of Fact at 9.

⁶⁴ See id. at 9-10.

development opportunities.⁶⁷

Acquisition of additional land in trust would provide opportunities for economic development that would assist the Nation in meeting the following objectives:

- Improve the socioeconomic status of the Nation by increasing the amount of revenue that would be used to: strengthen the tribal government; fund a variety of social, housing, governmental, administrative, educational, health, and welfare services to improve the quality of life for the Nation's people; and provide capital for other economic development and investment opportunities.
- Provide additional employment opportunities to the tribal and non-tribal community.
- Enable the Nation to make donations to charitable organizations and governmental operations, including local educational institutions.
- Enable the Nation to fund local governmental agencies, programs and services
- Establish economic self-sufficiency to achieve tribal self-determination.68

The Regional Director determined, and we concur, that the acquisition of additional land is a key component of the Nation's broader economic initiatives to consolidate its land base and establish a long-term, sustainable revenue base that will strengthen the Nation's government, enhance the quality and quantity of governmental services, create employment opportunities, and provide capital for economic development.⁶⁹

25 C.F.R. § 151.l0(c) - The purposes for which the land will be used

Section 151.10(c) requires the Secretary to consider the purposes for which land will be used in evaluating a trust application.

The proposed gaming facility will consist of 37,197 square feet with a 22,153 square-foot gaming floor comprised of approximately 500 class II and class III gaming machines, table games, and off-track betting amenities. The remainder will be used for offices, back-of-the house activities, a restaurant, and the Nation's Office of Gaming Commissioner. Approximately 715 surface-level parking spaces would be constructed to accommodate patrons and employees. Approximately 10.48 acres will be reserved for a greenbelt for native vegetation and habitat.

⁶⁷ See id. at 10.

⁶H Id.

Regional Director's Recommendation at 5.

⁹ Regional Director's Revised Findings of Fact at 11; Regional Director's Recommendation at 5.

⁷¹ See Regional Director's Revised Findings of Fact at 11; see also Regional Director's Recommendation at 5-6; see also Nation's Supplement at 11, 24.

Regional Director's Revised Findings of Fact at 11; Regional Director's Recommendation at 6; see also Nation's Supplement at 24; see also EA at § 2.1.2.

[&]quot;See Nation's Supplement at 30; see also EA at § 2.1.2.

25 C.F.R. § 151.10(e) - If the land to be acquired is in unrestricted fee status, the impact on the State and its political subdivisions resulting from the removal of the land from the tax rolls

Section 151.10(e) requires consideration of the impact on the state and its political subdivisions resulting from removal of land from the tax rolls.

Comments regarding the potential impacts of the proposed acquisition on regulatory jurisdiction, real property taxes, and special assessments were solicited from the State and local political subdivisions by correspondence dated July 24, 2014. The following entities were contacted:

- Governor of Oklahoma
- Oklahoma Tax Commission
- Jefferson County Commissioners
- Jefferson County Assessor
- Jefferson County Treasurer
- Jefferson County Sheriff 75

In a letter dated July 30, 2014, the Jefferson County Assessor stated that the approximate 2014 tax amount assessed was \$65 \,\text{l.}_{76}\$ The Jefferson County Assessor did not report any special assessments against the property. \(\text{.}_{77}\) The 2015 county tax record indicates that taxes in the amount of \$683 were assessed for the property and paid by the Nation on December 8, 2015. \(\text{.}^{78}\) In a letter dated July 31, 2014, the Oklahoma General Counsel stated that no State property taxes are collected for the Terral Site, and that there are no State assessments. \(\text{.}^{79}\)

Potential impacts due to the loss oftax revenue resulting from the removal of the Terral Site from the tax rolls would be offset by increased state and federal tax revenue.80 Direct

¹ Initial Consultation Letters to Political Subdivisions (July 24, 2014), in Regional Director's Recommendation, Attachment 22.

⁷⁸ Regional Director's Revised Findings of Fact at 12; Regional Director's Recommendation at 6.

⁷⁶ See Regional Director's Recommendation at 12-13 (citing Attachment 23, Letter from Sandra Watkins, Jefferson County Assessor, to Bureau of Indian Affairs, Eastern Oklahoma Region, Chickasaw Agency (July 30, 2014).

⁷⁷ See id.

^{*}See Regional Director's Recommendation, Attachment 9 (2015 tax receipt).e

^{&#}x27;See Regional Director's Recommendation at 7 (citing Attachment 24, Letter from Steven K. Mullins, General Counsel, Office of Governor Mary Fallin, to S. Ashley Large, Superintendent, Bureau of Indian Affairs, Eastern Oklahoma Region, Chickasaw Agency (July 31, 2014); see also Regional Director's Revised Findings of Fact at 12-13.e ln a letter dated October 22, 2015, the State submitted additional comments. See Steven K. Mullins, General Counsel, Office of Governor Mary Fallin, to S. Ashley Large, Superintendent, Bureau of Indian Affairs, Eastern Oklahoma Region, Chickasaw Agency (Oct. 22, 2015), in Regional Director's Recommendation, Attachment 27. The Oklahoma General Counsel stated that the Governor generally opposes the expansion of gaming within Oklahoma due to the high number of tribal gaming facilities in Oklahoma, purported evidence of market saturation which could adversely affect small-market tribal gaming and hinder tribal economic development, and the potential for an increase in gambling addiction in Oklahoma. The Regional Director found, and we concur, that the State's objections to additional gaming facilities in Oklahoma are speculative and lack any supporting evidence. See Regional Director's Recommendation at 7. Based on the lack of governmental services being provided to the Terral Site, and the lack of evidence for the State's concerns, we conclude that the State's interests will not be adversely affected by the acquisition of the Terral Site.

employment at the proposed gaming facility is estimated to be 213 new jobs, with the regional employment estimated to be 225 new jobs.81 Federal income taxes paid by employees are estimated to be \$457,133, and annual state income taxes are estimated to be \$108.635.82 In addition, the proposed gaming

facility will provide substantial benefits to the regional economy.83 The total economic contribution to the regional economy from the proposed gaming facility in the first year is estimated to be \$73,954,202.84 The five-year total estimated economic contribution to the regional economy would be \$217,530,852.85

These economic gains far outweigh the loss of tax revenue from the Terral Site-

Neither the State nor the County objected to, or expressed any concerns regarding the potential loss oftax revenue associated with this acquisition. The Regional Director determined, and we concur, that the tax loss will be inconsequential. 86 Further, the anticipated economic benefits from the proposed gaming facility outweigh any impacts from removal of the Terral Site from the tax rolls.

25 C.F.R. § 151.10(t) - Jurisdictional problems and potential conflicts of land use which may arise

Section 151.10(f) requires the Secretary to consider whether any jurisdictional problems and potential conflicts of land use may arise.

No comments or concerns regarding jurisdictional issues or potential conflicts of land use were raised by the State or local jurisdictions in response to BIA's request for comments dated July 24, 2014.87

The Terral Site is located immediately north of Peterson Road (County Road EW-216), between County Road NS-284 and U.S. Highway 8 I, approximately one mile south of Terral, and one-quarter mile north of the Red River in Jefferson County. 88 The Site is unzoned rural land, and consists of agricultural croplands and pasture. 89 The western one-third of the Site is undeveloped land with native grasses and trees. 90 The eastern two-thirds of the Site consist of a cultivated

^{***} Environmental Assessment, Chickasaw Nation, Terral Fee-to-Trust Project (Feb. 2016) [hereinafter EA] at § 2.1.2. § 4.6.1.

^{*1} *Id*.

⁸² EA, Appendix J, Economic Impact Analysis at 3. These figures are based on the employment of 140 employees at the gaming facility. Thus, the actual amounts paid are likely to be higher.

⁸³ EA at § 4.6.1.

[™] Id.

¹⁵ Id.

^{*} See Regional Director's Revised Finding of Fact at 14; see also Regional Director's Recommendation at 8.

** Regional Director's Recommendation, Attachment 22, Initial Consultation Letters to Political Subdivisions (July

Regional Director's Recommendation, Attachment 22, Initial Consultation Letters to Political Subdivisions (July 24, 2014). In letters dated January 12, 2016, the Mayor and Vice-Mayor of the City of Terral submitted letters of support of the acquisition of the Terral Site. See Letter from Vicente Villarreal, Mayor, to Larry Roberts, Acting Assistant Secretary – Indian Affairs (Jan. 12, 2106), in Regional Director's Recommendation, Attachment 28; Letter from Josie Garcia, Vice Mayor of the City of Terral, to Larry Roberts, Acting Assistant Secretary – Indian Affairs (Jan. 12, 2016), in Regional Director's Recommendation, Attachment 29.

^{**}tSee EA Executive Summary at 8.

[&]quot; See EA § 3.8.1.

⁴⁰ See id.

field.⁹¹ There are over 514 farms in Jefferson County encompassing 460,207 acres, including the area surrounding the Terral Sitc.⁹²

The Terral Site is located outside of the corporate limits of any municipality in Jefferson County, and the County has no zoning ordinance for such lands.93 Although the proposed gaming facility would replace existing open space and would differ from adjacent agricultural land uses, it would not disrupt neighboring land uses, prohibit access to neighboring parcels, or otherwise significantly conflict with neighboring land uses.94

The increase in patrons and employees may increase the need for law enforcement in the area.95 The Chickasaw Nation Lighthorsc Police Department and the Jefferson County Sherriff maintain a cross deputization agreement to provide enhanced law enforcement in Jefferson County.96 Increased revenue would improve the ability of the Nation's police department to respond to law enforcement needs and allow for the employment of on-site security.97 If necessary, additional law enforcement services will be provided through the cross deputization agreement.98

The Terral Volunteer Fire Department is the primary fire responder, and has expressed its willingness to continue serving the Terral Site.99 The Waurika EMS Department would provide primary EMS services. 100

We determine that no jurisdictional problems or potential conflicts of land use are anticipated.

Additional comments

In its initial comment letter, the State indicated that it supports trust land acquisition so long as the acquisition, among other things, does not significantly and adversely affect the State's

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91 See id.
92 See EA § 3.8.2.
93 See EA § 4.8.1.
94 Id.
95 EA § 4.9.1.
96 Id.
97 Id.
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"See Regional Director's Revised Finding of Fact at 14-15 (citing Attachment 34, Cross Deputization Agreement between Chickasaw Nation and Jefferson County Sherriff); see also Regional Director's Recommendation at 8 (citing Attachment 34, Cross Deputization Agreement between Chickasaw Nation and Jefferson County Sherriff). "See EA § 4.9.1 (citing EA Appendix K); see also Regional Director's Revised Finding of Fact at 15.

See EA § 4.9.1 (citing EA Appendix K); see also Regional Director's Revised Finding of Fact at 15 (citing Attachment 37, Environmental Assessment, Appendix K, Consultation and Coordination Documents). In its July 31, 2014 letter, the State asserted that it "provides all governmental services to the" Terral Site, including "public health and safety, land use regulations, and environmental compliance and regulation." See supra note 84. The Nation's response to the State's comments clarified that the Nation ise more involved in the provision of the daily operations of the government services" related to the Terral Site. See Letter from Stephen Greetham, General Counsel, Chickasaw Nation, to S. Ashley Large, Superintendent, Bureau of Indian (Mar. 25, 2015), in Regional Director's Recommendation, Attachment 25. The BIA found that due to the rural and vacant nature of the Terral Site and the few governmental services currently required by it, the disagreement between the State and Nation regarding provision of governmental services see formula importance. See Regional Director's Recommendation at 7.

interests. 101 The State also claimed that it could not substantively evaluate the potential negative impacts that would result from the acquisition or the Terral Site into trust due to the lack or information provided to the State both via the letter requesting comments and in subsequent telephone conversations between the State and the BIA. 102 In the absence or additional information regarding the development of the Terral Site, the State conveyed that the Governor did not "feel it would be appropriate" to have the Terral Site "taken into trust at this time. 103

In an effort to provide the State requested information, on October 20, 2015, the BIA sent the State a second letter detailing the proposed development of the Terral Site. ¹⁰⁴ In a letter dated October 22, 2016, the State submitted additional comments. ¹⁰⁵ While the State did not object to the specific placing of the Terral Site into trust, the State did inform the BIA that the Governor "generally opposes the expansion of gaming within Oklahoma due to: (1) the proliferation of gaming in the State; (2) "market saturation which could adversely affect small-market tribal gaming and hinder tribal economic development; and (3) that an increase in gaming facilities in the State would lead to an increase in gambling addiction. ¹⁰⁶

The Nation responded to the State's October 22, 2016 letter by noting that tribal gaming is one of the State's top producing industries and that it "repeatedly outperformed the national industry in year-to-year revenue increases," countering the State's fear of market saturation. An Oklahoma Policy Institute article citing to the Oklahoma Gaming Compliance Unit Annual Report for 2014 and 2015 demonstrated that 2014 was the first year with a decrease in exclusivity fees paid to the State by compacted tribes, but a "solid rebound" was made in 2015. Additionally, the market saturation issue would be "best evaluated by the individual tribe with the first-hand knowledge of the local market and who is making the investment in any new or expanded facility.

The State fails to provide statistical support for its concern with gambling addiction. The State's gambling addiction concerns are addressed in the contingencies consistent with law and the compact between the State and the Nation. 111

¹⁰⁷ See Attachment 24tto thet RegionaltDirector's Recommendation and Revised Findings oftFact,tLetter fromtSteven K.tMullins, General Counsel, Office oftGovernor Mary Fallin,ttotS.tAshley Large,tSuperintendent, Bureau of Indiant Affairs,tEastern Oklahoma Region, Chickasaw Agencyt(July 31, 2014).t

¹⁰² See id.

¹⁰³ Id.

¹⁰⁴ See Regional Director's Recommendation at 7 (citing Attachment 26, Letter to Office of the Governor, State of Oklahoma from Superintendent (Oct. 20, 2016); see also Regional Director's Revised Findings of Fact at 13 (citing Attachment 26, Letter to Office of the Governor, State of Oklahoma from Superintendent (Oct. 20, 2016).

¹⁰⁵ See Regional Director's Recommendation at 7 (citing Attachment 27, Response from the Office of the Governor, State of Oklahoma (Oct. 22, 2016); see also Regional Director's Revised Findings of Fact at 13 (citing Attachment 27, Response from the Office of the Governor, State of Oklahoma (Oct. 22, 2016).

Attachment 27 to the Regional Director's Recommendation and Revised Findings of Fact, Response from thet Office of the Governor, State of Oklahoma (Oct. 22, 2016).

¹⁰⁷ See Regional Director's Recommendation at 7.

¹⁰M Regional Director's Revised Findings of Fact at 13.

¹⁰⁹ See Regional Director's Recommendation at 7.

¹¹⁰ Regional Director's Revised Findings of Fact at 13.

See Regional Director's Recommendation at 8 (citing Attachment 32, Tribal Gaming Compact Between the Chickasaw Nation and the State of Oklahoma). The Compact Part 5 Rules, Regulations; Minimum Requirements for Operation, Section E, Number 4 reads, "Persons who believe they may be playing covered games on a

The BIA found, and we agree, that the State's objections to additional gaming facilities in Oklahoma arc "speculative and lacking in any supporting evidence." Based on the lack of governmental services being provided to the Terral Site, and the lack of evidence for the State's concerns, the BIA believes, and we agree, that the State's interests arc not and will not be adversely affected by the acquisition of the Terral Site into trust for gaming purposes. Moreover, IGRA was intended to "provide a statutory basis for the operation of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments." Consistent with IGRA 's purposes, the Department has acquired land in trust for gaming purposes to support tribal economic development and self-determination. General opposition to gaming is not a basis on which to deny the Nation's application.

25 C.F.R. § 151.10(g) - If the land to be acquired is in fee status, whether the Bureau of Indian Affairs is equipped to discharge the additional responsibilities resulting from the acquisition of the land in trust status

Section 151. 10(g) requires the Secretary to determine whether the BIA has the resources to assume additional responsibilities if the land is acquired in trust.

The Terral Site is within the jurisdictional boundaries of the Chickasaw Agency, Bureau of Indian Affairs, which is responsible for the administration of the realty program functions associated with the management of trust lands within its administrative jurisdiction. 114 Law enforcement services will be provided by the Chickasaw Nation Lighthorse Police Department. In addition, the services will also be provided by the Jefferson County Sheriffs Office. 115

The Regional Director found, and we concur, that adequate resources are available to assume the additional responsibilities resulting from the acquisition of the Terral Site in trust. 116

25 C.F.R. § 151.10(h) -The extent to which the applicant has provided information that allows the Secretary to comply with 516 DM 6, appendix 4, National Environmental Policy Act Revised Implementing Procedures, and 602 DM 2, Land Acquisitions: Hazardous Substances Determinations

Section 151.10(h) requires the Secretary to consider the availability of information necessary for compliance with the National Environmental Policy Act, 42 U.S.C. § 4321 *et seq.*, and a detennination on the presence of hazardous substances.

compulsive basis may request that their names be placed on the list. All covered game employees shall receive training on identifying players who have a problem with compulsive playing and shall be instructed to ask them to leave. Signs and other materials shall be readily available to direct such compulsive players to agencies where they may receive counseling." Regional Director's Revised Findings of Fact at 13.

116 Regional Director's Recommendation at 9.

¹¹² See Regional Director's Revised Finding of Fact at 13; see also Regional Director's Recommendation at 7.

See Regional Director's Revised Finding of Fact at 13.

¹¹⁴ See id. at 15; see also Regional Director's Recommendation at 8.

¹¹⁵ See Regional Director's Revised Finding of Fact at 15; see also Regional Director's Recommendation at 8-9.

A Phase I Environmental Site Assessment for the Terral Site was completed on March 28, 2016. 117 The assessment was prepared in accordance with the American Society for Testing and Materials Standard Practice for Environmental Site Assessments, ASTM Standard E 1527-13. 118 No Recognized Environmental Conditions were found on the site. An updated Phase I Environmental Site Assessment will be required prior to acquiring the Terral Site in trust.

An Environmental Assessment (EA) for the Terral Site was completed on April 20, 2016. 119 The EA was made available for public comment from March 18 to April 18, 2016.120 No comments were received from the public. 120

The EA analyzed two alternatives:

Alternative A, Proposed Action: Under Alternative A, the United States would acquire the 30.05-acrc Terral Site in trust for the benefit of the Nation, and the Nation would develop a gaming facility consisting of 37,197 square feet. Approximately 10.48 acres will be reserved for a greenbelt for native vegetation and habitat.

Alternative B, No Action: Under Alternative B, the United States would not acquire the Terral Site in trust, and the Nation would not develop a gaming facility.

Potential impacts to land resources, water resources, air quality, biological resources, cultural resources, socioeconomic resources and environmental justice, transportation and circulation, land use, public services and utilities, visual resources, noise, and hazardous materials are each evaluated in the EA. The EA describes the Best Management Practices (BMPs) in Section 2.1.3 that have been incorporated into the project design to eliminate or substantially reduce any environmental consequences to less than significant. In addition, the EA describes additional mitigation measures in Section 5.0 which will be implemented to further mitigate potential environmental impacts. The EA concludes the project design and implementation of BMPs would ensure impacts to these resources would be less than significant.

Based on a review of the EA and its analysis of potentially affected resources, we have determined that Alternative A would best meet the purpose and need for acquiring the Terral Site in trust. We have further determined that a Finding of No Significant Impact (FONSI) is appropriate, and that an environmental impact statement is not required. The FONSI is enclosed as Enclosure II.

<u>Land Resources</u> - The proposed gaming facility will result in changes to the existing topography. A grading plan will be developed in compliance with standard engineering practices. Parking lot and building stormwater runoff will be captured in storm drains and a proposed detention pond.

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¹¹⁷ See Phase I Environmental Site Assessment, in Regional Director's Recommendation, Attachment 36.

Regional Director's Revised Finding of Fact at 16; Regional Director's Recommendation at 9.

See Memorandum from Eddie Streater, Regional Director, Eastern Oklahoma Region to S. Ashley Large, Superintendent, Chickasaw Agency, Eastern Oklahoma Region (Apr. 20, 2016), in Regional Director's Recommendation, Attachment 37.

Regional Director's Revised Finding of Fact at 16; Regional Director's Recommendation at 9.

El See id.

With implementation of BMPs, development of Alternative A would result in lcss-than-significant impacts to land resources. *See* EA § 4.1.1.

<u>Water Resources</u> - The Terral Site will utilize a groundwater system consisting of multiple water well locations that will be pumped into a water treatment facility that will deliver potable water to a central water storage tank. Water will be supplied by groundwater wells constructed in accordance with all regulations to ensure that the Red River Aquifer will be protected. There are no surface water features within or immediately adjacent to the Terral Site. No wetlands exist on the Terral Site. Due to the distance of the Terral Site from any city wastewater system, the facility will be designed with a full detention lagoon system with aerators making treatment more efficient. The Terral Site will be designed to accommodate all stormwater runoff. The Terral Site is outside flood prone areas. With implementation of BMPs, development of Alternative A would result in less-than-significant impacts to water resources. See EA§ 4.2.1.

<u>Air Quality</u> - Jefferson County and the State are designated attainment areas for all criteria pollutants. With implementation of BMPs, development of Alternative A would result in less-than-significant impacts to air quality. *See* EA at § 4.3.1.

<u>Biological Resources</u> - The Terral Site is primarily compromised of agricultural areas with native and nonnative grassland. There are no unique or sensitive ecosystems or biological communities on the Terral Site. There are no natural communities that may be adversely affected during site development. With implementation of mitigation measures, development of Alternative A would result in less-than-significant impacts to biological resources. *See* EA§ 4.4.1.

<u>Cultural Resources</u> - There are no known historic properties or known archeological sites or cultural materials within the Terral Site's area of potential effect. No known historic, cultural, archaeological, or religious resources would be affected by the development of the proposed gaming facility. With implementation of BMPs, development of Alternative A would result in less-than-significant impacts to cultural resources. *See* EA§ 4.5.1.

Socioeconomic Conditions - The proposed gaming facility would generate substantial temporary and ongoing employment opportunities and wages that would be primarily filled by the available labor force in the town of Terral and surrounding communities in Jefferson County. However, a significant impact to the local unemployment rate is not anticipated. Due to the relatively small number of employees, the proposed gaming facility would have a limited potential to impact regional housing stock or the housing market. The proposed gaming facility would provide beneficial impacts for the Nation, the only environmental justice community in the vicinity of the Terral Site. Development of Alternative A would result in less-than-significant impacts to socioeconomic conditions. See EA§ 4.6.1.

<u>Transportation Networks</u> - The Nation will secure all necessary and required permits from Jefferson County and the Oklahoma Department of Transportation (ODOT) prior to beginning road work on Highway 81 (addition of turn lanes) and Peterson Road. The Chickasaw Nation Roads Department will be responsible for administering and overseeing all new road projects, including working cooperatively with the counties, utilities, and ODOT as needed. Projected traffic volumes will average 3,896 weekday vehicle trips. A traffic impact study was completed

to evaluate potential impacts to area intersections, and concluded that there will be no adverse impacts to intersection capacity. Intersections will continue to operate at acceptable levels of service. Development of Alternative A would result in less-than-significant impacts to transportation networks. *See* EA§ 4.7.1.

<u>Land Use</u> - The Terral Site is located on unzoned rural land. Surrounding land uses include agricultural and residential uses. The Terral Site is located outside of the corporate limits of any municipality in Jefferson County, and the County has no zoning ordinance that applies to such rural land. The proposed gaming facility would not disrupt neighboring land uses, prohibit access to neighboring parcels, or otherwise significantly conflict with neighboring land uses. Development of the Terral Site will remove only 0.001% of farmland from service. Development of Alternative A would result in less-than-significant impacts to land use. *See* EA § 4.8.1.

<u>Public Services</u> - Because water would be supplied by on-site groundwater wells, there would be no impact to municipal water supply services. The increase in patrons and employees may increase the need for law enforcement in the area. The Chickasaw Nation Lighthorse Police Department and the Jefferson County Sherriff maintain a cross deputization agreement to provide enhanced law enforcement in Jefferson County. Increased revenue would improve the ability of the Nation's police department to respond to law enforcement needs and allow for the employment of on-site security. If necessary, additional law enforcement services will be provided through the cross deputization agreement. The Terral Volunteer Fire Department is the primary fire responder, and has expressed its willingness to continue serving the Terral Site. The Waurika EMS Department would continue providing EMS services. With implementation of BMPs, development of Alternative A would result in less-than-significant impacts to public services. See EA§ 4.9.1.

<u>Visual Resources</u> - Vegetation will be landscaped to enhance the overall aesthetics. The use of lighting in parking areas would be limited to dusk, nighttime, and foggy conditions. With implementation of BMPs, development of Alternative A would result in less-than-significant impacts to visual resources. *See* EA§ 4.10.1.

<u>Noise</u> - Construction would be short-tenn and temporary, and BMPs are expected to reduce construction noise levels to the extent feasible. The proposed gaming facility would not result in traffic noise impacts and mitigation is not necessary. Vibration and noise levels from the Site would not result in levels that require mitigation. With implementation of BMPs, development of Alternative A would result in less-than-significant impacts from noise. *See* EA§ 4.11.1.

<u>Hazardous Materials</u> - There is no known hazardous materials contamination on the Terral Site. There are no known adjacent sites with hazardous materials that could affect the planned uses of the Terral Site. With implementation of BMPs, development of Alternative A would result in less-than-significant impacts from hazardous materials. *See* EA§ 4.12.1.

<u>Cumulative Impact and Indirect Effects</u> - The Proposed Project would not result in cumulatively considerable adverse effects to land resources, water resources, air quality, biological resources, cultural resources, socioeconomic conditions, transportation networks, land use, public services,

visual resources, or hazardous materials. No significant adverse indirect effects, including growth-inducing effects, relevant to any environmental issue area will occur as a result of the Proposed Project. Development of Alternative A would result in less-than-significant cumulative or indirect impacts to the resources identified above. *See* EA § 4.13.

Conclusion

Pursuant to Section 5 of the IRA, 25 U.S.C. § 5108, the Department will acquire the Terral Site in trust for the Chickasaw Nation. Further, pursuant to Section 20 of IGRA, 25 U.S.C. § 27 I 9(a)(2)(A)(i), the Terral Site will be eligible for gaming upon its acquisition in trust. Consistent with applicable law and Departmental requirements, the Regional Director shall immediately accept the land in trust.

Sincerely,

Lawrence S. Roberts

Principal Deputy Assistant Secretary –

Indian Affairs