



OFFICE OF THE GOVERNOR

July 26, 2010

Via Facsimile (916) 978-6099 & U.S. Postal Service

Mr. Dale Risling
Acting Regional Director
United States Department of the Interior
Bureau of Indian Affairs
Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825

Re: Draft Environmental Assessment
Proposed Fee-to-Trust Transfer for the Tule River Indian Tribe

Dear Mr. Risling:

The Governor's Office has received a notice of availability of the Draft Environmental Assessment (DEA) for the proposed fee-to-trust acquisition of 17 parcels of property totaling approximately 40 acres of land (Subject Property) on behalf of the Tule River Indian Tribe (Tribe or Tule River). In February 2010, the Governor's Office submitted comments regarding the Tribe's March 2002 application to have the Subject Property conveyed to the United States of America in trust for the Tribe. The Bureau of Indian Affairs issued notice in July 2003 and reissued notice in December 2009. (See February 2010 comment letter, attached Exhibit A.) The Subject Property is located within the city limits of the City of Porterville (City) in an industrial zone adjacent to the City's airport. The Tribe's 55,396 acre Reservation is located approximately 20 miles away.

Tule River's 2003 trust application indicates that the Tribe intends to utilize the land for economic development activities. These uses include a lease for Indian Health Services, a lease to the United States Department of Agriculture Forest Service, a lease for the Eagle Mountain Casino and a lease or other arrangement for Tule River Aero Industries, which maintains an aircraft manufacturing and repair facility at the City's airport. This enterprise also manufactures

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and installs fixed wing and helicopter avionics and kits to increase aircraft speed and performance. Two of the 17 parcels comprising the Subject Property have development on them while the remaining 15 parcels lie vacant.

In December 2009, the Tribe opened a new 20,000-square foot hanger at the City's airport that is capable of housing five general aviation airplanes for private charter flights and air attacks on forest fires. Recent news articles report that the Tribe has restructured the leadership structure of the Tule River Economic Development Corporation, the Tribal non-profit corporation that operates the enterprise on the Subject Property, and that the Tribe's aircraft operations are expanding.

In April 2010, the City and the Tribe entered into a Cooperation Agreement (Agreement) regarding future development of the Subject Property. The Agreement revokes the March 2008 Memorandum of Understanding between the City and the Tribe that envisioned relocation of the Tribe's casino to the subject property. The Agreement provides that the Tribe will not engage in any new development, construction or conduct any new operations on the land unless a written agreement is executed by the City and the Tribe that assures consistency with the City's General Plan, regulations, and policies in effect at the time of the proposed development. (Agreement, attached to the DEA, ¶ 1.) As an agreement with an Indian tribe that encumbers Indian land, it appears that the Agreement is one that requires the Secretary of the Interior's approval pursuant to 25 U.S.C. § 81(a). There is no information in the DEA regarding the Secretary's approval of the Agreement.

Additionally, the Agreement does not address the potential use of the Subject Property for gaming purposes. As we noted in our February 2010 letter, the City and the Tribe have previously publicly identified the Subject Property as a potential casino site and sought legislation allowing redevelopment of an adjacent 1,200 acres pursuant to a joint powers agreement. Although the DEA states that the Agreement "creates a legally binding process in which future actions will be subject to the City's general plan and land use regulations and policies," the Agreement does not specifically restrict the Subject Property from use for casino and casino-related purposes. If in the future a decision was made to develop the Subject Property as a potential casino site or for casino-related purposes, the City could revise the applicable zoning ordinances.

ANALYSIS

The Tribe's application states that it plans to utilize the land for the existing Tule River Aero Industries' purposes, warehouses, and unspecified "other future commercial development." The DEA does not provide any additional information regarding the proposed use of the Subject Property once it is taken into trust. Section 2.1.2 of the DEA states that "construction of future developments [is] not known at this time due to a combination of external issues" and that "the

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specific nature of future developments is speculative at this time as the financing options available are dependent in part on the trust conveyance of the property.” (DEA, p. 9.) The DEA also states that “there are no new or future changes in land use for the project parcels.” (DEA, p. 10.)

The Department of the Interior’s policy for trust acquisitions provides that land may be taken in trust when the Secretary of the Interior determines that the “acquisition is necessary to facilitate tribal self-determination, economic development, or Indian housing.” (25 C.F.R. § 151.3(a)(3).) In this case, there has been no showing that the United States’ failure to accept this proposed trust acquisition will preclude the Tribe from developing any needed housing for its members in the future. Likewise, there has been no showing that a failure to take the land into trust will prevent Tule River from proceeding with the further expansion of Tule River Aero Industries. The reported expansion of Tule River Aero Industries appears to demonstrate that this economic development project can function successfully without trust status and federal supervision. Additionally, there has been no showing that this trust conveyance is essential to the Tribe’s ability to exercise sovereign authority.

Moreover, pursuant to 25 C.F.R. § 151.11(c), when land is being acquired for business purposes, the Tribe must provide a plan which specifies the anticipated economic benefits associated with the proposed use. The DEA provides no plans for the land. The only identified anticipated economic benefit provided to the Tribe if the land were held in trust would be the savings of the \$33,459.98 in property taxes the Tribe currently pays to Tulare County. (DEA, p. 23.) In discussing the “no action” alternative, the DEA states that the “project’s contribution to the economy of the Tribe and the City of Porterville may not be sustained unless an infusion of cash is obtained through trust status designation.” There are no details provided regarding how a cash infusion would result from the land being taken into trust status. As we commented regarding the Tribe’s application, the DEA provides no information regarding the specific economic benefits to the Tribe with the proposed use of the land.

Additionally, the Agreement between the City and the Tribe is portrayed in the DEA as limiting any future development to existing zoning purposes, which are currently light industrial. However, the Agreement does not preclude the City from changing the applicable zoning regulations in the future based on the past agreement between the City and the Tribe regarding relocating the Tribe’s casino to this land, it is possible that future zoning changes might result in a renewed attempt to use the land for casino or casino related purposes.

CONCLUSION

The DEA has not allayed the main concerns the Governor’s Office discussed in its February 10, 2010 letter regarding the Tribe’s application. We do not believe that there is enough information regarding the future use of the land to allow proper evaluation of the

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proposed economic benefit to the Tribe or to provide for a proper determination of whether the proposed acquisition meets the standards of the Department of the Interior's policy for trust acquisitions. Additionally, because the planned use of the Subject Property is not clearly defined, we do not believe that the DEA complies with the requirements of the National Environmental Policy Act, 42 U.S.C. § 4321 et seq.

Thank you for the opportunity to comment on the draft environmental assessment. Other agencies within the State of California may have additional comments. Should you have any additional questions regarding this matter, please feel free to contact this office.

Sincerely,



ANDREA LYNN HOCH
Legal Affairs Secretary

Attachment



OFFICE OF THE GOVERNOR

February 10, 2010

Mr. Dale Riesling, Acting Regional Director
United States Department of the Interior
Bureau of Indian Affairs
Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825

Re: Re-issued Notice of Off-Reservation/Non-Gaming
Land Acquisition Application for the Tule River Indian Tribe

Dear Mr. Riesling:

The Governor's Office has received a re-issued notice of the Tule River Indian Tribe's (Tribe or Tule River) July 2003 application to have 17 parcels of property totaling approximately 40 acres of land (Subject Property) conveyed to the United States of America in trust for the Tribe. The Subject Property is located within the territorial limits of the City of Porterville (City) in an industrial zone adjacent to the City's airport. The Tribe's 55,396 acre Reservation is located approximately 20 miles away.

Tule River's 2002 application indicates that the Tribe intends to utilize the land for economic development activities. These uses include a lease for Indian Health Services, a lease to the United States Department of Agriculture Forest Service, a lease for the Eagle Mountain Casino and a lease or other arrangement for Tule River Aero Industries, which maintains an aircraft manufacturing and repair facility at the City's airport. This enterprise also manufactures and installs fixed wing and helicopter avionics and kits to increase aircraft speed and performance. Recently, the Tribe opened a new 20,000-square foot hangar at the City's airport that is capable of housing five general aviation airplanes for private charter flights and air attacks on forest fires. (See, attached Exhibit A.) Two of the 17 parcels comprising the Subject Property have development on them while the remaining 15 parcels lie vacant.



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The application is unclear regarding what other commercial development uses the Tribe may plan for this property—particularly the 15 currently vacant parcels. As recently as February 2009 local newspapers have reported that, in cooperation with the City, the Tribe has been pursuing the relocation of its existing casino (along with related hotel and other development) to a portion of the Subject Property. (See newspaper articles attached hereto as Exhibits B, C & D.) Similarly, State legislation in 2008 suggests that the Tribe and the City have been in discussion regarding the redevelopment of an additional 1,200 acres near the airport. (See, AB 1884 and Governor Schwarzenegger's veto of that legislation attached hereto as Exhibit E.)

The Governor's Office is aware that the Tribe (in asking that the Bureau issue a categorical exemption from the requirements of the National Environmental Policy Act for this application) has asserted that the conveyance itself does not involve any change in use of the 15 undeveloped parcels. We are also aware that the Tribe's casino management, in a disclaimer, has offered to relinquish its existing leasehold in one of the subject parcels. The fact that the conveyance does not accomplish a change in use, however, does not mean that no other uses will be made of the undeveloped parcels in the future. Where, as here, the Tribe and the City have publicly identified the Subject Property as a potential casino site and sought legislation allowing redevelopment of an adjacent 1,200 acres pursuant to a joint powers agreement, it appears that there may be plans to develop this property for casino and casino related uses.

ANALYSIS

The Department of the Interior's policy for trust acquisitions provides that land may be taken in trust when the Secretary of the Interior determines that the "acquisition is necessary to facilitate tribal self-determination, economic development, or Indian housing." (25 C.F.R. § 151.3(a)(3).) In this case, the Tribe has not indicated that the proposed trust acquisition will be utilized to provide needed housing for its members and there has been no showing that the United States' failure to accept this proposed trust acquisition will preclude the Tribe from developing any needed housing for its members in the future. Likewise, there has been no showing that a failure to take the land into trust will prevent Tule River from proceeding with the further expansion of Tule River Aero Industries. The recent expansion of Tule River Aero Industries suggests that this economic development project can function successfully without trust status and federal supervision. Additionally, there has been no showing that this trust conveyance is essential to the Tribe's ability to exercise sovereign authority.

Moreover, pursuant to 25 C.F.R. § 151.11(c), where land is being acquired for business purposes, the Tribe must provide a plan which specifies the anticipated economic benefits associated with the proposed use. Although the application states that the Tribe's land is proposed for a business purpose, no separate business plan specifying the anticipated economic

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benefits of the proposed uses has been submitted. Instead, the Tribe's application contains a statement indicating that it proposes to utilize the land for existing Tule River Aero Industries' purposes, warehouses, and "other future commercial development."

In this case, while the application describes the benefits Tule River Aero Industries has provided to the Tribe while the land on which it is situated has been held in fee, the application does not address the benefits that might accrue if the land were held in trust. Likewise, although there has been mention in the press of other agreements between the Tribe and the City, no agreements or memoranda between the Tribe and the City have been attached detailing the relationship the two would have if the land were acquired in trust. Finally, the application contains no analysis of how any future commercial activities, or any gaming activity, on the undeveloped 15 parcels of the Subject Property would be consistent with surrounding City land uses.

CONCLUSION

The Governor's Office has concerns with the Tribe's application at this time because it does not demonstrate that, absent approval, the Tribe will be unable to provide housing for its members, facilitate tribal self-determination, or economic development. The application also does not provide any intergovernmental agreements reached with the City or analyze how future commercial activities on the undeveloped 15 parcels would be consistent with surrounding City land uses. Finally, based on news reports regarding the potential relocation of its casino and proposed legislation regarding the redevelopment of 1,200 acres near the airport, it appears that the Tribe's plans for the Subject Property may have changed during the interim and that the Tribe may plan to utilize this land for gaming and/or other commercial development. If this is the case, then the application should provide information addressing such intended use.

Thank you for providing us with the opportunity to comment on the Tribe's application. Should you have any additional questions regarding this matter, please feel free to contact this office.

Sincerely,


ANDREA LYNN HOCH
Legal Affairs Secretary

Attachments

EXHIBIT A

<http://www.recorderonline.com/news/porterville-44091-hangar-aviation.html#s>
|Comments> Comments 0 |
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Tule River Tribe invests in more aerospace operations

December 18, 2009 9:09 PM

BY

<http://www.recorderonline.com/reporter-profile/jenna-chandler-jchandler@portervillerecorder.com> > JENNA CHANDLER

THE PORTERVILLE RECORDER

The Tule River Indian Tribe expanded its aerospace industry Friday with the opening of a new hangar at the Porterville Municipal Airport.

Porterville Aviation's new 20,000 square-foot facility will house five general aviation airplanes for private charter flights and air attacks on forest fires.

Officials with the Tule River Economic Development Corporation, which oversees the tribe's non-gaming economic development, designed the \$1.2 million structure with enough room for additional aviation ventures.

"At this point, the aero industry is just a small facet of what the tribe does," said Earl Parks, who sits as a member of the Board of Directors of the Tule River Economic Development Corporation. "Within a few years, it could expand."

After years of "eying" Porterville Aviation, the tribe purchased it in 2007 from its original owner Ed Wood, who founded it in 1969, according to Dave Nenna, TREDC chief executive officer.

According to Nenna, the purchase was made to supplement the tribe's pre-existing aviation industry. In 2000, it opened Tule River Aero-Industries, a Federal Aviation Administration major engine and airframe repair station.

"We want to help keep Tule alive. That's our speciality," Nenna said.

Aero-Industries, now next door to the new Porterville Aviation hangar, is one of several non-gaming industries developed by TREDC after the Eagle Mountain Casino opened in 1996.

"The tribe remains committed to economic development. The casino is not enough," Tribal Administrator Sam Cohen told the pilots, tribe and community members and dignitaries who gathered.

"The tribe needs to diversify into another endeavor," he said, calling Porterville Aviation "an excellent example."

On Friday morning, about 50 people gathered in the hangar, located at 2021 S. Wildcat Way, in celebration of the grand opening.

Duane Garfield represented the Tule River Tribal Council at the event. He called the opening of the hangar a "turning point," after what he said were several years of convincing the Tribal Council of the financial viability and importance of the tribe's aviation interests.

Ground broke in 2008. Its construction was funded with a mix of local, tribe and federal dollars.

"The existence of charters and fixed based operators are essential to the airport," Airport Manager John Longley said. "[Porterville Aviation] is the major charter operation. This is it, this is the major one."

In the new hangar, contracted pilots have a lounge to relax in between flights. There is also a room for flight instructors to conduct ground training for Forest Service pilots who undergo yearly education classes. Nenna has big plans for the hangar, but the funding to develop them has run out.

Some potential ventures include paint and upholstery stations. He recalled an airplane built at Aero-Industries that had to be sent to Arizona to be painted, and was placed on an extensive wait list.

He also sees an opportunity to store a medevac helicopter that could service the entire county. Porterville, and the rest of the county, currently relies on medically-equipped helicopters from Kern and Fresno counties.

There's plenty of space in the hangar for the future operations, including a already built living quarters for future medevac helicopter pilots.

"There are a lot of [tribe members] that are out of work," he said. "I want to see some entrepreneurs step up to the plate. This could be a lucrative business."

Nenna, however, expressed doubt about whether any grant money will come through to fund the operations.

"With this depressed economy, who knows?" he asked. "We have to be tenacious, we'll apply for 20 and maybe get one."

The city of Porterville funneled some of its own resources into the project by relocating a utility pole and lines, which cost less than \$20,000, according to City Manager John Lollis.

"This is a critical component of the city's efforts in economic development," he said, noting a relatively new Southern California Edison plant and the forthcoming relocation of the Porterville fairgrounds adjacent to the airport.

--Contact Jenna Chandler at 784-5000, Ext. 1050, or jchandler@portervillerecorder.com.

EXHIBIT B

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Tule River Tribe plans Porterville casino

June 28, 2008

PORTERVILLE, CA – The Tule River Tribe hope to build a new casino with a 150-room hotel and outlet mall on a 40-acre industrial strip of land they own next to the Porterville Airport. The tribe operates the Eagle Mountain Casino on the Tule River Reservation which lies a distance from major traffic. A previous project to move the casino to Highway 190 failed, but the tribe believes this project has a likely chance of success.

The City of Porterville is supportive of the project and has signed a memorandum of understanding with the tribe. The city will work in partnership with the tribe in exchange for sales tax revenues. The area has been declared an economic revitalization zone.

Legislation to approve the project has been introduced in Sacramento and is working its way through the committee process.

The ultimate approval will come from the U.S. Department of Interior. The tribe is waiting for results of its application. Since the land is off the tribe's reservation, the federal government must consider other factors such as commuting distance of tribal members and additional environmental impacts.

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EXHIBIT C

VALLEY VOICE

ARCHIVES

June 12, 2008

Chamber Names Interim CEO

Visalia- Stanley S. Simpson, chairman emeritus of Buckman-Mitchell, Inc., has volunteered to serve as interim chief executive officer for the Visalia Chamber of Commerce. His term began on Monday and will continue until a permanent CEO is hired, estimated at 90 days.

A fourth-generation Visalian, Simpson has been a board member for the past year, and a strong supporter of the Visalia Chamber of Commerce for many years, explained board Chair Nancy Lockwood. His grandfather, C.T. Buckman, was the first Man of the Year to be honored by the chamber (in 1952). Simpson was honored with the award in 1995.

"Stan's role will be to provide a bridge for the next 90 days or so until we hire our new CEO, and to support incoming chair Connie Kautz," Lockwood explained. "He will be available to help market the chamber, help with fundraising and support Connie in being the public 'face' for the chamber.

"From our perspective, this has always been a team effort between the board chair and the CEO," she said. "There are so many public opportunities that one person can't be everywhere."

Simpson's duties do not include decision-making, speaking on behalf of the chamber or incurring expenses, however.

"He's an honorary CEO," explained Lockwood. "It's an honorary position, not an administrative or executive one."

The board is in the process of searching for a new CEO to replace Mike Cully, who took a chamber CEO position in the San Diego area last month.

"Several of us felt in the interim if we could find someone well known and respected in the business community, it would lend a face to the chamber so we wouldn't lose contact with members and other entities," Simpson explained. He said that he offered his services to the chamber for \$1.

"The board is very excited about his offer because he brings great connections and ideas. This will be the best \$1 we've ever spent!" said Lockwood, who didn't immediately follow up on the offer. "The first time he said it, I thought he was kidding," she said.

"I love this community, as many others do," Simpson said. "This chamber, which began as the Visalia Board of Trade 109 years ago, has always met the challenges of promoting business and trade. It is vital that we serve as the face of business in the community. Business people are often the first welcoming arm to visitors and new residents. We are the central meeting place and spokespeople for community affairs, and we lead the way in lobbying, political decision-making and more. There is strength in numbers. No one does it on their own."

Simpson is well aware that the chamber currently faces some challenges.

"The last three or four years, the chamber has struggled financially," he said, adding that it costs about \$100,000 a year for the chamber to maintain its building. "If we didn't have the building, we would net

ABSENTEE VOTE NUMBER CONTINUES TO GROW

Tulare County - For just the third time in history, the number of people going to the polls in the county to cast their ballots in an election was fewer than the number of people who mailed in their ballots. This month's primary election saw the turnout dip to about 25 percent, and 59 percent of those who did take the time to cast their ballots, did so by mail.

"Any small turnout, that's going to happen," said Paul Sampietro, registrar of voters for the county of the high absentee turnout. "Any time we mail people a ballot, they're likely to return it."

For the June 3 election, as of the latest count from the county, only 33,858 people cast ballots out of 138,688 registered voters. Of those, 19,867 did so by absentee. Sampietro said there are still about 1,500 ballots to be counted: 500 absentee, 500 provincial and 500 damaged that need to be read by hand.

The turnout was one of the lowest in the county in a while, but not the lowest. Sampietro said he expects a much better turnout for the November presidential election. In 2004, the turnout was 70 percent and 38 percent of that was mailed ballots.

The turnout in Kings County was 27 percent, with mail voters almost equal to those who went to the polls.

34th Assembly

Connie Conway earned more than 50 percent of the votes in Tulare County to easily cinch the Republican nomination. Bob Smith, a retired San Bernardino County Sheriff's deputy, finished a surprising second in the county, followed by Becky Maze, wife of incumbent 34th District Assemblyman Bill Maze. Smith earned 26 percent of the vote in the county and Maze 20 percent.

Desmond Farrelly was unopposed for the Democratic nomination. He will face Conway in November in a district that is heavily Republican.

In the 30th State Assembly race, Republican Danny Gilmore will face Democrat Fran Florez, mother of State Senator Dean Florez.

In the congressional races, Devin Nunes (R-Tulare) will face Democrat Larry Johnson in the 21st District. Democrat Jim Costa will basically be unopposed in the 20th District.

In the Stone Corral School Bond, the measure is passing by one vote with 26 yes, or 56.53 percent, to 20 no votes, 43.48 percent. The measure requires 55 percent approval. It is not known if any of the ballots yet to be counted are from that district.

Council Election Alters Porterville Casino Picture

By Claudia Elliott

Porterville - Representatives of the Tule River Tribal Council said Tuesday they are not concerned about a change in the make-up of the Porterville City Council following the June 3 election.

The city and tribe are working actively toward development of tribal-owned land near the Porterville Airport where the tribe hopes to relocate its Eagle Mountain Casino, but school psychologist Brian Ward, who was elected to but has not yet been seated on the city council, made it clear both before and following the election that he is against gambling and does not want to see the casino relocated.

"I'm opposed to gambling period," Ward said. "I'm open to working with the Tule River Tribe. I think they're doing a lot of great things, a lot of collaborative things, no opposition on vast majority of problems, but when it comes to gambling I draw the line in the sand."

There are a number of hurdles the tribe must jump before the casino could be moved. Although it owns 40 acres at the airport, that land has not yet been put in trust, one of the conditions for gaming. Because it was not

in trust by October 17, 1988, a date established by the federal government, putting the land in trust to use for gaming requires it to go through an approval process involving the Governor of the State of California and the Secretary of the Interior. It is widely believed that a tribe would not be successful in such an endeavor without strong local support.

Although Ward has expressed his opposition to gambling, a long-time Tule River Tribal Council member, Duane Garfield, who currently represents the tribal council on the Southeastern Tulare County Inter-Governmental Coordinating Committee (STIG), said Tuesday he believes that with more information the councilman-elect will come to see that the proposed relocation of the casino and related airport area development are of benefit to the city and the tribe.

"From what I've heard of Mr. Ward, it sounds like he will make a very good city councilman," Garfield said. "I think once he's in his new position and has an opportunity to learn more about the proposed project, he will see that it's good for everyone."

Earlier this year, the city and tribe adopted a Memorandum of Understanding which calls for the two governmental bodies to work together. The STIG has been in the process of evolving since that time into what members hope will become the Porterville Airport Area Development Agency, an official governmental agency organized under state law to oversee the airport area development.

Creation of such an entity requires approval of the state Legislature and a bill introduced by Assemblyman Bill Maze has cleared the Assembly and will be heard in the Senate Local Government Committee on June 18. If it is approved there, it will head to the full Senate and is expected by supporters to reach the Governor's desk in September.

In the meantime, the STIG is working to develop infrastructure which will allow PAADA and a related non-profit corporation to facilitate day-to-day operations of the body.

Tule River Tribal Administrator Rodney Martin said he is not "overly concerned" about Ward's election and anti-gambling statements.

"I heard that he called it [gambling] a regressive tax on the poor," Martin said. "I can think of a lot more regressive taxes. I don't think you're going to see the sale of state lottery tickets at every convenience store in town stopping."

Porterville Mayor Cam Hamilton and Councilman Pete McCracken both said they believe Ward should wait until he has more information about the project before expressing his opinion. Both council members — Hamilton was re-elected June 3 and McCracken has more than two years remaining on his term — voted in favor of the MOU which expresses city support for the tribe constructing a hotel resort and casino on its airport property. Both also said this week that they did not believe that vote indicated a support for moving the casino to the airport property.

"I neither favor nor disfavor moving the casino to Porterville," McCracken said. "I have not been approached on it; I have not been asked to decide on it."

Hamilton said he believed that approval of the MOU was a step to allow the city and tribe to move forward with their negotiations. He does not consider it to have been an approval by the city council to move the casino to the airport property.

"There is more study to be done," he said following a meeting of the STIG. "But as far as a moral issue, the job of a city councilman is to study issues and vote on behalf of the best interests of the city, not their personal interests."

Martin said an economic analysis report and environmental documents are being prepared and will be released to the public within the next few weeks.

The next meeting of the STIG, which is open to the public, has been set for 1 p.m. July 18 at Porterville City Hall.

Ward is expected to take his seat on the City Council at an adjourned meeting June 24.

Speculation Driving Sky High Oil Prices, Says Local Oil Exec

As Reports on Company Investment in Ethanol

EXHIBIT D

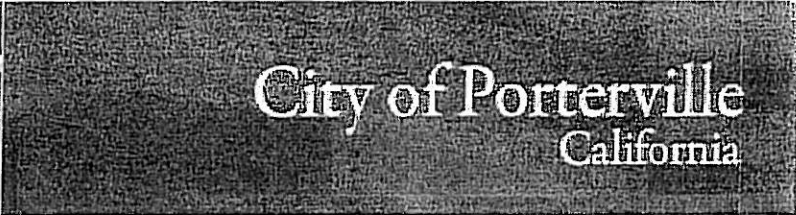


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Busy Year Ahead for Porterville

Rick Elkins from the Valley Voice Newspaper | 03-Feb-2009

<http://www.valleyvoicenewspaper.com/vvarc/2009/jan032009.htm>

Busy Year Ahead for Porterville

By Rick Elkins

Porterville - John Lollis, who will take over as Porterville's city manager Jan. 14, will lead that city in 2009, a year that promises to be busy and one where the downtown of that southeastern county city will begin to change forever.

Lollis, who has been Porterville's deputy city manager since July of 2007, follows John Longley who is retiring. Longley served as city manager since 2002.

Lollis inherits a city on the move with many challenges and opportunities ahead.

"It will be very challenging times," said Lollis late in December. He has been working closely with Longley for more than a year. The city council selected him as the next city manager several months ago with the idea the time he would work with Longley would make for a smooth transition.

"I see great potential for the community," he added.

Like every other governmental entity, the economy will pose a challenge, but Lollis said the city is in a good position financially.

"The city has been fiscally conservative in the past and we should be OK and should be able to weather the storm," said Lollis. He added the city did not quite get into the housing or retail building boom as occurred in other cities, so the slowdown is not as great.

Still, the city is not looking to add any new staff. "We call it a chill, not a (hiring) freeze," said Lollis. He said that is also the reason that not a lot of new projects were added to the city's list of priorities.

However, he sees the current fiscal crisis statewide having a lasting effect. "I believe there'll be fundamental changes in local government," he said.

2009 Agenda

At the top of the city's 2009 agenda is finalizing the sale of property to the state of California for a new Superior Courthouse. That project will have a domino effect downtown, leading to a revitalization of the area along Olive Avenue from Plano Street to Main Street.

Lollis said the state is going through the EIR process now on the project and hopefully it will enter escrow on the property in April. However, the state has only so far allocated funding for the land purchase, but not the construction. Once that project gets in motion, it will trigger others, including the relocation of the Porterville Enterprise out to save the Porterville

Airport where the Tule River Indian Tribe has hopes of building a resort/casino.

The courthouse project is also catalyst for the city to change the look of its downtown, especially the central intersection of Olive Avenue and Main Street.

There, the key is the demolition of the old Porterville Hotel, a 1920s-era structure that has seen its better days. The building was condemned last year and Lollis says plans are to tear it down in the summer of 2009. The city is also working on a master plan to develop the area along Olive Avenue, called the Courthouse Commons master plan that will include what the city hopes to do with the old hotel property.

Many Projects

Lollis said one major goal the city has for 2009 is the development of a softball complex next to the new Santa Fe School on Orange Avenue.

"That's one that will rise to the top. There is a lot of energy for that," said Lollis of the Heritage Softball Project that will be part of the Heritage Center that has been developed at that location. To make that happen, the city is looking for a grant writer. Lollis said the city will have to apply for the Prop. 84 park money that is available.

Another project that is in the infancy stage is the development of a new city library. The city manager said a citizen's library advisory committee has been formed to begin work on that project.

A few other projects include a new public safety building – combination of police and fire – to be built at Jaye Street near Gibbons Avenue on the southern end of the city's industrial area. There is also a plan to connect Jaye Street to Gibbons and Scranton, using Measure R funds. Also, Scranton will eventually be connected to Indiana.

Another project is the Indiana Street Low Water Crossing. Lollis explained that will be a low-level bridge that might actually be under water when the flow down the Tule River is strong enough, but the project will enable the city to qualify for bridge replacement money in the future for a permanent crossing.

"Instead of building a \$15 million bridge, you spend \$3 million for the low water crossing," he said. The city is also in the process of setting up its own animal control department with plans to eventually take over operation of the city of Lindsay's animal control facility.

Porterville also wants to establish a LOOP bus similar to the ones operating in Visalia and Dinuba. Lollis said the city has offered to donate one of its transit buses to the county which would operate the LOOP bus. He said they would like the bus to serve Terra Bella, Poplar, Woodville and Strathmore, giving children a safe ride to the community center, library, sports complex and Murry Park Pool, all in Porterville.

Accomplishments

A major hurdle for the city was the lifting of the cease-and-desist order placed on the city's wastewater treatment plant. An effluent pipeline and the purchase of 200 acres for ponding helped the city to have that federal order lifted. The city continued to develop the area of Highway 190 and Jaye Street where the Riverwalk Shopping Center continues to grow.

Besides Lowe's, the center is already home to several small restaurants and plans are to construct a small visitor center at the location this year.

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EXHIBIT E

CHAPTER _____

An act to add and repeal Section 6529.5 of the Government Code, relating to joint powers agreements.

LEGISLATIVE COUNSEL'S DIGEST

AB 1884, Maze. Joint powers agreement: Tule River Tribal Council.

Existing law authorizes 2 or more public agencies, by agreement, to jointly exercise common powers. Existing law defines public agencies for this purpose.

This bill would provide that the Tule River Tribal Council, as the governing body of the Tule River Indian Reservation of California, a federally recognized Indian tribe, may enter into a joint powers agreement with the City of Porterville for the sole purpose of developing particular property in the vicinity of the Porterville Airport. The bill would deem the Tule River Tribal Council a public agency for purposes of the law relating to joint powers agencies and would designate the joint powers authority the bill would create as the Porterville Airport Area Development Authority. The bill would specify the membership of the authority's 5-member board and require that all actions taken by the authority be by an affirmative vote of 4 members of the board. The bill would prohibit the joint powers authority created pursuant to the bill from authorizing or issuing bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985, unless the funded public improvements will be owned and maintained by the authority or one or more public agency members, and the revenue streams pledged to repay the bonds derive from the authority or one or more of its public agency members. The bill would repeal its provisions on January 1, 2039.

This bill would state the findings and declarations of the Legislature concerning the need for special legislation.

The people of the State of California do enact as follows:

SECTION 1. Section 6529.5 is added to the Government Code, to read:

6529.5. (a) The Tule River Tribal Council, as the governing body of the Tule River Indian Reservation of California, a federally recognized Indian tribe, may enter into a joint powers agreement with the City of Porterville for the sole purpose of developing approximately 1,200 acres of land in the vicinity of the Porterville Airport. The Tule River Tribal Council shall be deemed to be a public agency for purposes of this chapter.

(b) (1) The joint powers authority created pursuant to subdivision (a) shall be known as the Porterville Airport Area Development Authority.

(2) The board of directors of the joint powers agency shall consist of two members appointed by the city council of the City of Porterville, two members appointed by the Tule River Tribal Council, and one member appointed by the other four members.

(3) All actions taken by the Porterville Airport Area Development Authority shall require an affirmative vote of four members of the board.

(c) The joint powers authority created pursuant to subdivision (a) shall not have the power to authorize or issue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584)), unless the public improvements to be funded by the bonds will be owned and maintained by the authority or one or more of its public agency members, and the revenue streams pledged to repay the bonds derive from the authority or one or more of its public agency members.

(d) Nothing in this section shall be construed as extending the power of eminent domain to the Tule River Tribal Council.

(e) This section shall remain in effect only until January 1, 2039, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2039, deletes or extends that date.

SEC. 2. The Legislature finds and declares that, because of the unique circumstances applicable only to the City of Porterville and the Tule River Tribal Council, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

BILL NUMBER: AB 1884
VETOED DATE: 09/28/2008

To the Members of the California State Assembly:

I am returning Assembly Bill 1884 without my signature. As I have stated before in vetoing similar measures, allowing a tribal government that is not subject to all federal, state and local laws to participate in the exercise of public power, particularly off reservation lands, diminishes public accountability and control.

Sovereign tribes can work cooperatively with their local governments through agreements and memorandums of understanding as contemplated in the tribal-state compacts my Administration has executed. I encourage the proponents of this measure to pursue their objectives in this manner.

For these reasons, I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger