



Legislation Text

File #: 22-0317, **Version:** 1

Chief Administrative Office recommending the Board approve and authorize the Chair to sign the Intergovernmental Agreement between the Shingle Springs Band of Miwok Indians and El Dorado County for the entertainment center and parking expansion to the existing Red Hawk Casino parking structure.

FUNDING: Discretionary Tribe Funding.

DISCUSSION / BACKGROUND:

The Tribe is proposing to expand its Red Hawk Casino with the addition of a hotel, parking and entertainment center. The existing facility includes a 278,000-square-foot casino and adjacent eight-level parking garage. The hotel project was previously addressed in environmental reviews and is not a subject of this Intergovernmental Agreement (IGA). This IGA is limited to the offsite impacts associated with the entertainment center and those identified in the Tribal Environmental Impact Report (TEIR).

The proposed 75,000-square-foot entertainment center would be developed above the northern half of the existing parking garage. The entertainment center building would incorporate additional entertainment and dining options such as a 26-lane bowling alley, virtual reality gaming suites, indoor go-karting, bar, meeting rooms. In addition, the southern half of the existing eight-level parking garage would be expanded with an additional three levels. The additional three levels would expand the number of parking spaces from 3,040 to 3,600.

Because the entertainment center is located on land held in trust by the federal government for the Tribe, the County lacks the ability to ensure it receives property and sales and use tax revenue from the entertainment center, which the County would otherwise receive if the entertainment center was not operated on tribal trust land.

Through a series of negotiations between County staff and the Tribe, the attached proposed IGA was reached and the Tribal Council will consider this agreement on February 19, 2022.

The primary terms of the agreement are:

1. **Term/Due Dates:** The term of this Agreement shall run from February 22, 2022, until the earliest of the following: (1) termination pursuant to section K.4; (2) closure of the Entertainment Center Project, defined as cessation of commercial operation for a period of six consecutive months; (3) the Compact expires, is terminated, or otherwise ceases to be in effect; or (4) February 22, 2047.
2. Annual payment of \$250,000, with a 2% escalator to offset the sales and property tax that the

County would otherwise receive. Payments to begin after opening of the entertainment center.

3. One-time payment of \$500,000 for purchase of specified equipment by Sheriff's Office. Payment to be made no later than the first quarter of Fiscal Year 2022-23.
4. Three annual payments of \$50,000 (total of \$150,000) for transportation-related projects. Payments to begin after opening of the entertainment center.
5. Tribe to provide written report on project consistency with relevant County standards/policies.
6. Tribe to install 10 additional electric vehicle chargers in facility parking lot.
7. Good-faith discussion of health care payment mechanics.
8. Tribe to implement carpooling/ridesharing incentives for project employees.

Additionally, the Tribe will make requested revisions to the TEIR in response to comments submitted by the County on August 16, 2021.

During negotiations, County staff and the Tribe recognized the value to the community and tribal members of continued efforts to improve relationships and this agreement is another step in that direction.

ALTERNATIVES

The Board could choose not to approve the agreement and direct staff to pursue further negotiations with the Tribe.

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel

FINANCIAL IMPACT

Annual payment of \$250,000 discretionary funding, with a 2% escalator, and \$650,000 in one-time payments for the purchase of specified equipment by Sheriff's Office and transportation-related projects.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Please provide a signed copy of the contract to the Chief Administrative Office, and Janeth SanPedro, in County Counsel.

STRATEGIC PLAN COMPONENT

Good Governance, Infrastructure, and Public Safety

CONTACT

Don Ashton, Chief Administrative Officer