

**FINAL
ENVIRONMENTAL ASSESSMENT AND
TRIBAL ENVIRONMENTAL IMPACT REPORT
FOR THE PAUMA CASINO AND HOTEL**

Prepared for:

National Indian Gaming Commission
1441 1 St. NW, Suite 9100
Washington, DC 20005

and

Pauma Band of Mission Indians
1010 Pauma Reservation Road
P.O. Box 369
Pauma Valley, California 92061

Prepared by:

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(858-578-9064)

April 8, 2008

FINDING OF NO SIGNIFICANT IMPACT

**PROPOSED MANAGEMENT AGREEMENT BETWEEN THE PAUMA BAND OF
MISSION INDIANS AND FOXWOODS MANAGEMENT PAUMA, LLC**

AGENCY: National Indian Gaming Commission

ACTION: Finding of No Significant Impact

SUMMARY:

The Pauma Band of Mission Indians (the "Tribe") has submitted a request to the National Indian Gaming Commission (the "NIGC") for the approval of a management agreement (the "management agreement") between the Tribe and Foxwoods Management Pauma, LLC ("Foxwoods") for the management of a gaming facility on the Tribe's trust land in northern San Diego County, California. The Proposed Project that would be subject to the management agreement includes the construction and management of a new casino, hotel and resort facilities that will replace an existing temporary casino.

The NIGC is the federal agency charged with regulating gaming on Indian lands, as mandated by the Indian Gaming Regulatory Act ("IGRA") and serves as the lead agency for compliance with the National Environmental Policy Act of 1969 ("NEPA") for the Proposed Project. As part of its regulatory authority under IGRA, the NIGC reviews and approves all management agreements between Indian tribes and outside management companies. The NIGC has determined that its approval of such management agreements constitutes a "major federal action" triggering NEPA compliance. The Proposed Action before the NIGC is the approval of the management agreement.

The Environmental Assessment ("EA" or "Final EA") and this Finding of No Significant Impact ("FONSI") fulfill the requirements of NEPA as set out in the Council on Environmental Quality Regulations for Implementing NEPA (40 CFR Parts 1500-1508) and the NIGC's NEPA procedures.

In addition to NEPA compliance, the Tribe has prepared a Tribal Environmental Impact Report ("TEIR") in accordance with its Compact with the State of California pursuant to IGRA. This EA has been jointly prepared with the TEIR.

FOR FURTHER INFORMATION CONTACT:

Bradley A. Mehaffy, NEPA Compliance Officer
National Indian Gaming Commission
1441 L St. NW, Suite 9100
Washington, DC 20005
202-632-7003

PUBLIC AVAILABILITY:

The Final EA and FONSI will be available to the public for a period of 30 days at the following addresses:

Pauma Band of Mission Indians
1010 Pauma Reservation Road
P.O. Box 369
Pauma Valley, California 92061

National Indian Gaming Commission
1441 L St. NW, Suite 9100
Washington, DC 20005

Valley Center Library
29200 Cole Grade Rd.
Valley Center, CA 92082

DESCRIPTION OF THE PROPOSED PROJECT:

The Pauma Casino and Hotel ("Proposed Project") will be constructed and operated on Tribal trust land on the Pauma Indian Reservation in northern San Diego County, California to replace the existing temporary Pauma Casino. The Proposed Project will include a casino, 19-story hotel, resort facilities, and associated parking. The casino will include approximately 73,583 square feet of gaming area and up to 2,500 slot machines, 50 table games, and 10 poker tables. The casino will also include food and beverage venues and retail. The hotel will have 384 rooms adjacent to the casino, and 16 ground-level villa suites. Other facilities include a spa, pool, multi-purpose events center, conference and meeting facilities, administration and back-of-house area, a 1,500-space parking garage, 2,350 surface parking spaces, new water wells, a 500,000-gallon water reservoir, new percolation pond system, and an expanded wastewater treatment facility.

PUBLIC REVIEW AND COMMENT:

A Draft EA/TEIR was circulated for public review from August 8, 2007 through September 21, 2007. In addition, the NIGC held a public meeting on August 28, 2007. Comments received from the public and responses to those comments are incorporated into the Final EA/TEIR.

SUMMARY OF IMPACTS AND MITIGATION:

As evidenced by the analysis of impacts and proposed mitigation in Sections 4, 5, and 6 of the Final EA/TEIR (see attached), the NIGC has evaluated and accepts the proposed mitigation measures of the Final EA/TEIR. Sections 4, 5, and 6 of the Final EA/TEIR have identified the following:

- Geology and Soils, Hydrology/Water Resources, Land Use, Mineral Resources, Population and Housing, Recreation, Socioeconomics and Environmental Justice, and Utilities and Service Systems will not be impacted by the Proposed Project.
- Cultural Resources will not be impacted by the Proposed Project but mitigation is proposed to ensure that any resources accidentally discovered during construction will not be significantly impacted.
- Agricultural Resources will not be significantly impacted by the Proposed Project and no mitigation is proposed.
- Aesthetics, Air Quality, Biological Resources, Hazards and Hazardous Materials, Noise, Public Services, and Transportation/Traffic will potentially be adversely impacted by the Proposed Project but the mitigation measures proposed will reduce the impacts below significant levels.

FINDINGS:

The NIGC makes the following findings, which support the FONSI:

1. Federal, State, and local agencies and the public were involved in identifying environmental issues related to the Proposed Action. The EA contains the comments received from federal, state, and local agencies and from the public and responses to each comment received (Appendix G).
2. Alternative courses of action were considered and assessed (EA Section 2.0). The EA discloses the environmental consequences of the proposed action, the no-action alternative, and the expanded casino alternative (EA Sections 2.0 and 4.0). In addition, alternative hotel heights were assessed in response to comments regarding aesthetics (EA Section 4.1).
3. The EA finds that the Proposed Action will not jeopardize any federally or state listed threatened or endangered species (EA Section 4.4).
4. The EA finds that the Proposed Action is in compliance with the National Historic Preservation Act and that no archaeological or culturally significant sites will be affected by the proposed action (EA Section 4.5).
5. The EA finds that the impacts on public health and safety will not be significant. In regard to traffic impacts, the EA finds that mitigation provided by the Tribe's funding of improvements at the intersection of State Route 76 (SR-76) and Pauma Reservation Road reduces impacts to less than significant and that the Tribe is currently working with Caltrans and the County of San Diego to design and implement these improvements. (EA Sections 4.16 and 6.16).
6. The EA describes mitigation measures that will be implemented to protect the human

environment. (EA Section 6.0). The mitigation measures are summarized above.

7. The EA finds that the proposed action will not have an adverse effect on groundwater (EA Section 4.8).
8. The EA analyzes the cumulative impacts for the proposed action and finds that they will not be significant (EA Section 5.1).
9. The EA finds that the proposed action will improve economic and social conditions of the Tribe and meets the purpose and need for the action identified in the Final EA (EA Section 1.2). The proposed action will not have any significant impact on local or regional socioeconomic conditions (EA Sections 4.12, 4.15).

The NIGC has independently evaluated and hereby adopts the information and analysis in the EA.

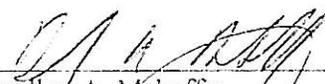
DETERMINATION:

The Final EA provides a sound basis for evaluating the environmental impacts of the Tribe's proposed development, construction, and operation of a gaming facility under a management agreement with Foxwoods Management Pauma, LLC.

RECOMMENDATIONS/APPROVALS:

After careful and thorough consideration of the facts contained herein, the undersigned finds that the proposed federal action is consistent with existing national environmental policies, objectives as set forth in Section 101 of NEPA, other applicable environmental requirements and will not significantly affect the quality of the human environment or otherwise include any condition requiring consultation pursuant to Section 101(2)(c) of NEPA.

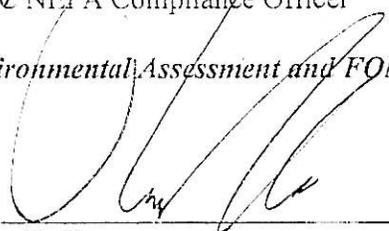
Environmental Assessment and FONSI reviewed and recommended by:



Bradley A. Mehaffy
NIGC NEPA Compliance Officer

4/16/08
Date

Environmental Assessment and FONSI approved by:



Philip N. Hogen
Chairman, National Indian Gaming Commission

5/5/08
Date