

# Maletis in new negotiations with Klamath Tribe over land

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A recently-released confidential document outlines a proposed development agreement between the Maletis family and the Klamath Tribes and sheds light on how the golf course owners could develop their 385 acres in French Prairie.

Tom and Chris Maletis, the two brothers who own Langdon Farms Golf Course and surrounding property, confirmed this week they are continuing to negotiate with the Klamath Tribe about developing their property south of the Willamette River.

*The Spokesman* obtained the document when it was sent as an anonymous fax with the title "Confidential Term Sheet." It was dated May 24, 2009. The fax had no cover sheet, and was sent from a print shop in downtown Klamath Falls.

When contacted about the document, Chris Maletis expressed shock that the term sheet was made public. A draft of a memorandum of understanding, it is not signed by either tribal officials or the Maletis brothers.

"The reason I pay my attorneys is to make sure I don't get myself into trouble. I am going to have you talk with them," Chris Maletis said late Friday afternoon.

Mark Cushing, attorney for the Maletis family, confirmed the term sheet was authentic, and said negotiations with the Klamath Tribes have been ongoing, even as late as last week.

Joe Kirk, chairman of the Klamath Tribes tribal council, also confirmed that negotiations were "active."

"It's an authentic document," Cushing said of the term sheet. "It's not a document anyone has signed and there has been no agreement on a term sheet. By its terms it's a confidential document. (But) whoever sent it to you didn't treat it that way."

Kirk said Monday he wouldn't comment on the contents of the term sheet, or the negotiations with the Maletis family, but added the tribe is interested in the property because many tribal members live in the Salem and Portland area.

"With our restoration agreement, we're looking at economic development," Kirk said. "If we restrict that to Klamath County, it's financially hurting. You have to look beyond those borders as to what opportunities might exist."

The term sheet outlines how an agreement would allow the Maletis family to develop the property in partnership with the Klamath Tribes. According to the draft agreement, the property would be placed into trust through the Bureau of Indian Affairs to the Klamath Tribes. Then the tribes would lease the property to a tribal entity for 50 years. That tribal entity would then sublease the property for 50 years to a joint limited liability company. The LLC would have co-owners with the Maletises owning 75-percent of the company and the tribes owning the remainder. The tribes would have equal voting rights on decisions and projects for the property.

Cushing was adamant that no agreement has been reached between the two parties and nothing has been signed. He stressed there are no plans for a casino on the property, by the Maletis family or the Klamath Tribes.

“It is the height of nay-saying for anyone to imply that the only economic activity a tribe can engage in is gaming,” Cushing said. “Our discussions, which are active, involve only non-gaming and are very sophisticated development that would be very green and the type of development the region would be proud of and a significant jobs generator both for non-tribal members and tribe members that live in the Salem and Portland area.”

The term sheet’s release comes on the heels of the Clackamas County Policy Advisory Committee recommendation that the French Prairie area and, specifically the Maletis property, should be studied for a rural reserve designation, meaning the two men wouldn’t be able to develop the property for at least 40 years.

“(The PAC recommendation) doesn’t have any impact on the business discussions with the tribe,” Cushing said. “The PAC is an advisory body, and they did not make a serious or any way in-depth analysis of the Langdon Farms property for the urban reserves. And apparently just defaulted it into the rural reserve category ... We are not assuming that the Clackamas County Commission doing its job as it’s chartered to do is going to treat that advisory recommendation as binding or even remotely conclusive for evaluating this for the regional considerations the urban, rural reserves process is expecting out of this. We were disappointed, but not surprised.”

Greg Argel, reality officer with the Bureau of Indian Affairs, said Monday if the land is put into trust for the Klamath Tribe, it wouldn’t have to follow local or state land-use laws. He also said any development on the property, after it was placed in trust, wouldn’t be subject to county or local property taxes. Under the Indian Gaming Regulatory Act a casino cannot be placed on the property without the approval of the governor.

“If they wanted to do gaming, the governor would have to give approval,” Argel said. Cushing would not give a timeline on when he thought the Maletis brothers would have an agreement with the tribe.

When asked if he felt the draft agreement was released because of the rural reserve recommendation and the upcoming public hearings, Cushing said he didn't feel anyone with the tribe is paying close attention to the process.

The Clackamas County Planning Commission has scheduled a public hearing on the urban-rural reserves process for 6:30 p.m. Aug. 10 in Oregon City.

"I don't know who sent it, and the Maletis brothers don't have any idea who sent it," Cushing said. "We are not going to conduct our negotiations in public or through the media. I don't know why, I would doubt that person who sent it from Klamath Falls had in mind anything to do with the upcoming hearing."

Kirk said while some tribal members are watching the reserves process, he isn't.