



## Casino deal is a big win for state

It could cash in on proposed facility

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BY KATHLEEN GRAY

FREE PRESS STAFF WRITER

Southwestern Michigan stands to get the fourth biggest casino in the state after Gov. Jennifer Granholm and the Gun Lake tribe of Pottawatomini Indians signed a tribal gaming compact Friday, a deal that could be worth millions of dollars a year to Michigan.

The 190,000-square-foot, \$200-million gaming facility in Bradley -- located halfway between Grand Rapids and Kalamazoo -- would have 2,500 slots and 80 gaming tables, tribal Vice Chairman John Shagonaby said Friday.

The facility would employ 1,800 people, though it could take about two years to cross the bureaucratic hurdles -- including the state Legislature's passage of the compact -- before construction begins.

With just 309 members, the Gun Lake tribe is one of the smallest in Michigan, and it had been battling in federal court for years to win approval for a plan to have land placed in a federal trust so a casino could be built to profit the tribe. A group called Michigan Gambling Opposition (MichGO) has been fighting the plan, which a federal judge in Washington, D.C., approved Feb. 23.

Last week, a judge blocked the government from putting the land into trust so MichGO could appeal.

But state officials -- aware that the U.S. Court of Appeals ruled in favor of the Pokagon tribe of the Pottawatomini Indians, allowing it to start work on a casino in New Buffalo set to open in August -- decided to get a jump on compact negotiations, figuring they could strike a better bargain with the Gun Lake tribe now.

GOP legislators say they don't want to take it up the compact issue until the appeals court rules.

Once the government puts tribal land into a federal trust, the state would have 180 days to negotiate a compact that could benefit taxpayers. Otherwise, the casino might be allowed to open without one.

"Once the tribe's land goes into trust, the tribe will almost certainly have the right, under federal law, to open a commercial gaming facility -- with or without a compact with the state," Granholm said.

The deal is more lucrative for the state than the other 11 tribal compacts that have been signed since 1993. The Gun Lake tribe would pay 8% of its revenues to the state and 2% to surrounding communities.

If the casino generates more than \$150 million in revenue, the state's take would go to 10%; if it surpasses \$300 million, the take would be 12%.

By comparison, Soaring Eagle, the largest American Indian casino in the state, generated a peak of \$26.6 million for the state in 1997 under a compact that returned 8% of revenues to Michigan's coffers.

In addition, the Gun Lake tribe has agreed to exclusive gambling rights in only the nine surrounding counties. Compacts signed with tribes in 1993 and 1998 contained a clause that if any non-Indian casinos opened anywhere in Michigan, they no longer had to pay the state's 8% cut.

When three commercial casinos opened in Detroit, payments from the tribes covered by those compacts stopped.

Revenue to the state peaked in 1998, with \$46.7 million from the Indian casinos. By 2006, only one of the 11 tribes -- the Keweenaw Bay Indian Community -- was making payments.

Even though the deal calls for the Gun Lake tribe to pay more to the state, Shagonaby said members are pleased with it. "The tribe has had several ups and downs as of late, but we're going to win this and get the land in trust," he said.

MichGO plans to continue its fight. "Granholm has laid out the red carpet for the tribe," said president Todd Boorsma. "She has totally shut us out."

Tom Shields, who represents the MotorCity Casino in Detroit, said it doesn't have a problem with the compact: "It won't really have an impact on the Detroit casinos."

Contact **KATHLEEN GRAY** at 313-223-4407 or [gray@freepress.com](mailto:gray@freepress.com).

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