



**MENOMINEE INDIAN TRIBE OF WISCONSIN
CHAIRMAN'S OFFICE**

P.O. Box 910
Keshena, WI 54135-0910

November 2, 2013

Honorable Scott Walker
Office of Governor
115 East Capitol
Madison, WI 53702

VIA ELECTRONIC MAIL TO:
MIKE.HUEBSCH@WISCONSIN.GOV
ERIC.SCHUTT@WISCONSIN.GOV

Re: Menominee Kenosha Project

Dear Governor Walker:

The Menominee Indian Tribe of Wisconsin appreciates your serious review of the volumes of information presented to you regarding the Menominee Indian Tribe of Wisconsin Hard Rock International Kenosha Casino (the "Kenosha Project"). We are particularly pleased with you taking time to check and review this information to ensure that it is reliable. In order to further your review of issues and questions you deem important, as described in your public letters this week, we offer the following response.

I. A New Casino is Very Likely to Emerge in Illinois if a Casino is Not Approved in Kenosha

In your letter of October 28, 2013 you stated:

According to the information provided by the Division of Gaming, Illinois does not have tribal gaming. Therefore, there are no applications pending with the Bureau of Indian Affairs regarding casinos in Illinois.

The State of Illinois does grant Class III casino gaming licenses to private companies, and the state government has issued all of the licenses it is entitled to under current law. Thus, there are no pending casino applications in Illinois at this time.

Legislative efforts were made in 2012 and 2013 to increase the number of casinos in Illinois, but Governor Pat Quinn vetoed both measures.

While the information cited above is technically accurate, it is not the information necessary to determine whether or not a new casino will emerge in Illinois.

A. There Is No Prohibition on Future Tribal Gaming in Illinois

It is true that Illinois does not now have tribal gaming; however, there is no prohibition on tribal gaming in Illinois. The Ho-Chunk Nation has recently attempted to build a casino in Lynwood, Illinois. The Prairie Band Potawatomi Band is currently seeking to conduct gaming in DeKalb County, Illinois.

Nothing would prevent a Tribe from seeking to operate Class III gaming in Illinois. The fact that Illinois does not have tribal gaming today does not mean it won't have it in the future.

B. Illinois Gaming Legislation to Allow a Class III Casino Just Across the Wisconsin Border is Highly Likely to Become Law Soon

It is true that Illinois has issued all of the licenses for Class III casino gaming allowable under current law. The fact is, however, that there has been gaming expansion legislation introduced and passed by the Illinois Legislature in 2012 and 2013. That legislation included a provision for a casino in Lake County Illinois, on the border with Wisconsin. Both times the legislation was vetoed by Governor Quinn. It was clear in his veto message earlier this year, however, that he was willing to approve such legislation. Governor Quinn called on legislators:

"to work with me, my staff, the Illinois Gaming Board, the Illinois Racing Board, the city of Chicago and all other interested parties to ensure that the final version of any gaming legislation includes strong ethical standards, clear regulatory oversight and adequate support for our students and teachers."¹

The Department of Administration Division of Gaming failed to note in its report to you that new legislation was introduced last week in Illinois (Illinois Senate Bill 1739), again proposing a casino in Lake County, Illinois on the Wisconsin border. The sponsor of that bill, Rep. Robert Rita, a Democrat from Blue Island, said "Let's put the attention back on what we had going...to ultimately pass a bill the governor will sign."²

That pending legislation, along with the Governor's statement that he expects a "final version" to come to him, shows such legislation is likely to be approved eventually.

C. Market Conditions, Gaming Experts, and Other Factors All Indicate Strong Likelihood That a Casino Will Be Built in Northern Illinois if Not Built in Wisconsin First

As we discussed in our meeting on October 23, 2013, there is other information that makes it very likely that a casino will be built on the Illinois side of the border, including:

- Chicagoland is the third-largest gaming market in the country with huge, untapped potential and a highly beneficial tax rate to the state.
- Potawatomi's own research consultant, John Repa, said "It is alive and well and being tweaked in the Legislature. I think (the Illinois casino expansion bill) will probably get through eventually."³
- Potawatomi currently employs several lobbyists in Illinois.⁴
- Caesar's, a potential casino in Waukegan, has stated it expects 30% of its revenues to come from out of state, mostly from Wisconsin. The following was lifted directly out of Caesar's Entertainment's PR Newswire Release on Waukegan, IL Casino Opportunity.

"Country Club Hills will be in the backyard of both the Joliet and Indiana casinos, whereas our casino's closest competition is 45 miles away and we've got no casinos across the state line in Wisconsin," said [Waukegan Mayor Richard] Hyde. It is projected that more than 30 %

¹ Governor Quinn veto message re: SB 0744

<http://www.ilga.gov/legislation/fulltext.asp?DocName=09700SB0744gms&GA=97&SessionId=84&DocTypeId=SB&LegID=55573&DocNum=744&GAID=11&Session=>

² http://www.publicgaming.com/index.php?option=com_content&view=article&id=14348:illinois-bill-sponsor-revives-gambling-talks&catid=38:political&Itemid=57

³ <http://www.jsonline.com/business/gov-walker-downplays-prospect-of-new-casino-in-northern-illinois-b99129877z1-229600341.html>

⁴ <http://www.cyberdriveillinois.com/departments/index/lobbyist/lobbyistlist.pdf>

*of a Waukegan casino's business would come from out-of-state visitors, mostly from southern Wisconsin."*⁵

- With regard to the Kenosha casino being built on the Wisconsin side of the state line vs. Caesar's being built in Waukegan on the Illinois side, Illinois State Senator Terry Link said: "Whoever builds first will end up not having the other one built at all."⁶

As shown by all of the above information, it is more likely than not that a casino will be built on the Illinois side of the border if the Kenosha Project is not approved.

II. The Kenosha Project Will Create a Net Increase of 5,000 Jobs for Wisconsin

Your October 29, 2013 summary of the job creation benefits of the Kenosha Project needs significant clarification to ensure that you, and the public, have accurate and necessary information needed to make a decision about the project.

A. Following a Nine-Year Review, the Bureau of Indian Affairs, a Neutral Body with Trust Duties to All Tribes, Determined That the Kenosha Project Will Be a Significant Job Creator in Wisconsin.

The issue of job creation was reviewed by the Bureau of Indian Affairs (BIA) in its analysis of the Kenosha Project. BIA spent years looking at information and reports from the Menominee Tribe and from opponents of the Kenosha Project. BIA has no bias in favor of Menominee – in fact, it has fiduciary, trust duties to all tribes.

As acknowledged by your administration in Secretary Huebsch's May 10, 2012 letter to BIA regarding your ultimate decision on the Kenosha Project:

"... the administrative record developed by the BIA will be the primary, and most comprehensive, body of information on which to base that decision."⁷

The BIA analysis comes down strongly in favor of the Kenosha Project being a job creator. The Assistant Secretary of Indian Affairs, in his cover letter, noted this:

"Our decision (to approve the Kenosha casino) is driven in part by our commitment to creating jobs. We believe that such a casino would create gaming jobs in Kenosha and tribal public service jobs in Northeastern Wisconsin on the Menominee reservation, much of them created by revenues brought to Wisconsin from Illinois. Milwaukee will face some indirect detrimental economic impacts as the result of (Potawatomi Bingo Casino) facing new competition; however, it will be relatively minor and short term."⁸

There is no question that the Kenosha Project, when fully constructed, will directly employ more than 3,000. Estimates of 1,400 construction jobs and 1,800 indirect jobs are conservative. Independent analysis has found that the Kenosha Project would be one of the State's largest employers.⁹

B. BIA and Gaming Industry Experts Agree that Revenue and Job Loss Projections by the Kenosha Project Opponents are not Credible.

The question, as you noted in your October 29, 2013 letter, is whether the 5,000 jobs created by Kenosha Project will be offset by job losses elsewhere. Potawatomi and the City of Milwaukee allege a job loss of over 3,000 in Milwaukee. This assertion is attributable solely to Potawatomi's projected loss of approximately 40% of its revenue as a result of the Kenosha Project.

This projection forms the basis of Potawatomi's argument for job loss. Potawatomi Bingo and Casino does not employ 3,000 people now. For its job loss numbers to be accurate, Potawatomi would have to completely shut down. Further, if the 40% revenue

⁵ <http://www.prnewswire.com/news-releases/city-of-waukegan-and-harrahs-entertainment-inc-submit-proposal-for-10th-casino-license-58993607.html>

⁶ <http://www.jsonline.com/business/midwest-casino-market-draws-from-more-limited-pool-of-gamblers-b99107588z1-225664701.html>

⁷ See May 10, 2012 letter from Secretary Huebsch to BIA attached.

⁸ See August 23, 2013 letter from Assistant Secretary Washburn to Governor Walker.

⁹ <http://www.politifact.com/wisconsin/statements/2013/sep/11/menominee-indian-tribe-wisconsin/menominee-tribe-says-kenosha-casino-would-be-one-w/>

loss projection is significantly overstated, then the job loss numbers are also significantly overstated. The record is clear that a 40% reduction in Potawatomi revenue is not credible:

- When reviewing the City of Milwaukee's projected job losses, BIA was "...unable to credit their assertions of a 40% reduction in revenue."¹⁰
- Following a nine-year review that included all economic analyses provided to them regarding potential impacts on Potawatomi and the City of Milwaukee, BIA determined: "These conflicting economic analyses establish a plausible range of revenue reduction at between 8-20%. This impact will likely stabilize within a few years."¹¹
- BIA further determined that "Milwaukee will face some indirect detrimental impacts as the result of PBC facing new competition; however, it will be relatively minor and short term."¹²
- An October 2013 KlasRobinson, QED study found that Potawatomi will likely suffer a short-lived reduction in gaming revenues over a three-to-four-year period and is then expected to recover to pre-Kenosha opening levels.¹³
- A March, 2013 KlasRobinson, QED evaluation critical of Potawatomi's Hospitality and Gaming Solutions studies.¹⁴
- Andrew Klebanow, Principal, Gaming Market Advisors, Las Vegas recently stated: "It is one thing if a casino were to open within the Milwaukee city limits with a superior location and siphon off a considerable amount of business ... I seriously doubt that a casino located 40 miles away would have any impact approaching 40%."¹⁵
- Father Richard McGowan, who researches gambling as a professor of economics at Boston College, said it is not credible that any established casino would take a 40% revenue hit simply because of the emergence of a new casino. "People are invested where they first go," so while some customers will move their money to the new casino, "the majority will not," he said.¹⁶
- Roger Gros, publisher of Nevada-based Global Gaming Business Magazine, doubted the Milwaukee casino would see a loss of more than 20% of revenue from a new casino in Kenosha. "The Potawatomi casino has built up a large base of customers and most will remain loyal."¹⁷

C. The State Can Seek Another Third-Party, Independent Review of the Jobs Creation and Revenue Impacts of the Kenosha Casino

We understand that review of contrasting studies and reports can be difficult and appreciate your interest in taking time to determine the facts. We further understand that you may doubt Potawatomi, Ho-Chunk, or Menominee claims regarding this issue as each party has an interest in the outcome. BIA, however, is an independent party, and following a nine-year review, it determined that the impact on Potawatomi is between 8% and 20% and will be temporary.

Should the State continue to doubt the independent analysis already provided by BIA and industry experts, then further analysis is needed. It is incumbent on the State to have a neutral, experienced third party review this issue and provide the State its best estimate of the true impact of the Kenosha Project on Potawatomi and Ho-Chunk revenue, and the true impact of the Kenosha Project on jobs in Wisconsin. In your letter of October 29, you stated:

"During their meeting with me last week, the Menominee representatives suggested an objective review of the data. In particular, they suggested looking to a firm like the Innovation Group. As I noted to them, the Innovation Group is the firm, which conducted a review of the impact of a Kenosha casino to the Ho-Chunk's operations, and this firm found it would lead to the aforementioned \$19.5 million loss."

¹⁰ See August 23, 2013 letter from Assistant Secretary Washburn to Governor Walker, p. 48.

¹¹ See August 23, 2013 letter from Assistant Secretary Washburn to Governor Walker, p. 48.

¹² See August 23, 2013 letter from Assistant Secretary Washburn to Governor Walker, p. 48

¹³ Klas Robinson October, 2013 Planned Kenosha Casino Resort: Competitive Impact, previously provided.

¹⁴ Klas Robinson March 26, 2013 Evaluation of Hospitality and Gaming Solutions 2012 studies, previously provided.

¹⁵ <http://www.politifact.com/wisconsin/article/2013/oct/30/would-kenosha-casino-drain-40-milwaukee-casinos-re/>

¹⁶ <http://www.politifact.com/wisconsin/article/2013/oct/30/would-kenosha-casino-drain-40-milwaukee-casinos-re/>

¹⁷ <http://www.politifact.com/wisconsin/article/2013/oct/30/would-kenosha-casino-drain-40-milwaukee-casinos-re/>

The implication appears to be that having a company like Innovation Group review the data would not be helpful because Menominee's KlasRobinson QED analysis shows that there will be no negative effect on Ho-Chunk, while Innovation Group found a \$19.5 million loss. We do not believe this is the proper conclusion to draw.

Although we have not had the opportunity to review the Innovation Group analysis, we reiterate what we discussed in that meeting. Our analysis of impacts of the Kenosha Project on Ho-Chunk was restricted to Ho-Chunk's Class III gaming revenues. Class III gaming revenues are the only revenues implicated in the Ho-Chunk Compact with the State. Ho-Chunk pays the State no fees related to its Class II revenues from its Madison facility, and the State has no authority over that facility.

Further, a loss of \$19.5 million in gross revenue does not equate to a \$19.5 million loss to Ho-Chunk. The true loss must be measured by lost revenue to the Tribe, and therefore lost profit. If Ho-Chunk operates at a 40% profit margin, a \$19.5 million loss in gross revenues is really only a loss of \$7.8 million. If 50% of the losses are attributable to non-Class III gaming revenue, then the loss is approximately \$3.9 million.

Therefore, perhaps the Innovation Group analysis and the KlasRobinson QED analysis are not necessarily that far apart. As you stated in our meeting, exactly what questions you ask a neutral expert goes a long way in determining the validity of that expert's reporting.

If the BIA and gaming industry expert opinions already provided are not enough, we are confident that a neutral experienced third party tasked with reviewing and analyzing all studies related to this issue is the only way the State can feel confident as to the truth on this matter. We are willing to pay for the cost of such a study. We are also confident that the results of such analysis will show that the Kenosha Project will produce a net gain in jobs in Wisconsin of 5,000.

KlasRobinson QED, an experienced and reputable firm, in reviewing the issue of jobs created versus jobs lost as a result of the Kenosha Project determined that the ratio would be over 10 jobs gained for every 1 job lost. We believe that turning down the potential for 5,000 new jobs in Wisconsin without taking the time to obtain an independent expert analysis of the issue is not something the State can afford.

III. A Consensus Among Wisconsin Tribes Exists Regarding Off-Reservation Gaming Generally, and the Kenosha Project Specifically

All Wisconsin tribes agree that off-reservation gaming can occur in Wisconsin so long as it complies with the specific terms of each Tribe's Compact. It is helpful and gratifying that eight of Menominee's fellow Wisconsin Tribes publicly support the Kenosha Project and agree that they do not require the State to address the Kenosha Project in their Compacts.

It is disappointing that two fellow Tribes, Potawatomi and Ho-Chunk, do not publicly support the Kenosha Project. Yet this lack of public support does not constitute a lack of consensus. The lack of public support from these Tribes merely means that they are not waiving their rights under their Compacts with the State to address impacts of the Kenosha Project.

A. The Potawatomi and Ho-Chunk Already Agreed to Resolve Disputes Regarding the Kenosha Project Through Arbitration

When parties agree by contract to settle disputes through arbitration, those parties have reached a consensus. Such is the case with Ho-Chunk and Potawatomi in regard to the Kenosha Project.

In Paragraph 16 of the 2003 amendments to the Ho-Chunk Compact, Ho-Chunk agrees that any Tribe can operate an off-reservation facility in the State so long as it does not substantially reduce their Class III revenues. If they determine that such a facility does substantially reduce their Class III revenues, they will enter an agreement with the State to be indemnified for such a loss. If the State and Ho-Chunk cannot agree, an arbitrator will decide.

In Paragraph 5 of the 2005 amendments to the Potawatomi Compact, Potawatomi agrees that any Tribe can operate an off-reservation facility in the State between 30 and 50 miles from their Milwaukee Facility so long as that Tribe agree to indemnify Potawatomi for their loss attributable to that new facility, or the State agrees to indemnify Potawatomi for their loss attributable to that new facility. If the State and Potawatomi cannot agree, an arbitrator will decide.

Thus a clear process has been agreed to for years, the result of which is the approval and operation of the Kenosha Project with no harm to Potawatomi or Ho-Chunk. It should be noted that there are instances in the Compact where consensus truly is unobtainable without the positive consent of a Tribe. As an example, Potawatomi has a separate provision in Paragraph 13 of the 2005 amendment that provides them with a veto over any off-reservation facility within 30 miles of their Milwaukee facility. In that situation consensus cannot be achieved without Potawatomi consent, and such consent cannot be achieved through arbitration.

Luckily for Menominee, the Kenosha Project is located over 30 miles from Potawatomi's Milwaukee Facility, and therefore not subject to a Potawatomi veto.

B. Approval of the Kenosha Casino Will Not Cost Wisconsin Taxpayers Anything, and Rather, will Result in Substantially Increased Revenues.

As you stated in your letter of October 31, 2013, the consensus criteria is truly driven by Compact provisions.

“In addition, each of the tribal governments in Wisconsin has Compacts with the state, which were negotiated long before I was elected Governor. The Compacts are separate legal agreements between each individual tribe and the state.

These Compacts could be significantly impacted, if a new casino is approved and opens off reservation anywhere in Wisconsin. Some Compacts may require the state to offset tribal gaming losses, if a tribe loses revenues due to a new casino. At least one agreement could obligate the State to offset any reduction in gaming revenues to that tribe—which could cost taxpayers real money.”

We disagree with the above statement in one respect. There is no situation where approval of the Kenosha Project could “cost the taxpayers real money.”

As we discussed in detail in our meeting of October 23, 2013 and in the materials provided to you in that meeting, Menominee will ensure through its Compact agreement with the State that any amounts owed to Potawatomi or Ho-Chunk pursuant to their Compact provisions as a result of the Kenosha Project will be covered by Menominee, not by the State. In addition, Menominee has committed to ensure that the actual amount of revenue currently received by the State be NOT diminished as a result of the Kenosha Project.

The Kenosha Project, pursuant to a 7.5% payment agreed to in its Compact, is expected to generate approximately \$150 million in new revenues to the State of Wisconsin over the first five years of operation. Total lost revenues to Potawatomi and Ho-Chunk combined are not expected to exceed \$50 million. Therefore the revenue generated at the Kenosha Project can pay for all of Potawatomi and Ho-Chunk's losses, and still provide an additional \$100 million to the State.

As you have noted, Potawatomi argues that Menominee's estimate of Potawatomi's loss is too low. Even if Menominee has underestimated the Potawatomi and Ho-Chunk loss by \$100 million, there is still enough new revenue from Kenosha over the first five years to cover Potawatomi and Ho-Chunk's losses, and not diminish the amount of revenue currently received by the State.

As we discussed, if the State is not satisfied that this \$150 million in new revenue is enough, Menominee is willing to raise the amount it pays the State to provide more than \$200 million in new revenue over the first five years.

As we discussed, if the more than \$200 million of new revenue over the first five years is not enough, Seminole Hard Rock Entertainment will provide a \$50 million letter of credit to cover any loss.

C. The State Can Achieve the Win/Win It Seeks by Approving the Kenosha Project and Resolving Concerns of the Ho-Chunk and Potawatomi Through Existing Gaming Compacts

The Ho-Chunk and Potawatomi Compacts have provided you a tool to approve the Kenosha Project. Menominee is providing you the revenue to ensure that the State will not be harmed pursuant to its Compact agreements with Ho-Chunk and Potawatomi.

You stated in your letter that:

Our intent was to find a win/win solution where the tribes potentially losing revenue and jobs could be given a way to offset those revenue and job losses.

Your intent and our intent are the same. The existing Compact process does provide a win/win solution where the tribes potentially losing revenue and jobs can be given a way to offset those revenues; the State revenues from gaming are not reduced; and 5,000 jobs are created in Wisconsin. You only need implement the process.

IV. The Kenosha Project Has Overwhelming Community Support

Your letter of October 30, 2013 highlighted some of the significant community support the Kenosha Project has received, but that list was incomplete and included just a fraction of the public officials, business groups, civic organizations and others who have publicly expressed their strong support for the Project. It is important that you have complete and accurate information in order to confirm that the Project meets the criteria of community support; therefore, it is appropriate that we provide this additional clarification.

A. Voters Roundly Endorsed the Kenosha Project in Two Separate Referenda

As you indicated in your October 30, 2013 letter, Kenosha residents have had two opportunities to vote on the Project. In 1998, the City of Kenosha passed a referendum supporting the Kenosha Project by a vote of 57% to 43%. In 2004, a countywide referendum supporting the Project passed by a vote of 56% to 44%.

The Kenosha Common Council and the Kenosha County Board of Supervisors used the 2004 referendum results – indicating clear local support for the Project – as impetus to enter into an Intergovernmental Agreement with the Menominee Tribe. The IGA was signed by the City, the County and the Tribe in 2005. In the years since as the Project awaited BIA approval, the City and County both voted on multiple occasions to extend it, including as recently as March of this year.

B. The Kenosha Project Has the Support of Numerous Municipalities

While your letter of October 30, 2013 mentions resolutions by Milwaukee County and the City of Milwaukee, it fails to discuss resolutions supporting the Project passed by a number of Wisconsin municipalities, including Kenosha County (2005 and 2013), the City of Kenosha (2005, 2008 and 2013), the Town of Salem (unanimous vote in September 2013) and the Town of Randall (October 2013). This additional information is essential to evaluating community support for the Project.

The Menominee County Board of Supervisors and the Shawano County Board of Supervisors have also publicly expressed support for the Kenosha Project.

Additionally, the BIA's record of decision states that "the majority of the comments received from local governments within a 25 miles radius are favorable." The BIA's document also mentions specific communications the agency received from the Village of Waterford, the Village of Rochester and the Eagle Lake District of Kansasville indicating municipal support for the Kenosha Project.

C. The Kenosha Project Has Earned Broad, Bipartisan Support Among Public Officials

The October 30, 2013 letter failed to mention several public officials who support the Kenosha Project, and omitted Racine County officials entirely. The following, while not exhaustive, is a more complete listing that more accurately illustrates the depth of community support for the project:

Local Officials

- Kenosha County Executive Jim Kreuser
- Kenosha Mayor Keith Bosman
- Racine County Executive Jim Ladwig
- Racine Mayor John Dickert
- Kenosha County Sheriff David Beth
- Pleasant Prairie Village President John Steinbrink
- Bristol Village President Michael Farrel

- Town of Paris President Virgil Gentz
- Twin Lakes Village President Howard Skinner

Oak Creek Mayor Stephen Scaffidi – of Milwaukee County – has tweeted positive messages regarding the Kenosha Project, including direct messages to you encouraging your support and approval, at least seven times since the BIA decision was announced on Aug. 23.

Additionally, five elected officials from Racine – County Supervisors Donnie Snow, Kina Johnson, Kenneth Lumpkin and Q.A. Shakoor II, along with Ald. Michael D. Shields – issued a news release on October 24, 2013 expressing support for the Kenosha casino and calling on you to approve it.

State Legislators

- Assembly Speaker Robin Vos (R-Racine)
- Rep. Samantha Kerkman (R-Kenosha)
- Rep. Tom Weatherston (R-Racine)
- Rep. David Craig (R-Muskego)
- Rep. Peter Barca (D-Kenosha)
- Rep. Tod Ohnstad (D-Kenosha)
- Sen. Bob Wirch (D-Kenosha)
- Sen. John Lehman (D-Racine)
- Rep. Cory Mason (D-Racine)
- Rep. Paul Tittle (R-Manitowoc)
- Assembly Speaker Pro Tempore Tyler August (R-Lake Geneva)
- Rep. Jeff Mursau (R-Crivitz)
- Rep. Gary Tauchen (R-Bonduel)

D. High-Profile Business, Civic and Community Organizations Support the Kenosha Project

The Kenosha Project has earned the public endorsement of many respected business, labor and civic groups with a broad reach in both Southeast Wisconsin and statewide. Endorsements by the following groups and community leaders further demonstrate the solid community support for the Project.

- Racine Area Manufacturers & Commerce
- Kenosha Area Chamber of Commerce
- Kenosha Area Convention & Visitors Bureau/President Dennis DuChene
- Kenosha Unified School District
- Thomas M. Diehl, president, general manager and owner, Tommy Bartlett Inc. (former Chair, Governor's Council on Tourism)
- Ada Deer, former assistant secretary – Indian Affairs, U.S. Department of Interior
- International Union of Operating Engineers, Local 139
- Wisconsin Laborers District Council
- Iron Workers District Council of North Central States
- Wisconsin State Council of Carpenters
- Wisconsin Pipe Trades
- Building Advantage
- League of United Latin American Citizens (LULAC), Council 320
- Yolanda Santos-Adams, president, Urban League of Kenosha and Racine
- Tri-County Contractors Association
- Shawano Chamber of Commerce
- Menominee County Taxpayers Association

Additionally, numerous Southeast Wisconsin business owners – representing such companies as Lynch Chevrolet, Camosy Construction, Lee Plumbing, Bear Realty, Riley Construction, Martin Peterson Inc., CJW Distributors and many others – have spoken in favor of the project at public hearings and at recent meetings and news conferences endorsing the Project.

E. Local Media Has Been Supportive of the Kenosha Project

Media in Kenosha, Racine, Waukesha and even Milwaukee County have voiced strong support for the Kenosha Project, the jobs it would create and the positive economic impact it would have on the region and the state as a whole. The *Kenosha News*, the *Racine Journal Times* and *The Business Journal Serving Greater Milwaukee* have published editorials supporting the Project, providing further evidence of positive community support.

A number of community columnists and bloggers have also written in favor of the Kenosha Project, including, but not limited to:

- Jessica McBride, *Waukesha Freeman*
- James Causey, *Milwaukee Journal Sentinel*
- Todd Robert Murphy, *Waukesha Freeman*
- Owen Robinson, *Waukesha County blogger*
- Cindy Kilkenny, *Waukesha County blogger*

Additionally, several radio talk show hosts have publicly expressed their strong support for the Project and encouraged your approval. They include:

- Mark Belling, WISN-AM, Milwaukee
- Jeff Wagner, WTMJ-AM, Milwaukee
- Jay Weber, WISN-AM, Milwaukee
- Leonard Palmer, WLIP-FM, Kenosha
- Vicki McKenna, WIBA-AM, Madison
- Brian Schimming, WIBA-AM, Madison

F. Widespread Community Support Among the People of Wisconsin

Extensive community support for the Kenosha Project among the general citizenry is clear and evident across multiple platforms.

- A September 2013 poll of registered voters in six southeastern Wisconsin counties shows that voters support approval of the Kenosha Project by a 53-32 margin, with the rest of the sample either undecided or with no opinion. Of those voters who had decided on a position, 62 % were in favor of approval. The poll, conducted by Fabrizio, McLaughlin & Associates, a Washington, D.C.-area firm with considerable experience in politics and gaming issues, also found the following:
 - Voters who support you as Governor favored the Kenosha Project by a 62-31 margin
 - Voters who identified themselves as Republican favored the Project by a 64-30 margin, a rate of more than 2-to-1.
 - Milwaukee County voters supported the Project by a 56-44 margin.
- At least 1,500 letters supporting the Kenosha Project and signed by Wisconsin residents were hand-delivered to your office in the State Capitol during the designated comment period on the project. The majority of these letters were signed by residents of Southeast Wisconsin, including Kenosha, Racine and Milwaukee counties.
- Broad-based public support is also evident on social media and online talkbacks, where comments in favor of approving the Project far outweigh any comments against. While this is anecdotal analysis, it supports the quantitative findings generated by the scientific polling.

All of the information listed above indicates significant community support for the Kenosha Project, in accordance with the criteria you have set forth for approval. As Speaker Vos said in a Nov. 1, 2013 email to constituents, “there’s no question of community support.”

V. Opening Hard Rock Kenosha Regional Entertainment Destination Will Result in No New Net Gaming

In your letter earlier today, you state:

A review of the revenues at the Dairyland Greyhound Park found that in 2002, at its peak, it had revenues of \$20,020,064. Adjusted for inflation, that would be \$25,928,938 today.

Our information shows that the peak year of revenues for Dairyland Greyhound Park was 1991 with a handle of \$170,155,788. In fact, in the early 1990s Dairyland Greyhound Park was one of the largest Class III gaming facility in the State of Wisconsin.

You also cite to the small size of the Menominee facility that would be shuttered when the Kenosha Project is operational. As we have stated before, the closure of a secondary Menominee facility on the Reservation was specifically contemplated by the State in the 2000 Compact amendments. In those amendments the facility to be closed was Menominee's Crystal Palace, a small casino near the Tribe's main casino. This agreement between the State and the Tribe was made in 2000, seven years after the 1993 advisory referendum you cite. The Compact was signed by Governor Thompson who certainly was familiar with the 1993 referenda.

The fact is that gaming in Wisconsin has undergone tremendous expansion since 1993. The Potawatomi Casino in Milwaukee has had two major expansions in 2000 and 2008 that added thousands of gaming machines to their casino. The Ho-Chunk have opened two new class III casinos in Tomah in 2004 and in Wittenberg in 2008. The Wittenberg casino was opened within thirty miles of both the Menominee and Stockbridge-Munsee casinos. It is difficult to understand a policy that allows for such expansion for Ho-Chunk and Potawatomi after 1993, while prohibiting Kenosha from returning to its former position prior to 1993.

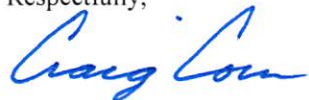
Opening the Kenosha casino is the implementation of gaming long contemplated by both the State and the Menominee Tribe. It would in effect replace the once largest Class III gaming facility in the State of Wisconsin that was in existence since 1990, three years prior to the referendum you cite.

Menominee is willing to abide by the standards of no new net gaming as provided for in the 2000 amendments, and asks the State of Wisconsin to do the same.

Based on all the information in the record provided to you by the BIA, and further information provided to you by Menominee, we believe it is clear that the Kenosha Project is good for Menominee, is not detrimental to the local community, has widespread community support, has the consensus of the Tribes in Wisconsin, and will not result in net new gaming.

Most importantly it is clearly in the best interests of the State of Wisconsin.

Respectfully,



Craig Corn, Tribal Chairman

Menominee Indian Tribe of Wisconsin



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

**SCOTT WALKER
GOVERNOR
MIKE HUEBSCH
SECRETARY**

Office of the Secretary
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November 8, 2011

Larry Echo Hawk
Assistant Secretary – Indian Affairs
U.S. Department of the Interior
1849 C Street NW
Washington, DC 20240

Post-It® Fax Note	7671	Date	11/8/11	# of pages ▶
To	Ray Taffera	From	Debbie Hochkammer	
Cc/Dept.		Co.		
Phone #		Phone #		
Fax #		Fax #		

Dear Assistant Secretary Hawk,

While I understand that October 3, 2011 was the deadline for the Department of Interior to request additional information from the Menominee Tribe of Wisconsin regarding their application to take land in Kenosha, Wisconsin into trust, I nonetheless feel compelled to convey to you my sentiments.

I write today regarding the recent settlement of litigation between the Department of the Interior (DOI) and the Menominee Tribe of Indians of Wisconsin (Menominee). It is my understanding that, under the terms of the settlement, DOI will withdraw the previous denial of the Menominee application to have land in Kenosha, Wisconsin, taken into trust for gaming purposes, and inform the Menominee of those application materials which need to be updated for the DOI to make a new determination regarding the application.

I am requesting that DOI require that all application material be updated. In the event that the matter is presented to the Governor of Wisconsin for a decision whether to concur in a determination made by the Secretary of the Interior, the administrative record developed by the DOI will be the primary, and most comprehensive, body of information on which to base that decision. Such a decision involves issues related to economic development, such as the number of construction and permanent jobs the project will create; the effect on infrastructure resources caused by facilities of the magnitude proposed; the disruptive effect on existing establishments, both those that compete directly for gambling consumers and those that compete for consumers' discretionary entertainment expenditures; the beneficial effect on the Menominee, and in turn, Menominee County; the impacts on local governments and residents; the impact on other tribes with historical or cultural ties to the area; how such a development coincides with the overall development of the region, and many other issues. Such a complex decision is best made with the most recent information available.

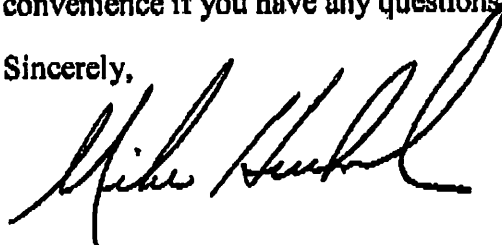
It has been over seven years since the application was filed with the DOI, and there have been numerous dramatic changes in circumstances which affect the proposed casino operation. The health of the economy, consumer spending patterns, conditions in the capital markets, competitive forces in the Wisconsin and Illinois gaming markets, and other factors have all changed substantially since the application was filed. In addition, contractors proposed to develop the project are no longer associated in that capacity, which substantially alters the level of resources available to successfully develop the project. Given the length of

time and breadth of changed circumstances the prudent course would be to provide federal and state decision-makers with completely updated information that takes into account these changes. It would be difficult to analyze or approve a project that does not reflect the realities of today.

In the event the project obtains all necessary approvals these decisions may well be subject to legal challenge. I am concerned that attempting to base such a decision on an application that may well be considered stale due to the passage of time will simply create an additional issue that must be resolved through time-consuming and costly challenges. It seems prudent to avoid such a potential problem early in this process.

I thank you for your consideration of these concerns of the State of Wisconsin. Please contact me at your convenience if you have any questions or wish to discuss the matters raised in this correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Huebsch". The signature is fluid and cursive, with a large loop at the end.

Mike Huebsch
Secretary