

In support of Kewadin Lansing Casino Project



**Catherine Hollowell, Unit II
Sault Tribe Board of Directors**

I've received quite a few phone calls regarding the Kewadin Lansing casino, asking for a better explanation of the nature of my opposition. I will try to explain in further detail. However, I want to state from the start, and very clearly: since the Kewadin Lansing casino initiative is going to a referendum vote of the people, I will be casting my ballot in support of the Jan. 24 Lansing Casino resolution — and I hope you will be, too!

As I stated in my February unit report, I am very supportive of exercising our legal right, sovereignty—and necessity—to develop a casino in the downstate market. The Lansing Kewadin casino is an innovative concept casino, designed to integrate and enhance into the urban setting of the City of Lansing. Adjacent to the Lansing Center, the Kewadin Lansing casino will be a big draw for enhancing the convention and tourism market and benefit our gaming enterprise. The site

is pedestrian friendly, an easy walk to the historic Lansing City Market, state capital and Cooley Baseball Stadium, and sits on the bank of the Grand River Walk. It promises to be an innovative concept and business model that's a good match to market forecasts. Although our tribe holds the exclusive language to make this opportunity a reality, there is mounting competition from well funded non-tribal gaming interests. We've got a well articulated game plan and we can stay ahead of this competing effort.

The terms of how we will allocate revenue within tribal operations is stipulated in the language of the resolution. I lobbied hard for a specified percentage of revenue to be committed to our self sufficiency funds and I'm happy we could get that provision included in the resolution. I also lobbied for a specific percentage to be set aside for our up north Kewadin employees, and had to settle for language that does not state a specific percentage amount. I am disappointed about that, but there were legitimate concerns and time restraints that warranted holding off on a specified percentage until further financial analysis could be done. I will continue to focus on a commitment to our up north Kewadin employees as we move forward.

As I understand from the referendum circulator, the premise behind sending the Lansing casino legislation to a referendum ballot is to hold up the Lansing casino project until the tribe develops, legislates and implements a comprehensive tribal

revenue sharing plan. I welcome working on a citizen driven revenue sharing plan. But I see no good reason to hold up the current project to start working on a revenue plan.

Why a downstate casino is good for our tribe: By and large, people who live in the Upper Peninsula agree that it seems like the State of Michigan has forgotten about the Upper Peninsula. Encouraging state resources to flow into the U.P. is an ongoing challenge. This is very evident at 2 percent funding time—especially in Unit II where we have 16 distinct communities, six high schools, four counties and numerous townships who turn to the tribe to fund basic local services.

Recently we were asked to fund the job position of a school nurse for a very large school district, and I had to ask, "Where is the state in this very basic obligation?" My point is the Sault Tribe, through its Kewadin Casinos, has stepped in and filled the gap where the State of Michigan has failed. By entering the down state market, we will be able to direct down state revenue to flow north—and better serve all the communities where our tribal members reside. And it goes without saying that, unlike commercial casinos, where the net profit can ultimately leave the state, tribal casinos assure that the profits remain local—circulating through the local economy.

Why I voted "No" on the project: All that being said, any concerns I might have rest with the agreement we have with the developer (and that is NOT up

for referendum vote). It's not because of who the investors are (frankly, it should not matter if you have a well crafted legal agreement that mitigates risk and exposure.) I have been a "NO" vote on the development agreement since day one, because I was not convinced we were negotiating terms that were in the best interest of the tribe. Initially, it appeared that anything the developer wanted—the developer was going to get. It's my opinion we could have crafted a better agreement. Sometimes I wondered what side of the negotiating table some of our board members were sitting on. Originally, there was a very strong bloc majority of seven. They had the votes—end of story. That's how the democratic process works and it is up to each board member to explain their vote to you, the citizen. Thankfully, we were able to rectify some serious flaws in our original contract. But moving forward, as we undertake the many subsequent decisions that will arise from the Lansing Kewadin project, my vote of support will be contingent on a commitment to prudent and ethical business decisions.

Actually, we should already have a well-developed tribal ethics code that reflects the basic premise that no elected official or tribal employee should gain personal financial benefit from the economic development decisions that we, as trustees, undertake on behalf of the tribe. But we don't have such a tribal law (at least one with teeth). I find that surprising and worrisome.

Not that I have personal knowledge or facts that would indicate elected officials or employees have personally profited from the Lansing Kewadin, New Boston or Romulus development projects. But if they were, it wouldn't be against tribal law—because there is no law preventing it!

Our members deserve to know that kind of deal making is not going on.

Therefore, a resolution will be proposed in the very near future, making it against tribal law (and grounds for removal from office) for any current or future elected official, their immediate families and any tribal employees, from receiving any financial benefit as a result of our partnership with the developer (or their subsidiaries) of our Lansing Kewadin casinos—either through contract, consultation, or employment and for a period of two years after termination of their positions.

Frankly, I'm confident that the majority of board members would agree it's about time we had this type of legislation and I don't expect opposition. We should be able to move swiftly to enact this basic assurance to the citizens of our tribe.

Thank you for giving this referendum ballot serious consideration.

If you have any questions or concerns please contact me:

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