



**Muskegon County Casino in Fruitport Township**  
Proposed by Little River Band of Ottawa Indians

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## **Testimony**

### **Tribal Ogema Larry Romanelli**

Good morning Chairman and Committee members.

I'm Larry Romanelli, Tribal Ogema for the Little River Band of Ottawa Indians. With me today here are:

Little River Band Speaker of our Tribal Council, Steve Parsons;  
Tribal Attorney Dan Green; and  
Tribal Commerce Director Robert Memberto;

Thank you for your time this afternoon and for allowing me to address the Committee regarding House Concurrent Resolution 54 (HCR 54). HCR 54 is so critical to moving forward our plan to develop a casino in Muskegon County, a casino that will help provide jobs and hope not only for our Tribe but also for Muskegon County and West Michigan.

There have been various proposals and plans to develop a casino in the Muskegon area. The Little River Band of Ottawa Indians is the only tribe legally eligible to develop a casino in the Muskegon region.

This project began several years ago when our tribal government looked at development in our southern tribal territory. Our plan is to develop a casino at the former Great Lakes Downs Racetrack in Fruitport Township to provide jobs and economic development in Muskegon County. We estimate more than 1,100 jobs will be created.

The Little River Band of Ottawa Indians is a Sovereign Tribal Nation with a long and rich history in West Michigan. The Tribe is responsible for nine counties from Manistee to Muskegon. The Muskegon region represents our Tribe's largest population base. More than 660 Tribal members live in the community. The Tribe maintains governmental offices here to provide services to our members. Several of the tribe's elected officials and staff members including myself live in Muskegon County.

I was born and raised in Muskegon County. As a Muskegon County resident, I'm very proud of my community and my friends and family who live here. Unfortunately, I've

seen how this community has fallen on hard times, as our current 16.4 percent unemployment rate reflects.

We need to restore jobs so families can stay in the region, and our casino project, as casinos have in other communities, would certainly play a vital role in bringing new jobs and business opportunities to the area. We project that a casino in Fruitport Township would create approximately 1,173 direct and indirect jobs. This project will create 755 direct jobs and 418 indirect construction jobs with an average salary of \$40,000.

Our Tribe has extensive historical ties to the Muskegon County region. Our people inhabited village sites in Michigan's western Lower Peninsula from the Manistee River south to the Grand River.

Congress reaffirmed the federal recognition for the Little River Band in 1994. Our Tribe has a long standing history of strong tribal leadership and the full support of our tribal membership. Today we have more than 3,996 enrolled members.

In March of this year, Governor Granholm and I signed two compact amendments to enable our Tribe to develop a second casino. Other tribes have done so.

The compact amendment to change the definition of "Eligible Indian Lands" under section 2 (B) (1) requires concurrence from the Michigan Legislature. As the head of the Little River Band, I urge you to support HCR 54 to bring hope and jobs to Muskegon County and West Michigan.

## **Steve Parsons**

I'm Steve Parsons, Speaker of the Tribal Council for the Little River Band of Ottawa Indians.

Just like you, we are public officials and have to run for office. Like Tribal Ogema Romanelli, I was born and raised in Muskegon County.

We use gaming as a tool to help us move closer to economic self-sufficiency. As a government, we provide programs and services for our members. Our top priorities include care for our elders, education, housing, health care and job training.

Little River Casino Resort is the largest employer in Manistee County, providing approximately 1,000 jobs and millions of dollars each year in revenue sharing money to the state, county and the community. We hope to do the same in Muskegon County.

Gambling isn't new to Muskegon County. The Great Lakes Downs racetrack in Fruitport Township opened in 1999. The racetrack closed in 2007. The Little River Band purchases 233 acres of land near the intersection of I-96 and U.S. 31. The proposed casino site is a 60 acre parcel where the former Great Lakes Downs race track was located.

West Michigan remains a very viable gaming market. There is a demand for gaming entertainment in this region. More than one-third of our customers at the Little River Casino come from Muskegon County.

Our tribal development team has worked closely with the Governor's office, Fruitport Township and Muskegon County leaders as well as local business and union leaders. The Little River Band's plan to develop a casino in Muskegon County is supported by:

- Fruitport Township
- Multiple Townships and Units of Government in Muskegon County
- Muskegon County
- Muskegon Chronicle Editorial Board
- West Michigan Trade Unions
- Fruitport Public Schools
- Lakes Mall

The Muskegon Chronicle wrote an editorial March 28<sup>th</sup> supporting a casino for Fruitport Township and urging the Michigan Legislature to "expand Muskegon's tourism industry."

In a March 19 press release, Governor Granholm encouraged the Legislature to approve the amendment. I will read her quote from the release:

“In short, neither the state nor the local units of government in Muskegon County will realize the benefit of the additional revenue sharing and the attendant economic development represented by this project unless the Legislature adopts the necessary resolutions concurring in the Third Amendment.”

She concludes by saying that she believes that this project is, “.... In the best interests of the state and the public....”

We agree. Please support HCR 54.

Thank you.

## **Robert Memberto**

Good afternoon, I'm Robert Memberto, the Commerce Director for the Little River Band of Ottawa Indians I am also an enrolled member of the tribe and I too was born and raised in Muskegon County. Our development team has been working on plans to develop a casino in Muskegon County that would provide an economic boost to the region, create much-needed jobs, and entrepreneurial opportunities and year-round tourism. Our plans include a casino with:

- 1,700 slot machines.
- 30 table games.
- Restaurants: Deli & 24-Café Opportunities to local entrepreneurs.
- Hotel (160 – 260 rooms) Opportunities to local entrepreneurs.

A casino at the former racetrack will be an economic Catalyst for the Muskegon County Region and beyond:

- Proposed \$100 million investment in building costs alone (does not include land costs).
- 53% of development costs will be (\$53 million) spent in Muskegon County.
- Project Labor Agreement with Trade Unions.
- Projected 1.88 million visitors annually.
- \$10-12 million in goods and services annually to be purchased in the community.
- Water, sewer and road improvements
- In March, the Tribe also signed a Municipal Services Agreement with Fruitport Township and Muskegon County. They unanimously approved the MSA along with a Cooperative Law Enforcement Agreement.
- The casino development will only consist of approximately 60 acres of the 233 acres purchased the remaining acreage will remain fee simple land
  - The remaining acreage is also undeveloped land and the proposed casino will created additional non-gaming development on that acreage thus increasing SEV and Statutory and Constitutional increases in sales tax formulas

Currently, the Little River Band contributes six percent of its electronic gambling revenue to the Michigan Strategic Fund administered by the Michigan Economic Development Corporation (MEDC) has received \$55,408,832 since 1999 from LRBOI.

The Local Revenue Sharing Board has received \$18,785,000 since 1999 from LRBOI.

By comparison, the revenue-sharing provisions in the Little River's amended compact signed by Governor Granholm in March of this year, are markedly more advantageous to the state than previous compacts.

The economic provisions are:

- Payments are based on a sliding scale of 8-12 percent, similar to those found in the Gun Lake compact depending on net win.
- Those payments would be made to the State School Aid Fund.
- 2 percent payment to the Muskegon County treasurer for disbursement by a local revenue sharing board.

Above and beyond the P.I.L.T (payment in lieu of taxes), the Tribe has established a 7<sup>th</sup> Generation Fund that will contribute up to an additional 2% of the net win to Fruitport Township, Muskegon County and charitable organizations in the area:

We urge you to support new jobs and economic opportunities in Muskegon County by supporting HCR 54. After many failed attempts to boost our tourism industry over the years, this casino development will provide the spark that Muskegon County desperately needs to compete for tourism dollars.



**Muskegon County Casino in  
Proposed by Little River Band of**

**Fruitport Township  
Ottawa Indians**

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Daniel Green, Little River Band of Ottawa Indian Tribal Attorney  
May 26, 2010

My name is Daniel Green, I'm an attorney for the Little River Band of Ottawa Indians speaking today in support HCR-54. My role is to explain the legal context in which this resolution comes before you today.

The existing compact between the Little River Band and the State of Michigan was entered into 1998. It permits the Tribe to operate only a single casino located in Mason or Manistee counties. Under its terms, the Tribe has operated a very successful casino in Manistee, Michigan for more than ten years.

In March of this year, Governor Granholm and the Tribal Ogema Romanelli signed two amendments for the 1998 compact, which were intended to allow the Tribe to operate a second casino in Muskegon County.

The first of these amendments dealt with matters within the governor's exclusive authorities and that amendment is currently pending approval with the Secretary of Interior. That amendment insures that a Muskegon casino would contribute to state and local revenues at the highest rate of any tribal casino in the state.

The second amendment, which HCR-54 ratifies, is crucial to the project because it amends the compact's definition of "eligible Indian lands" to permit a second casino to be located in Muskegon County. By its terms, a change in the definition of "eligible Indian lands" requires legislative ratification. That is why we are here today.

These amendments to our compact are just part of an arduous approval to place land in trust and obtain U.S. Interior Department approval for gaming on it, governed by federal law and regulations. Final approval will require environmental impact statements, social economic studies, traffic studies, and mitigation plans for any adverse impact. It also requires municipal services and law enforcement agreements with local governments, which have already been reached. So approval of this amendment is a necessary but not sufficient part of the approval process.

I want to quickly address an issue that has given rise to some confusion. That issue is concern that approval of this amendment would create a dangerous precedent and open the floodgates to Indian gaming. The truth is that currently nine of Michigan's 12 federally recognized Indian tribes currently operate or are authorized to operate two or more casinos. The Little River Band is one of only three tribes that are limited to one site. Further, any amendment to any tribal gaming compact to increase the number of permitted sites would have to go through the same

process as we have done and obtain gubernatorial and legislative approval. So the floodgates remain under your control.

The Little River Band has a proven track record of a successful and productive gaming operation. We are excited to undertake this ambitious project to bring jobs and economic activity to Muskegon County and revenue to the Tribe, local governments and the State of Michigan. We urge your support to HCR-54.



## FRUITPORT CHARTER TOWNSHIP

6543 AIRLINE ROAD • FRUITPORT, MICHIGAN 49415  
(231) 865.3151 • FAX (231) 865-3118

May 26, 2010

RE: HCR 0054

Dear House Subcommittee,

I first wish to apologize for my absence on this very important issue. A previous engagement with my daughter will keep me away from today's activities; therefore, I have sent representatives in my stead.

HCR 0054 is of great importance to not only Fruitport Township but all of West Michigan. Muskegon County has been one of the hardest hit areas in the country during this economic downturn. Prior to the downturn Muskegon had already begun a significant shift in its employer base. The long term "gold watch" employer's have been exiting Muskegon for years. Employers like Brunswick, Sappi Fine Paper, Sealed Power, and CWC left and are not being replaced. Muskegon has begun to shift its focus from a large manufacturing employer base to a more balanced approach of manufacturing, technology, retail, and tourism.

The expansion of Michigan's Adventure by Cedar Fair Entertainment Company, the addition of the Lake Express cross lake ferry service and the growth of the retail districts show a push towards tourism in Muskegon County. Local officials have begun to expand our festivals to attract more out-of-town and out-of-state tourists.

In mid 2008 the Little River Band of Ottawa Indians (Tribe) purchased the then defunct Great Lakes Downs horse racing facility (site). This site is uniquely placed in a perfect location for a casino whereas it was previously a gaming facility, has highway access from US 31 and I 96, and is within a growing commercial/retail corridor.

The Tribe, Township, and County (parties) had several meetings that dealt with the impacts on the local communities a casino may have. Throughout this collaboration, the parties came to an agreement on a comprehensive Municipal Services Agreement (MSA) which abates all impacts that a casino may have and contributes to the overall public good. This agreement has: unanimous support from the Tribal Council, unanimous support from the Fruitport Township Board of Trustees, and unanimous support from the Muskegon County Board of Commissioners. Some of the impact areas to the local communities and public benefits of the casino addressed in the MSA are as follows:

### **1. Public Sewer System**

The Township was faced with upgrading the sanitary sewer lift station which would receive all the sewage in the Southern half of the Township. The Township was preparing to upgrade the lift station, at its expense, which it could not afford due to the small customer base. In order to

accommodate future growth the lift station needed to be upgraded and expanded; however, due to the cost, the Township could only afford to upgrade. The Tribe has agreed to pay half of the cost to completely upgrade and expand the lift station, with capacity to serve all customers when the sewer system is completed and available to all residents and businesses, even though it will only need approximately one-tenth of the capacity. Without the Tribe's contribution, this would not happen at this time which would defer and increase costs to the next generation. In addition to this, the Tribe has agreed to pay the customary connection charges, which will benefit the entire customer base, and pay to build the entire necessary sewer infrastructure on and off its site that will benefit future economic growth. The Tribe's commitment and contribution to the natural environment will accelerate the expansion of sanitary sewer to Fruitport Village. This will be the key to reversing the eutrophication and reducing pollution in and to Spring Lake.

## **2. Public Water System**

Like the sewer system, the water system is in need of many improvements not on the Casino site, including a new water tower to meet current system demands. Here again the Tribe is making an up-front contribution to the cost of the water tower and other future improvements. In addition to paying all customary connection charges the Tribe is also paying for several water system improvements and new installations on and off its site that will benefit future economic growth.

## **3. Mental Health**

As part of the MSA, the Tribe has agreed to contribute \$25,000 per year to train the Department of Mental Health's "psychologists and social workers in order that they obtain the necessary expertise to respond to problems that may arise as a result of gambling addictions" regardless of how these addictions are manifested (State Lottery, Internet, etc.).

## **4. Jobs**

The Fruitport Township Board is most certainly appreciative of the State of Michigan's programs and assistance aimed at maintaining and expanding employment. Among these efforts includes public infrastructure grants from the MDEC relative to job creation. Staff at the MDEC and other State agencies have and are working tirelessly assisting the Township in these efforts. We have been given an opportunity to immediately create 1,200 jobs with a mean income over \$40,000 per year with paid benefits (not including spillover jobs that will result from the casino development) without any financial assistance. At this point we can only prevent these jobs.

## **5. Economic Development**

Numerous credible, peer reviewed, and unbiased studies have concluded this type of development, Tribal casinos, will have overall positive impacts on economic development in the immediate and surrounding areas. The economic impact of this development can only help the area's declining home values, high unemployment rates, and blight and will spur additional spillover developments.

## **6. Public Safety**

The Tribe has agreed to cover all costs it incurs on or off its site that may be directly or indirectly caused by the casino. There will be no financial impact to the Township or County's Public Safety Departments.

**7. 7<sup>th</sup> Generation Fund**

The Tribe has agreed to contribute to what has become the “7<sup>th</sup> Generation Fund.” Also called the “General Community Benefits Contribution,” the estimated contribution will be approximately \$2,000,000 (2% of net win) per year and is intended “to mitigate the potential impacts on the Township and the County.” These funds will also be available for future generations to use for the general good of the community.

**8. Revenue Sharing Board**

In addition to the above, the Tribe has agreed to contribute approximately \$2,000,000 (2% of net win) each year to the Township and County to cover any additional costs that may be incurred due to the casino that are not reimbursed.

The above shows the Tribe’s commitment to West Michigan and further demonstrates the same will not be financially or economically injured by its operations. The MSA overwhelmingly displays and memorializes the Tribe’s commitment to West Michigan as outlined above and in other areas.

I’m sure you have heard a significant amount of data on the economic impacts of casinos. Township staff is prepared to discuss the many skewed inferences that are made about casinos and their economic impact. For this hearing, I will just say, it’s the Township’s position that all credible, peer reviewed, and unbiased studies conclude the overall economic impacts of *Tribal* casinos are positive.

With all due deference to those that oppose this casino for non-economic reasons, we feel that it is not our position to prevent private activities, such as driving a car, owning a gun, playing video games, or going to a casino, that *may* be abused. If our government goes down this road, the limits are endless and we will end up regulating everything from thrift shops to churches. Fruitport Township and the surrounding communities view this proposal as an entertainment venue and a means to stimulate economic growth and stability in West Michigan.

On behalf of the Township, I hereby submit the foregoing information to expound the Township’s position on the proposed change to the Third Amendment that is being considered. Furthermore, I respectfully request this issue be put forth to the House Floor for consideration at its next session.

Respectfully submitted,



Brian Werschem  
Supervisor, Fruitport Charter Township



## **Muskegon County Casino in Fruitport Township** Proposed by Little River Band of Ottawa Indians

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### **Economic development and jobs for the Tribe and Muskegon County Region**

#### **Project**

- The former Great Lakes Downs racetrack and additional adjacent property for a 233-acre site near I-96 and U.S. 31.
- 1,700 slot machines.
- 30 table games.
- Restaurants: Deli & 24-Café Opportunities to local entrepreneurs.
- Hotel (160 – 260 rooms) Opportunities to local entrepreneurs.

#### **Economic Catalyst for Muskegon County Region**

- Proposed \$100 million investment in building costs alone (does not include land costs).
- 53% of development costs will be (\$53 million) spent in Muskegon County.
- Given Muskegon County's 16.2% unemployment, 1173 Jobs direct & indirect created. This project will create 755 direct jobs and 418 indirect construction jobs w/average pay \$40,000.
- Project Labor Agreement.
- Projected 1.88 million visitors annually.
- \$10-12 million goods and services annually to be purchased in the community.
- Water, sewer and road improvements offer development opportunities.

#### **Economic Contribution to local and state government**

- State compact provides 2% payment of electronic gaming net win in the form of Payment in lieu of taxes (PILT) to Local Revenue Sharing Board (LRSB).
- State compact provides Local Revenue Sharing Board (LRSB) with 6 governmental units.
- Above and beyond the PILT, the Tribe has established a 7<sup>th</sup> Generation Fund that will contribute to charitable organizations:
  - 0%, 1%, 1%, 2%, 2% of the electronic gaming net win over the first 5 years of operation and 2% every year after this.
  - Fund matures over a seven year period then disburses 90% of earned interest then 10% goes back into the fund balance
- State compact provides payment of electronic gaming net win to the Michigan School Aid Fund based on a sliding scale of 8% to 12% depending on level of net win.
- The Tribe currently contributes 6% of electronic gaming net win from Manistee to the Michigan Strategic Fund administered by MEDC, which has used funds to attract new businesses including a manufacturer of new-technology batteries for electric and hybrid vehicles to be built in Muskegon.
- Local Revenue Sharing Board has received \$18,785,000 since 1999
- State of Michigan, Michigan Strategic Fund administered by Michigan Economic Development Corporation has received \$55,408,832 since 1999.

#### **Only Tribe eligible to develop Muskegon area casino**

- Extensive Tribal historical ties to Muskegon County.
- Tribe has responsibility for 9 counties from Manistee south to Muskegon.
- Approximately 663 Tribal Citizens live in Muskegon County.
- Tribe maintains a Muskegon office to serve LRBOI Citizens.
- Successfully owns and operates Little River Casino Resort in Manistee for ten years.

# Muskegon Chronicle

## **Editorial: Betting on a casino**

**By Muskegon Chronicle**

March 28, 2010, 6:54AM

Proposal will expand Muskegon's tourism industry.

It's becoming more of a sure bet Muskegon County will see construction of a casino in its near future.

With the governor's approval of amendments to the Little River Band of Ottawa Indians' tribal compact and Fruitport Township's and Muskegon County's approval of the 36-page Municipal Services Agreement last week, there are only a few hurdles left.

The Chronicle Editorial Board urges our state lawmakers to shepherd the plan to build at the former Great Lakes Downs site through the Legislature. All three — representatives Mary Valentine, D-Norton Shores, and Doug Bennett, D-Muskegon Twp., and Sen. Gerald Van Woerkom, R-Norton Shores — have indicated they will support the move that could eventually create up to 1,100 new jobs in Muskegon County.

The Legislature must agree with Gov. Granholm's approval of a change in the tribal compact and the Little River Band needs approvals from the federal Bureau of Indian Affairs and the Department of the Interior. The tribe is expected to ask that 60 acres of its 233-acre site in Fruitport Township be placed in a "trust" for casino development.

The Editorial Board also urges Congressman Pete Hoekstra, R-Holland, and U.S. senators Carl Levin, D-Detroit and Debbie Stabenow, D-Lansing to help this proposal sail through the approval process in Washington, D.C.

Federal lawmakers also should push highway officials to fund construction of an interchange at I-96 and Sternberg. The development of the interchange will be key to the continued growth of tourism and retail businesses in that area. Muskegon County has waged a 25-year campaign for the improvement and it has waited long

enough.

With the construction of the casino and proper highway access, Muskegon County could become a year-round tourism destination, a definite boost in efforts to diversify the area economy and create permanent jobs in business serving casino visitors.

However, the Editorial Board continues to draw the line against a casino in downtown Muskegon or multiple casinos in the county.

It's clear Muskegon County residents see gambling as another form of recreation. A March 14 Chronicle news story found Muskegon ranks eighth among Michigan's 83 counties in the amount of money spent on lottery tickets, even though it ranks 11th in population. Little River Band officials have noted Muskegon residents also fuel gambling at their Manistee casino.

Based on the agreement signed last week, it's clear the county has much to gain — from the expansion of sewer and water lines to the establishment of a fund to provide community grants. The pact also covers the cost of the negative effects of a casino by providing funding for fire and police expansion and gambling addiction prevention.

It won't be a crapshoot.



# Muskegon County Casino in Fruitport Township

Proposed by Little River Band of Ottawa Indians (LRBOI)

## Why You Should Support the Third Amendment of the Little River Band State Gaming Compact to Develop a Casino in Muskegon County:

*The Compact Amendments signed in March 2010 by MI Gov. Granholm and Tribal Ogema Larry Romanelli is Markedly More Advantageous to the State Than Other Current Tribal-State Gaming Compacts*

### 1998 Tribal-State Class III Gaming Compact

- The Little River Band of Ottawa Indians (LRBOI) and 3 other federally recognized tribes entered into a Class III Gaming Compact with the State of Michigan in 1998.
- The Tribes were required to pay 8% of their electronic gaming revenue to the State and an additional 2% to the local community through a Revenue Sharing Board.

### 1998 Tribal-State Class III Gaming Compact with 2008 Amendment

- The Gaming Compact between the LRBOI and the State was amended in 2008 to address Club Keno issue.
- The Amendment is the result of a negotiated settlement of litigation between the LRBOI and the State over the obligation of the Band to continue making revenue-sharing payments of 8% of net win from electronic gaming revenues to the State under its existing compact notwithstanding the State's decision to operate Club Keno.

Under the Amendment:

- The revenue-sharing payment to the State is reduced to 6% of net win.
- The exclusivity provision will apply to state-run gaming operations as well as to other commercial gaming operations. (However, the exclusivity zone is no longer state wide, but limited to 9 counties included in the Tribe's "competitive market area.")

Currently:

- The LRBOI contributes 6% of electronic gaming net win from Little River Casino Resort to the Michigan Strategic Fund.
- The Fund has received \$55,408,832 since 1999 from the Little River Casino Resort.

### March 2010 Compact Amendments

Gov. Jennifer Granholm and Little River Band Tribal Ogema Larry Romanelli signed two additional compact amendments to the Tribe's Gaming Compact that would allow for a second casino within the Tribe's nine-county region. The Band operates the Little River Casino Resort in Manistee.

The two amendments along with a successful two-part determination from the Department of the Interior will allow the Little River Band to go forward with the process of requesting that 60 acres of its 233-acre site at the former Great Lakes Downs Racetrack in Muskegon County be placed in a "trust" for casino development with the Bureau of Indian Affairs (BIA).



# Muskegon County Casino in Fruitport Township

Proposed by Little River Band of Ottawa Indians (LRBOI)

## Muskegon Casino Project Little River Band of Ottawa Indians (LRBOI) Historical Background

### Extensive Historical ties to Muskegon region

- Comprised of the 9 bands of the Historic Grand River Bands of Ottawa Indians.
  - We traditionally used lands for hunting, cultivating and gathering.
- Political successors to the Signatories of the 1836 Treaty of Washington.
- Political successors and descendants of the signatories of the 1855 Treaty of Detroit.
  - Prior to the 1855 Treaty, our people inhabited village sites from the Manistee River south to the Grand River, in the western Lower Peninsula of Michigan.
- Lived along Lake Michigan, including Muskegon County.

### Reaffirmed as Federally Recognized Tribe in 1994

- LRBOI has a long-standing history of strong tribal leadership and the full support of our tribal membership.
- 3,996 enrolled members.
- LRBOI has tribal responsibility for 9 counties stretching from Manistee south to Muskegon.

### Pursued gaming as an economic tool to strengthen governmental services

- Signed state gaming compact and amendment in 1998 to provide payments to the state of Michigan and local revenue sharing board.
- Opened Little River Casino Resort in Manistee in summer of 1999 with 600 slot machines. Expanded to more than 1,300 slots, 28 table games, 3 restaurants and 292-room luxury hotel.
  - 813 employees
  - Over 90% of casino employees are non-Tribal members
  - 10 % of county workforce are directly related to the Tribe
- Tribal Ogema Romanelli and Gov. Granholm signed amendments to the tribal gaming compact in March 2010, which allow for a second casino in the tribe's 9-county service area and establishes economic incentive payments to the state.
- Fruitport Township and Muskegon County unanimously approved the MSA and CLEA in March 2010 to offset burdens on local municipalities' emergency and public works.
- Project Labor Agreement will be part of project.

### Strong Presence in Muskegon region

- Largest population of LRBOI citizens live in service area.
- The Little River Band's current Indian Health Services designated Contract Health Service Delivery Area includes 9 counties, stretching from Manistee to Muskegon.
- 660+ LRBOI citizens reside in Muskegon County.
- Operate a Muskegon Tribal office.



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## **Muskegon County Casino in Fruitport Township** Proposed by Little River Band of Ottawa Indians

# **LRBOI Muskegon County Casino *Indian Gaming Overview***

### **Current Situation**

#### ***Compact amendments for Little River Band of Ottawa Indians to open a second casino***

As part of the amendments to the current compact, which was initiated in 1998 for the tribe's Little River Casino in Manistee, the tribe will be allowed to open a second gaming facility. The amendment that allows a second casino requires concurrence from the Legislature. The compact amendments signed by the governor permit the tribe to immediately initiate the lengthy process through the federal Bureau of Indian Affairs to put land in "trust" for a casino. The tribe has proposed having up to 60 acres of its 233-acre Fruitport Township site taken into "trust."

### **LRBOI 1998 Compact**

- First Amendment-Club Keno issue
- Second Amendment-Housekeeping issues dealing with revenue payments, Local Revenue Sharing Board, and Section 9 (Sent to BIA)
- Third Amendment-Changing the definition of "Eligible Indian Lands (needs MI Legislative approval)

The two amendments along with a successful two-part determination from the Department of the Interior will allow the Little River Band to go forward with the process of requesting that 60 acres of its 233-acre site at the racetrack in Muskegon County be placed in a "trust" for casino development with the Department of Interior & Bureau of Indian Affairs (BIA).

### **Existing Part C Casinos**

- Keweenaw Bay Indian Community received a Part C two-part determination on May 9, 2000 to conduct gaming on land that went into trust in 1990.
- Misinformation has been circulated that a Little River Band Part C casino in Muskegon would be the first of its kind, which is just inaccurate.

### **Two-part determination process**

The LRBOI is pursuing a two-part determination to open a casino in Muskegon County:

- Determination by the Secretary of the Interior that a gaming establishment on newly acquired lands would be in the best interest of the Indian tribe and its members, and would not be detrimental to the surrounding community

the best interest of the Indian tribe and its members, and would not be detrimental to the surrounding community, but only if the Governor of the State in which the gaming activity is to be conducted concurs in the Secretary's determination, or

(B) Lands are taken into trust as part of—

- (i) A settlement of a land claim,
- (ii) The initial reservation of an Indian tribe acknowledged by the Secretary under the Federal acknowledgement process, or
- (iii) The restoration of lands for an Indian tribe that is restored to Federal recognition.

### **25 C.F.R. Part 292**

The Regulations, codified in 25 C.F.R. Part 292, articulate the standards that the Bureau of Indian Affairs will follow in interpreting various exceptions to the gaming prohibitions in Section 2719 of IGRA. This rule also establishes a process for submitting and considering applications from Indian tribes seeking to conduct class II or class III gaming activities on lands acquired in trust after October 17, 1988.

Tribes submit an application under 25 CFR part 292 to have the authority to game on trust lands acquired after October 17, 1988. This covers tribes seeking a secretarial determination that a gaming establishment on land acquired in trust after October 17, 1988 would be in the best interest of the Indian tribe and its members, and would not be detrimental to the surrounding community.

Virtually every Michigan Indian tribe opened a casino by applying for an exception under IGRA. The Department of the Interior determined exceptions applied for the operations of Michigan tribal casinos. In addition, some tribes have used an exception to pursue a second casino but as of today, have been unsuccessful in receiving final approval to develop a gaming establishment. This includes Bay Mills Indian Community in Port Huron and Hannahville Indian Community in Romulus.

### **25 CFR Part 292**

#### **Subpart A-Gaming on trust land prior to October 17, 1988**

A few Michigan Indian tribes operated a gaming establishment prior to NIGA. These casinos provided no local or state revenue payments. The seven Indian tribes that signed the first state tribal gaming compact in 1993 were the first tribes in Michigan to open legal casinos according to IGRA. These tribes are:

- The Bay Mills Indian Community
- The Grand Traverse Band of Ottawa and Chippewa Indians
- The Hannahville Indian Community
- The Keewenaw Bay Indian Community
- The Lac Vieux Desert Band of Lake Superior Chippewa Indians
- The Saginaw Chippewa Indian Tribe
- The Sault Ste. Marie Tribe of Chippewa Indians

- (2) The land is within a 25-mile radius of the tribe's headquarters or other tribal governmental facilities that have existed at that location for at least 2 years at the time of the application for land-into-trust; or
- (3) The tribe can demonstrate other factors that establish the tribe's current connection to the land.

### **Restored Lands Exception**

Gaming may occur on newly acquired lands under this exception only when all of the following conditions in this section are met:

- (a) The tribe at one time was federally recognized, as evidenced by its meeting the criteria in 292.8
- (b) The tribe at some later time lost its government-to-government relationship, the tribe was restored to Federal recognition by one of the means specified in 292.10; and
- (c) At a time after the tribe lost its government-to-government relationship, the tribe was restored to Federal recognition by one of the means specified in 292.10; and
- (d) The newly acquired lands meet the criteria of "restored lands" in 292.11.

### **Subpart C-Secretarial Determination and Governor's Concurrence**

A tribe may conduct gaming on newly acquired lands that do not meet the criteria in subpart B of this part only after all of the following occur:

- (a) The tribe asks the Secretary in writing to make a Secretarial Determination that a gaming establishment on land subject to this part is in the best interest of the tribe and its members and not detrimental to the surrounding community;
- (b) The Secretary consults with the tribe and appropriate State and local officials, including officials of other nearby Indian tribes;
- (c) The Secretary makes a determination that a gaming establishment on newly acquired lands would be in the best interest of the tribe and its members and would not be detrimental to the surrounding community; and
- (d) The Governor of the State in which the gaming establishment is located concurs in the Secretary's Determination (25 U.S.C. 2719(b)(1)(A)).

Marquette Casino: Part C Two-Part Determination

Leelanau Sands: Part A

Turtle Creek: Part B Restored Lands

Manistee (Little River): Part B Restored Lands

Soaring Eagle: Part A

Four Winds: Part B Restored Lands

Fire Keepers; Part B Restored Lands

Greektown was originally approved as a part C by the interior but failed to gain Governors concurrence. The voters of Michigan allowed gaming in Detroit and it became a state commercial casino just majority owned by an Indian Tribe.

- 2 percent payment to the Muskegon County treasurer for disbursement by a local revenue sharing board.
- In addition to the 2 percent required in the Compact there is another 2 percent that goes into the "Little River Band 7<sup>th</sup> Generation Fund

By comparison, the tribe contributes 6 percent of its electronic gambling revenue to the state and an additional 2 percent to the local community under their current agreement for the Manistee casino.

West Michigan remains a ripe gaming market. The LRBOI casino in Manistee is the only casino located in West Michigan. There is a demand for gaming entertainment in this region.

**THIRD AMENDMENT TO  
A COMPACT BETWEEN  
THE LITTLE RIVER BAND OF OTTAWA INDIANS AND  
THE STATE OF MICHIGAN  
PROVIDING FOR THE CONDUCT OF TRIBAL CLASS III GAMING  
BY THE LITTLE RIVER BAND OF OTTAWA INDIANS**

The Compact made and entered on the 3d day of December, 1998 by and between the LITTLE RIVER BAND OF OTTAWA INDIANS (hereinafter referred to as "Tribe") and the STATE OF MICHIGAN (hereinafter referred to as "State") approved by the Secretary of the Interior by publication in the Federal Register on February 18, 1999 at 64 Fed. Reg. 8111, and subsequently altered by a first amendment approved by the Secretary of the Interior by publication in the Federal Register on April 21, 2008 at 73 Fed. Reg. 21362, and by a second amendment dated \_\_\_\_\_ and submitted for approval by the Secretary of the Interior on \_\_\_\_\_, is hereby further amended in accordance with Section 16 of the Compact. All provisions of the Compact not explicitly added or amended herein shall remain in full force and effect.

*Section 2(B)(1) is amended to read as follows:*

(1) "Eligible Indian Lands" means trust and reservation lands acquired in trust by the United States Secretary of the Interior for the benefit of the Tribe pursuant to applicable federal law within Manistee and Muskegon Counties, Michigan. A total of two (2) tribal Class III gaming facilities may be located on Eligible Indian lands provided, however, that if any tribe which attains federal recognition subsequent to the date of this Compact is granted the right, under a valid Compact with the State of Michigan, to operate more than two (2) Class III gaming facilities on its Indian Lands, the Tribe shall be afforded the same right subject to the same terms and conditions imposed on such newly recognized tribe.

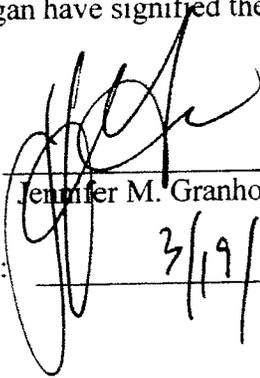
Effective Date. This amendment shall take effect upon completion of all of the following:

- (A) Execution by the Ogema of the Little River Band of Ottawa Indians.
- (B) Execution by the Governor of the State of Michigan and approval by resolution by both houses of the Michigan Legislature.
- (C) Submission of these amendments to the United States Secretary of the Interior for approval pursuant to the provisions of the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701 *et seq.*
- (D) Publication of the approval of the Secretary of the Interior in the Federal Register.

IN WITNESS WHEREOF, the Tribal Ogema acting for the Little River Band of Ottawa Indians and the Governor acting for the State of Michigan have signified their approval by their respective signatures.

By: *Larry Romanelli*  
Larry Romanelli, Ogema

Dated: 3-18-10

By:   
Jennifer M. Granholm, Governor

Dated: 3/19/10



## Little River Band of Ottawa Indians

375 River Street  
Manistee, MI 49660

### Resolution #10-0310-80

*Ratifying Third Amendment, Initial Date of March 9, 2010, to the  
Compact between the Little River Band of Ottawa Indians  
And the State of Michigan*

WHEREAS, the status of the *Gaá Čhíng Ziibi Daáwaa Aníshinaábek* (Little River Band of Ottawa Indians) as a sovereign and Treaty-making power is confirmed in numerous treaties, from agreements with the initial colonial powers on this land, to various treaties with the United States; and

WHEREAS, the Little River Band of Ottawa Indians (Tribe) is descended from, and is the political successor to, the Grand River Ottawa Bands, signatories of the 1836 Treaty of Washington (7 Stat. 491) with the United States, as reaffirmed by federal law in P.L. 103-324, enacted in 1994; and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribe adopted amendments to the Constitution on April 26, 2004, which became effective upon approval by the Assistant Secretary-Indian Affairs on May 13, 2004; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Little River Band of Ottawa Indians have previously entered into a Compact with the State of Michigan for the class III gaming facility located in Manistee, MI on the Band's reservation area, dated February 1999; and

WHEREAS, the Little River Band of Ottawa Indians and the State of Michigan have previously adopted the First Amendment to the Compact, dated April 2008; and

WHEREAS, the Tribal Council has authorized a Second Amendment to the Compact by adoption of Resolution #10-0310-79, and supports finalizing the Compact in a manner that provides the Band the greatest opportunity for success in expanding its class III gaming industry; and

WHEREAS, the Little River Band of Ottawa Indians has a primary interest in providing for the welfare of its citizens, including providing opportunities for employment and economic development and have identified that expanding gaming industry operated by the Band is the best mechanism to provide government revenue and employment to the citizens; and

WHEREAS, the current Compact Agreement with the State of Michigan limits the Little River Band of Ottawa Indians to one class III gaming operation; provided that the State of Michigan may renegotiate terms favorable to both the Band and State that provide for greater opportunity and economic growth; and

WHEREAS, the Little River Band of Ottawa Indians and the State of Michigan have successfully negotiated a Second Amendment to the Compact; and

WHEREAS, the Little River Band of Ottawa Indians finds that it is in the best interest of the Band and its citizens to renegotiate Compact terms with the State of Michigan that will allow expanded gaming industry and economic growth for the Band as well as citizens of the State of Michigan; and

WHEREAS, the Tribal Council and Ogema have previously authorized the Band to purchase land in Muskegon County, to pursue a second site of class III gaming facility on behalf of the Little River Band of Ottawa Indians; and

WHEREAS, the Ogema has concluded negotiations with the Honorable Jennifer Granholm, resulting in proposed amendment to the Compact between the Little River Band and the State of Michigan, herein identified as follows:

**THIRD AMENDMENT TO  
A COMPACT BETWEEN  
THE LITTLE RIVER BAND OF OTTAWA INDIANS AND  
THE STATE OF MICHIGAN  
PROVIDING FOR THE CONDUCT OF TRIBAL CLASS III GAMING  
BY THE LITTLE RIVER BAND OF OTTAWA INDIANS**

*The Compact made and entered on the 3rd day of December, 1998 by and between the LITTLE RIVER BAND OF OTTAWA INDIANS (hereinafter referred to as "Tribe") and the STATE OF MICHIGAN (hereinafter referred to as "State") approved by the Secretary of the Interior by publication in the Federal Register on February 18, 1999 at 64 Fed. Reg. 8111, and subsequently altered by a first amendment approved by the Secretary of the Interior by publication in the Federal Register on April 21, 2008 at 73 Fed. Reg. 21362, and by a second amendment dated \_\_\_\_\_ and submitted for approval by the Secretary of the Interior on \_\_\_\_\_, is hereby further amended in accordance with Section 16 of the Compact. All provisions of the Compact not explicitly added or amended herein shall remain in full force and effect.*

**Section 2(B)(1) is amended to read as follows:**

- (1) *“Eligible Indian Lands” means trust and reservation lands acquired in trust by the United States Secretary of the Interior for the benefit of the Tribe pursuant to applicable federal law within Manistee and Muskegon Counties, Michigan. A total of two (2) tribal Class III gaming facilities may be located on Eligible Indian lands provided, however, that if any tribe which attains federal recognition subsequent to the date of this Compact is granted the right, under a valid Compact with the State of Michigan, to operate more than two (2) Class III gaming facilities on its Indian Lands, the Tribe shall be afforded the same right subject to the same terms and conditions imposed on such newly recognized tribe.*

*Effective Date. This amendment shall take effect upon completion of all of the following:*

- (A) *Execution by the Ogema of the Little River Band of Ottawa Indians.*
- (B) *Execution by the Governor of the State of Michigan and approval by resolution by both houses of the Michigan Legislature.*
- (C) *Submission of these amendments to the United States Secretary of the Interior for approval pursuant to the provisions of the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701 et seq.*  
*Publication of the approval of the Secretary of the Interior in the Federal*
- (D) *Register.*

*IN WITNESS WHEREOF, the Tribal Ogema acting for the Little River Band of Ottawa Indians and the Governor acting for the State of Michigan have signified their approval by their respective signatures.*

WHEREAS, the Tribal Council has reviewed the language included in the proposed Third Amendment to the Compact, and finds that ratification of the Compact Third Amendment is in the best interest of the Tribe and its members; and

WHEREAS, the Tribal Council has determined that the Third Amendment to the Compact to include a new definition of Eligible Indian Lands may be subject to the first paragraph being revised or modified upon adoption, and consents to date changes in the first paragraph being added following execution.

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band does hereby Ratify the terms of the proposed amendment identified as the Third Amendment, to the Compact with the State of Michigan dated December 3, 1988, which was amended by the First Amendment to the Compact as approved by the Secretary of the Interior dated April 21, 2008; Second Amendment is Ratified and pending approval.

IT IS FURTHER RESOLVED THAT the Tribal Council does hereby authorize the Ogema, Larry Romanelli, to execute the Third Amendment to the Compact, on behalf of the Little River Band of Ottawa Indians.

IT IS FURTHER RESOLVED THAT the Tribal Council does hereby reaffirm that all other provisions and terms contained within the Compact not altered by the First, Second or Third Amendments, remain in full force and effect.

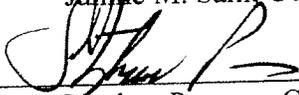
IT IS ADDITIONALLY RESOLVED THAT the Tribal Council does hereby reaffirm the waiver of sovereign immunity contained within the Compact, to enforce its terms consistent with the agreement executed.

IT IS FINALLY RESOLVED THAT upon execution of this Third Amendment by the Honorable Governor and as ratified by the legislature of the State of Michigan and the Ogema of Little River Band, the Tribal Council hereby authorizes the submission of the Third Amendment for approval by the Secretary of the Interior, consistent with the IGRA, and requests the Secretary to Approve the Amendment.

**CERTIFICATE OF ADOPTION**

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 8 FOR, 0 AGAINST, 0 ABSTAINING, 0 ABSENT, and 1 VACANT, at a Closed Session of the Little River Band of Ottawa Indians Tribal Council held on March 10, 2010, at the Little River Band's Dome Room in Manistee, Michigan, with a quorum being present for such vote.

  
\_\_\_\_\_  
Janine M. Sam, Council Recorder

  
\_\_\_\_\_  
Stephen Parsons, Council Speaker

Attest:

Distribution: Tribal Ogema  
Tribal Council