



News Release

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Seven Tribal Nations Facing Combined \$37 Million Annual Loss Should Illegal Ho-Chunk Wittenberg Expansion Be Allowed to Proceed

Stockbridge-Munsee to Feel Brunt of Impact, with Estimated \$22 Million Annual Loss

BOWLER, WISCONSIN (January 23, 2017) – The unlawful expansion of Ho-Chunk Nation’s ancillary gaming facility in Wittenberg into a full-blown casino-resort is projected to result in a \$36.8 million reduction in annual machine revenue (otherwise referred to as “net win”) for seven Wisconsin tribes, according to an independent economic impact study commissioned by the Stockbridge-Munsee Band of Mohican Indians.

The Stockbridge-Munsee’s only gaming facility, the North Star Mohican Casino Resort, is located on the Tribe’s reservation in Shawano County, and currently accounts for 96 percent of the Stockbridge-Munsee’s earned governmental revenue. The Ho-Chunk Nation’s new casino-resort will be built just 16 miles from the Stockbridge-Munsee’s North Star Mohican Resort. While several Wisconsin tribes will see multi-million dollar losses as a result of the Wittenberg expansion, the impact on the Stockbridge-Munsee is by far the greatest, with a projected annual machine revenue reduction of \$22 million, or nearly 37 percent of its machine revenue.

The study also projects the following reductions in machine revenue (total of all individual tribal casinos):

- \$5.2 million loss for Oneida Nation casinos
- \$4.3 million loss for Menominee casinos
- \$3.4 million loss for Chippewa casinos
- \$1.8 million loss for Potawatomi casinos

As the study explains, gaming in the state of Wisconsin is among the most robust in the nation, and has reached a point of saturation. In a saturated market, any increase in gaming you see from one casino to the next is not “new,” rather it is simply shifted from somewhere else.

“The North Star Mohican Casino Resort is the economic lifeblood of our tribe and the largest employer in Shawano County. But that is now all at grave and unnecessary risk,” said Shannon Holsey, president of the Stockbridge-Munsee Tribal Council. “The Ho-Chunk currently operate four of the state’s 10 largest casinos. With the State of Wisconsin refusing to enforce the terms of its compact and allowing unfettered, unsanctioned expansion, Ho-Chunk will eventually have five of the state’s 10 largest under its control. This will not grow the Wisconsin economy, but will instead take revenues from other, far smaller tribes. How can this be allowed to continue?”

As previously announced, The Stockbridge-Munsee Band of Mohican Indians and other tribes are calling upon Governor Walker and his Administration to fairly enforce state gaming compacts for all tribes. For decades, the State has placed clear restrictions on the size, number and nature of gaming facilities across the state, establishing a distinction between full-scale casinos and much smaller ancillary facilities. However, in a perplexing and surprising reversal on its past position, the State is allowing the Ho-Chunk Nation to broadly reinterpret its compact terms so that it can turn its ancillary gaming facilities into full-scale casino-resorts.

According to the State's own definition, an ancillary gaming facility is restricted in both size and scope in order to clearly differentiate it from a full-scale casino. First, the non-gaming business (such as a gas station) and the gaming business must be located in the same building. Second, the gaming business must generate less than 50 percent of the combined facility's net revenue. Finally, the non-gaming portion of the building must be physically larger than the gaming portion of the building. Neither the Ho-Chunk's current Wittenberg facility nor its planned expansion adheres to those terms.

Moreover, longstanding questions persist regarding whether the Ho-Chunk Nation may lawfully operate any gaming facility on its lands in Shawano County. The refusal of State and Federal regulators to enforce the land restrictions on Indian gaming on the Ho-Chunk Nation's land in Wittenberg essentially allows any tribe to operate any type of gaming on any land it wants.

If allowed to continue, all tribal/State gaming compacts will be rendered meaningless, destabilizing Wisconsin's carefully negotiated gaming environment, increasing the likelihood of widespread and costly litigation, and creating uncertainty about the future of State tribal gaming revenues. And as the economic impact study verifies, Ho-Chunk's expansion puts the self-sustainability of a number of tribes into serious question.

Nine of Wisconsin's 24 gaming locations (including the North Star Mohican Casino Resort and the proposed Ho-Chunk Wittenberg Casino) are concentrated in adjacent parts of Brown, Shawano and Menominee Counties, making that area one of the most competitive gaming regions in the State. These nine casinos enjoy a fragile balance that the Ho-Chunk Wittenberg expansion would topple. With its greatly expanded facilities and prime location near the intersections of WI Highways 29 and 45, major state arteries, Ho-Chunk Wittenberg would intercept the North Star Mohican Casino Resort's business from northwest central Wisconsin, including its largest customer base in Wausau, Wisconsin. The effect will be crippling, forcing severe cuts in essential governmental programs and services to its members and to the region.

Several other Wisconsin tribes have raised concerns that the expanded Wittenberg casino-resort will violate the Ho-Chunk Nation's gaming compact with the State, which allows the tribe to operate an ancillary gaming facility – not a full-blown casino – at its Wittenberg site. The Oneida Nation of Wisconsin, Menominee Indian Tribe of Wisconsin, Bad River Band of Lake Superior Chippewa Indians and the Mole Lake Sokaogon Chippewa Community echo the Stockbridge-Munsee's concerns over the consequences of the planned Wittenberg expansion and have urged Gov. Walker and his Administration to fairly enforce state gaming compacts for all tribes.

The planned \$27 million expansion of the Ho-Chunk Wittenberg ancillary facility will include 750 slot machines, a new high-limit gaming area, 10 table games, an 86-room hotel and conference center facility, and an 84-seat restaurant/bar. The economic impact study, which was completed by Market & Feasibility Advisors, LLC, only looked at the impact on machine revenue. Therefore, actual impacts may be far greater once other revenue reductions (hotel, table games, etc.) are factored.

About the Stockbridge-Munsee Tribe

The Stockbridge-Munsee Mohican Tribe is one of 11 tribes in Wisconsin and has approximately 1,470 tribal members throughout the state, 34 percent of whom live on the tribe's reservation in Shawano County. The Stockbridge-Munsee Tribe is the largest employer in Shawano County and operates the North Star Mohican Casino Resort, which features 1,200 slot machines and 22 table games. The Tribe is committed to being a good steward of economic, environmental and intellectual resources in the region and strongly believes in the power of education. Each year, the Stockbridge-Munsee Tribe contributes more than \$100,000 in funding to the area's two largest school districts and more than \$200,000 to support neighboring communities and other Wisconsin Indian tribes. For more information about the Tribe, visit the website at <http://www.mohican.com/> or the tribal Facebook page at <https://www.facebook.com/smcMohican/>.

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