

WISCONSIN LEGISLATURE

P. O. Box 7882 Madison, WI 53707-7882

January 28, 2015

The Honorable Governor Scott Walker
115 East, State Capitol
Madison, WI 53702

Dear Governor Walker,

As you know, we are greatly disappointed in your announced decision to deny the Hard Rock Casino application in Kenosha County. To be frank, the vast majority of our constituents are more than disappointed in your action. We urge you to take the full time allowable before February 19, 2015 to give this fluid and rapidly changing situation your full consideration.

Due to the timing of Secretary Huebsch's report and memorandum, several recently-developed facts were omitted. There are three specific aspects of the casino negotiation process that we believe mitigate, if not eliminate, any potential loss to the state.

First, the Compact Amendment between the Menominee Tribe ("Tribe") specifically agrees to "...indemnify the State in the event that the State is required to make any expenditures to [the Potawatomi] in relation to the Governor [approving the casino]." (emphasis added) The Tribe also specifically indemnifies the State in the event the State were forced to compensate the Potawatomi because of litigation, arbitration, or negotiation. To further clarify the indemnity obligation, Compact Amendment specifies that casino approval would not be forthcoming without the Tribe's obligation to "fully indemnify the State [if the casino approval] would cause the state to incur any expense." (emphasis added) In addition, as negotiated by your Administration, if the Tribe were to fail in these obligations, the Tribe would be forced to cease all gaming operations. Thus, if the State were forced to pay the Potawatomi, the State would be held financially harmless by the Menominee.

Secondly, less than 18 hours before your announcement, the Menominee and its Hard Rock Casinos partners agreed to post a bond to protect Wisconsin taxpayers in the event that the State was required to reimburse the Potawatomi for lost revenue or previous payments to the state. Therefore, if, for any reason, including delay, litigation, or rejection of the Compact Amendment by BIA, the Menominee were unable to deliver on its indemnity promise, the bond would ensure taxpayers would not be at risk.

Finally, it is extremely unlikely that the Potawatomi will be successful in its lawsuit against the Bureau of Indian Affairs ("BIA"). As you know, the Potawatomi has sued in federal court over BIA's rejection of the arbitrated amendment to their compact. The BIA has been sued many times in the past over rejected compacts and compact amendments. It has never had a compact decision reversed by the courts. It is our understanding that your Administration and outside legal consultants agree with what we have been told from others— a lawsuit by the Potawatomi is unlikely to be successful. Even if it were to be successful, the Bond and indemnity agreements would compensate the state.

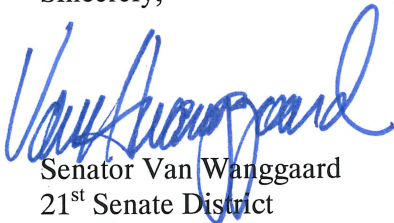
Fear of litigation – or the risk of losing litigation – should not be factor in your decision. Over the last decade, legislative and executive action has been met with the threat of legal action. The Hard Rock Casino is in the best interests of the state, given the economic magnitude of the project it is also worth the court battle.

The Menominee Tribe has reached agreements with city and county governments. It has reached agreements with almost every other tribe related to opening a casino in Kenosha. The tribe has agreed to a higher compensation rate to the state than any other tribal casino. It has agreed with your Administration to indemnify the state for any expense. It has agreed to post a bond to guarantee those indemnity obligations. It is difficult to imagine what additional hurdles someone would need to pass to have a project approved. This is in stark contrast to casino opponents.

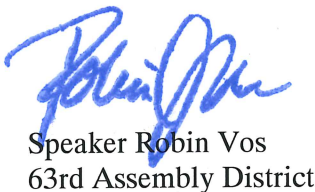
This is an opportunity for an \$800 million investment in our state, thousands of jobs, millions of tourists and a billion dollars to the state treasury over the coming years. The 9,000 Menominee tribal members and thousands looking for work in Southeastern Wisconsin are depending on this development to lift them out of poverty. The benefits are too great, the opportunity is too extraordinary, for you to not give this a second look.

We know that in the remaining three weeks, we can truly make this a win-win-win for Wisconsin.

Sincerely,



Senator Van Wanggaard
21st Senate District



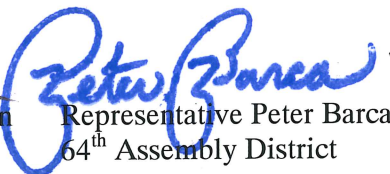
Speaker Robin Vos
63rd Assembly District



Senator Bob Wirch
22nd Senate District



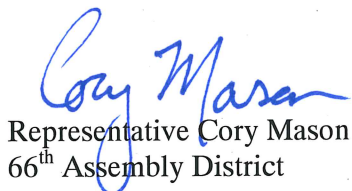
Representative Samantha Kerkman
61st Assembly District



Representative Peter Barca
64th Assembly District



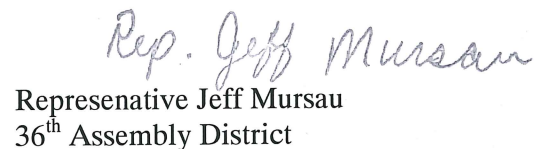
Representative Tod Ohnstad
65th Assembly District



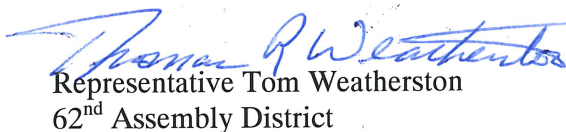
Representative Cory Mason
66th Assembly District



Representative Dave Craig
83rd Assembly District



Representative Jeff Mursau
36th Assembly District



Representative Tom Weatherston
62nd Assembly District