

Six proposed casinos may be a loser's bet

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[By Joel J. Smith / The Detroit News](#)

New Indian venues face community opposition, government hurdles and stiff rivalry.

Despite flat revenue growth at Michigan's 16 Indian casinos, proposals for six new ones are on the table while critics argue that the state can't support more casinos without taking business away from existing gaming houses, including MGM Grand, Greektown and MotorCity in Detroit.

"With any new casinos, there will be some shifting of revenues from one casino to another," said Jacob L. Miklojcik, a Lansing gaming consultant. "I don't see new casinos growing the market a lot. We're at a point where a large portion of any new casino revenues will come from existing casinos. The total casino market is not going to grow by gigantic amounts."

Even Michigan gamblers say the state has enough casinos. Allen and Debbie Shimmel of Saginaw visit the Soaring Eagle Casino in Mount Pleasant at least once a month. They have also visited Greektown Casino in Detroit, but prefer going close by to gamble.

"Right now the casinos are spread out enough that you aren't tempted to go every day," said Debbie Shimmel, 51.

Michigan's 16 Indian casinos generated \$971 million in revenue in 2004, up \$1.1 million over the previous year, according to Alan P. Meister, a Los Angeles-based economist and author of the 2005 Indian Gaming Industry Report. Nationwide, Indian casinos revenue grew 11.8 percent.

"The Indian gaming market in Michigan has been maturing," Meister said. "It has been around for a while and now has competition from the three commercial casinos in Detroit. The number of slot machines and table games has decreased. The supply has been decreasing and that can be an indication there is not enough demand to support what was there before."

All the Indian casinos are in northern Michigan, with 11 of the 16 in the Upper Peninsula. Soaring Eagle in Mount Pleasant is the farthest south of any of the tribal casinos. The six proposed casinos all are in southern Michigan, with three in southwestern Michigan, one in Port Huron, one in Romulus and another in Romulus, Flint or Monroe County.

All are months or years away from approval -- if it ever happens.

In every case, new Indian casino proposals face opposition from local residents or businesses, other casinos or Congress. The Indian casinos recognize the growth just isn't what it used to be since the three Detroit casinos opened in 1999-2000.

"We've seen revenues flatten out," said Joseph Sowmick, tribal spokesman for the Saginaw Chippewa Indian Community, owners of the Soaring Eagle Casino. Sowmick refused to openly criticize other tribes with plans to open new casinos in the state. But Soaring Eagle has a history of spending millions to lobby against competition from other tribes.

In an effort to increase revenues, The Little Traverse Bay Bands of Odawa Indians announced plans Thursday to replace their Victories Casino near Petoskey with a \$197.5 million casino resort complex, including an entertainment complex and an eight-story, 250-room hotel.

Mike Brick, a 21-year-old Michigan State University business major from South Rockwood, spreads his poker playing time between Greektown and Soaring Eagle. "I'm a fan of both," said Brick, who has won up to \$2,500 at one sitting. "But I think we have enough casinos in Michigan."

Three separate Potawatomi tribes in southwestern Michigan are attempting to win approval for new casinos. The tribes are: Nottawaseppi Huron Band near Battle Creek; Pokagon Band in New Buffalo; and the Match-E-Be-Nash-She- Wish Band or Gun Lake tribe in Allegan County, near Grand Rapids. All have received permission from the U.S. Secretary of Interior, but are tied up in federal court battles with local opposition.

There are deep feelings among residents and business owners about allowing any new casinos in Michigan. One group, 23 is Enough!, has among its members former president Gerald Ford, Robert M. DeVos and David VanAndel of Amway fame and Peter Secchia, chairman of [Universal Forest](#) Products and a former U.S. ambassador.

"Yes, we're at a saturation point for casinos," Secchia said. "But the worst part about these Indian casinos is they are tax free businesses. We spent 30 years rebuilding Grand Rapids. You cannot compete with someone down the street that doesn't pay income tax, single business tax and doesn't have to follow the rules. It's wrong, wrong, wrong."

Secchia's group is financing a federal lawsuit against the Gun Lake tribe, arguing the casino is illegal, saying it would be unfair competition for Grand Rapids businesses because of the tax-free status. Citizen groups also have court cases pending against the other two tribes, arguing that the environmental impact would be too great from the casinos. All three lawsuits are in U.S. District Court in Washington, D.C. Secchia claims the Gun Lake tribe has 140 acres to build a 15-acre casino. "What do you think they'll do with the rest of the property?" he asked. "I think they'll put in car dealerships and all kinds of other businesses. If they're on Indian property they don't pay taxes." Secchia said his group will finance the lawsuit against the Gun Lake tribe without help from outside interest groups such as casinos in neighboring states.

Representatives of the three Potawatomi groups argue the new casinos in southwestern Michigan would simply stop the flow of Michigan gamblers across the border into Indiana.

"If you look at these three casinos, you're talking about 5,000 new jobs," said Tom Shields, a spokesman for the groups. "These three casinos all are in new markets. In fact, they would bring in new money to the state from across the border."

Shields said the federal courts will ultimately decide the fate of the three casinos, which would be on existing casino reservations. That's not the case with the other three proposed Indian casinos. All are considered off-reservation casinos, which require Congressional approval, something Congress has been reluctant to grant. In fact, only three times since 1988 has Congress endorsed off-reservation casinos. Two Michigan tribes want to open casinos in Port Huron and Romulus, but have been unable to get Congressional approval. Separately, a group of four Indian tribes recently announced plans to seek a Romulus casino.

"Congress just isn't in the mood for approving Indian casinos," said Larry Rosenthal, with a Washington, D.C.-based lobbyist and public relations group that represents three Michigan tribes.

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