

Lansing casino project isn't dead, tribe says

Written by Administrator

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A proposed \$245 million Kewadin Lansing Casino could create 1,500 permanent jobs in the city. The Sault St. Marie Tribe of the Chippewa Indians seeks federal approval for the project. (Photo: Courtesy photo)

LANSING -- Hope still exists for a proposed downtown casino at the corner of Michigan Avenue and Cedar Street.

But the deal pitched by the Sault St. Marie Tribe of the Chippewa Indians nearly four years ago remains a complicated one.

The tribe still needs its application, submitted over two years ago, to be approved by the U.S. Department of Interior. If approved, the tribe would likely have to fight its way through bruising legal disputes with two opposing tribes: the Saginaw Chippewa and Nottawaseppi Huron Band of Potawatomi.

Drama within the Sault St. Marie tribe's leadership structure could also pose a problem. Aaron Payment, the tribe's board chair, said he was stripped Tuesday of his duties as the tribe's lead executive who is authorized to sign, negotiate and execute contracts. On Friday, Payment said the "political coup" prompted him to vacate his Sault St. Marie-based office.

"I don't want to trip up our process," Payment said of the Lansing casino project. He started a petition drive this week to try and get his delegated authority back.

Lansing remains in limbo while Payment and board members try to sort out their issues. Payment said it's unclear who among the tribe would be able to sign off or alter plans for the

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proposed \$245 million Kewadin Lansing Casino that would be built adjacent to the Lansing Center.

The Sault St. Marie tribe board's members posted a statement on the tribe's website Thursday that said their goal ["has been \(and is\) to try to get more accountability"](#) within the tribal government, adhere to the Tribe's Constitutional requirements, and ensure long term prosperity of the tribe." The statement adds that Payment remains the chairperson at the local, state and national level "on behalf of the tribe."

Any political differences within the tribe haven't appeared to affect Lansing's support for their casino project.

Randy Hannan, Mayor Virg Bernero's executive assistant, wrote Friday in an email that the city remains "fully committed" to the casino project. Hannan wrote the city is "presently in discussions" with the tribe to extend an existing development agreement that is set to expire this month.

"We are hopeful that Interior Department approval of the tribe's trust application will come soon, but we will leave speculation about the future to others," Hannan wrote.

Nedra Darling, a Department of Interior spokesperson, wrote Thursday in a one-sentence email to the Lansing State Journal the tribe's application is "still in the review process."

Last fall, a federal judge blocked an attempt by Attorney General Bill Schuette to prevent the Sault St. Marie tribe from building the casino. The judge ruled the tribe did not violate any law when they submitted their application to federal officials.

Hannan wrote there's no risk for the city because the tribe is responsible for its own legal expenses. He added funding from the casino would provide for the Lansing Promise scholarship program that will have "a transformational impact on our schools and our community."

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James Nye, lawyer for the tribes that oppose the Lansing casino project, said he's watching the Department of Interior's review process closely. Nye finds it telling that the Sault St. Marie tribal board appears to be in the midst of a power struggle with Payment.



Lansing Mayor Virg Bernero touted in 2012 the benefits of a casino in downtown Lansing. The tribe involved in the project is still waiting federal approval. (Photo: LSJ file photo)

"We want to know who's in charge," Nye said of the Sault St. Marie tribe. "I think it's relevant for all interested parties to know that,"

Nye warns the Sault St. Marie tribe that if it gets the application approved, it should prepare for plenty of legal challenges from his clients. The Saginaw Chippewa tribe owns Soaring Eagle Casino & Resort in Mt. Pleasant; the Nottawaseppi Huron Band of Potawatomi owns

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FireKeepers Casino Hotel in Battle Creek.

The opposing tribes claim the Lansing casino project violates the 1997 Michigan Indian Land Claims Settlement Act. They argue laws support their stance that the Sault St. Marie tribe doesn't have the right to build on the land needed for the project.

In 2012, the city sold the Sault St. Marie tribe a parcel of land at Michigan Avenue and Cedar Street for about \$287,000, said John Wernet, the tribe's lawyer. Under the agreement, Wernet said the city is leasing the land for a \$1 and would buy the property back "at fair market value" if the project falls through. Wernet also said the land purchase includes an option to purchase a "showcase parcel" located north of the Lansing Center for \$960,000. A copy of the tribe's development agreement with the city states the casino shall require a minimum capital investment of \$135 million.

Wernet said the Sault St. Marie tribe's issues with its leadership structure won't affect the casino project if the application is approved. In addition to Payment, Wernet said the tribe's entire 12-member board also supports the casino project. Wernet is hopeful the Department of Interior will approve the application before President-elect Donald Trump takes office next month.

"We remain completely determined and convinced that our legal position is sound," Wernet said. "And we're convinced that no matter what obstacles are thrown our way we will ultimately prevail."

Bernero said last year he expects the casino to create [1,500 permanent jobs, 700 construction jobs](#)

Under the casino proposal, the facility's annual revenue payments to Lansing would help fund four-year college scholarships for Lansing School District graduates. Plans for the casino would include up to 3,000 slot machines, 48 table games and several bars and restaurants. The project would also have two parking decks with about 2,900 spaces.

The Sault St. Marie tribe also has plans to build a casino in Huron Township, [near Detroit](#)

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Metro Airport.

The tribe once owned Detroit's Greektown Casino, but lost control of it during [a 2008 bankruptcy.](#)

Nye said nobody should have faith in the Sault St. Marie tribe's intentions.

"There's no reason to believe, based on their track record, that they will follow through with any of those promises," Nye said. "Ask the city of Detroit if the Sault tribe can keep its word."

Payment argues the Lansing project is different because the tribe doesn't have a business partner, won't have debt and will benefit from not being taxed by the state. He also stressed the tribe's sound working relationship with Lansing officials.

Asked how long pursuit of a Lansing casino project could last, Payment said there's no end in sight. He challenged opposing tribes.

"Once we have the legal authority they can't stop us," he said.

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