

MINUTES OF THE JOINT HOUSE AND SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Bill Mason at 12:30 p.m. on January 30, 2003 in Room 313-S of the Capitol.

All members were present.

Committee staff present: Russell Mills, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Theresa Kiernan, Office of the Revisor
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

Whitney Damron, Governmental Relations Council
Ms. Emily Conklin, Vice Chair Kikapoo Tribe
Ms. Frieda Perkins, Vice Chair of Sac and Fox Nation
Mr. Robert Winter, Special Counsel to the Kikapoo Tribe
Mr. Paul Alexander, General Counsel to the Sac and Fox Nation
Mr. Matt All, Chief Counsel to the Governor

Others attending: Please see attached.

Chairperson Mason opened the meeting, and invited Mr. Damron to the podium.

Mr. Damron presented testimony regarding the creation of a new Indian casino. ([Attachment 1](#))
Additionally, he presented a map of the proposed casino's location. ([Attachment 2](#))

Mr. Damron provided additional information including renderings of various proposed structures:
the main entry, ([Attachment 3](#))
water feature, ([Attachment 4](#))
another water feature, ([Attachment 5](#))
and the casino's interior. ([Attachment 6](#))

Mr. Damron submitted several sheets of background information entitled:
"Intertribal Gaming Management Consortium Fact Sheet" ([Attachment 7](#))
"Intertribal Gaming Management Consortium Background Sheet: Project Team Members" ([Attachment 8](#))
"Emily Conklin, Vice Chair, Kikapoo Tribal Council, Horton, Kan." ([Attachment 9](#))
"Freida Perkins, Vice Chair, Sac and Fox Tribal Council, Reserve, Kan." ([Attachment 10](#))
"Intertribal Gaming Management Consortium Background Sheet History" ([Attachment 11](#))
News Release: "Two Kansas Tribes Announce Plans for Destination Resort: Hotel, spa, restaurants and a full-service casino envisioned for Wyandott County." ([Attachment 12](#))

Ms. Conklin introduced those representatives who attended the meeting with her. She went on to address the Indian Gaming Regulatory Act from 1988. She stated that, "a principle goal of Federal Indian policy is to promote tribal economic development, tribal self-sufficiency, and a strong tribal government." She said that the Golden Eagle Casino opened in May 1996 and the employment was 500 strong, or 11% of Brown County's employment. She presented the committee with information on the ways in which her tribe had used gaming monies for development including: financial assistance for over 40 students to continue both higher education, college, and even graduate work; support emergency services for their reservations, or about 1.5 million people, operating 24 hours a day, 7 days a week; bought fire trucks; given \$500,000 to assist respected elders; money to help run schools, buy school buses, and provide native language programs. She emphasized that when outside farmers need emergency assistance, the tribe responds. She stated to the committee that

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the Sac and Fox tribes have provided similar services for their tribe, and that both had contributed to civic and recreational areas. She stated that the tribe had demonstrated its ability to run its business ethically and in a manner wholly consistent with their agreements with the state, in addition to keeping their promises to themselves. Ms. Conklin stated that Indian gaming works for the Kansas tribes and for Kansas.

Freida Perkins spoke to the committee about her family and her inspirations from her mother's life. She stated that the Sac and Fox and their friends, the Kikapoo, in addition to other tribes have benefitted from tribal gaming. She stated that they played important roles in the economic development, and their experiences with gaming in Brown county have taught them the intricacies of operating casinos honorably, efficiently, and economically. She stated that the next logical step for her tribe was to put that experience to work in eastern Kansas and in the Kansas City metropolitan area. She stated that the two tribes had worked over many months to create a new vision and were now ready to share it with the committee. She stated that they were planning to create a \$175 million destination resort gaming facility on the land NW of the Kansas speedway. Ms. Perkins stated that some people will come to visit the speedway, others to enjoy fine dining, shop at Cabellas, or the upcoming Nebraska Furniture Mart. She stated that her group was also looking at developing a family attraction on half of their 80-acre property that will strengthen the magnetic pull of the area around the speedway. She stated that it is estimated that 50 million people live within a 500 mile drive of our world-class speedway, and they want to give people every reason they can to fit Kansas into their travel plans.

Ms. Perkins stated that the gaming enterprise at their destination resort is an opportunity to satisfy the public interest in such a facility while forbidding the wide proliferation of slots across the state. She stated that a tourist will not visit Kansas because there are slots machines in every convenience store; tourists will come to a destination resort. She stated that their proposal assists Kansas in participating in an increasingly important part of our nation's economy: the leisure and recreation industry. She stated that the committee may be aware that states have asked travelers to Kansas why they visited the state; most stated that it was to get to Colorado. She stated that they intended to create a more exciting reason to visit Kansas, and that it will create hundreds of jobs of construction and thousands of permanent jobs at the resort and nearby businesses.

Ms. Perkins stated that her group's success and the success of western Wyandott county will help enrich Kansas in a variety of ways: directly, they expect to make a significant and annual contribution to the state and the local governments; she stated that they look forward to working out an equitable formula with the state; furthermore, government revenues will increase markedly as their project creates added economic synergy. She stated that her group was convinced that their project will create many new opportunities for the people of the Sac and Fox, and Kikapoo tribes; the opportunity here is for citizens who have been denied the chance to succeed economically and socially. She stated that for them, the opportunity is about the chance to work, to gain an education, a chance to have access to good healthcare, and a chance to achieve a measure of independence. She stated that these are not empty words; just a few minutes before, Emily had presented the committee with a long record of projects they had been able to fund since their casinos opened in northeast Kansas seven years ago. She stated that, inspired by their early successes, they are eager to accomplish much more for their tribes and communities where they live. She stated that they feel this project will be a huge success and that they will take great care to discuss internally among their people the priorities they will set for using their new financial resources; they will be sure to use them carefully and intelligently.

Mr. Winter addressed the security aspect of gaming and the need to identify levels of regulation. He emphasized the requirements and stringent upholding of regulations of Indian casinos, noting that there was also an additional level of regulation at the federal levels under the National Indian Gaming Commission. He stated that in his experience, at the state level, the Tribal Gaming Commissions are also much more involved, often being harder on themselves than outside regulators. He stated that crime rates among Indian casinos are much lower than private casinos and that because the tribe thinks of the casino as a reflection of its own image, it is strict in upholding rules. He stated that they are much more guarded about children, and would separate the hotel from the casino floor in a new facility to eliminate contact, as well as develop a recreational area on the remaining 40 acres.

Regarding financing, Mr. Winter stated that the tribes would be financing the project themselves, and they would both own and manage it. He emphasized that while, in the past, tribes had experienced difficulty getting financing for building facilities, now, the largest banks are offering financing because they as well as

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he are confident that this is a good project and will do wonders for the Wyandott area.

Mr. Alexander addressed the Indian Gaming Regulatory Act with the committee, stating that a class three gaming facility must have a compact with the tribes. He explained the up or down vote process for approval of a pact and expressed the tribes' interest in getting the Legislature a compact by April.

Mr. All spoke on behalf of the Governor's office, stating that they had met with both tribes a few times, and that he would like to thank Natalie Haag for inviting his office to those meetings. He stated that the project proposed by the tribes seems very impressive and the his office would be interested in consulting with the Legislature throughout this process and looked forward to continuing the process in the future.

Both Mr. Damron and Ms. Perkins thanked the committee for their time.

Senator Oleen asked if the National Indian Gaming Commission had taken any regulatory steps in the past. Mr. Winter replied that they have closed tribes and disciplined some in both California and Oklahoma, in addition to substantial fines for illegal operations elsewhere.

Senator Oleen stated that there had been a whispering campaign otherwise. She stated that currently the state does have the ability to enter and tour casinos, and she wondered if that ability would continue.

Mr. Winter stated that it would and stated that monitors can look at the books, especially when contributions to the state are concerned.

Senator Oleen expressed interest in revenue sharing and the possibility of components of that revenue sharing being overridden at the federal level.

Mr. Alexander replied that there were certain requirements for spending on tribal development and contributions to local governments; the latter was the hook on which state and local government is predicated.

Mr. Alexander briefly reviewed the background on these issues for the committee, emphasizing many financial reasons for exclusivity in terms of bonds and investors. He said that the tribes needed to be able to go into Washington, D.C. with bi-partisan support for this to work.

Senator Gooch asked the speakers two questions: would there be opposition between the two Kansas tribes involved in this and the other two which are not involved, and, in response to the comment about bi-partisan support, why the tribes think that the rest of the state would be interested in this if it primarily benefits Wyandotte County.

Mr. Alexander responded that the other two tribes, the Iowa and the Pottowatomi, have been consulted and accepted the situation. In response to the second question, Mr. Alexander replied that people will come to Kansas because it will be a destination resort that will create an economic synergy that can bring economic development and jobs without bringing parasitic gambling all over the state of Kansas.

Senator Gooch stated that the explanation was well-taken, but that he hoped it could be pared down into a persuasive argument for the rest of the state aside from Wyandotte County.

Mr. Damron stated that every year, it seems that we have an area needing help and the Legislature comes together to help the state as a whole; this will create 3,000 jobs with health and dental care, which would prove to be significant help to the state of Kansas and help to pay down the Star bonds for Wyandotte development while creating a destination resort.

Representative Freeborn asked, in regard to exclusivity, for what length of time the exclusivity would last, and what would have to be done to remove it.

Mr. Damron stated that there is no expiration date; the revenue-sharing proposal if of significance, and the people who finance these projects would be less likely to do so with such a plan. He stated that the state had

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discussed having penalties if the state broke an agreement with the tribes, but sometimes it is difficult for the current Legislature to bind future Legislatures. He explained that the initial development cost \$175 million.

Representative Freeborn stated that Missouri and Nebraska were not exclusive, so there would still be competition with them.

Mr. Alexander stated that he thought that the development would put at least two riverboats out of business. He stated that land-based, well-designed casinos are preferred; this development would have an 80,000 sq. ft. gaming floor that might later be expanded to 100,000-125,000.

Representative Freeborn asked why people in Wichita would need exclusivity in Wyandotte County.

Mr. Alexander responded that people do not want gambling to spread; they want exclusivity to be real, not only in words rather than actions.

Representative Wilson asked what will happen to the current Sac and Fox and Golden Eagle Casinos, and Mr. Damron explained that they would remain, in addition to the new facility.

Following further discussion, Representative Wilson asked if exclusivity would prohibit racetracks from having extended gambling.

Mr. Winter replied that the financial analysis the project is based on takes into account the current atmosphere; if there is any change, then it would be different.

Representative Wilson asked again if with exclusivity the tracks would be unable to expand, and Mr. Wilson replied that there would be a pro forma at the time it was done; any change in gaming affects the feasibility of the project.

Representative Hutchins stated that it was her understanding that the first compact would not be re-opened, so she wondered how conflicts will be reconciled.

Mr. Alexander stated that they were close to that issue in negotiations, and that he expected this process would entail a great deal of back and forth.

Representative Novascone asked what would stop Missouri from opening a \$250 million dollar casino right on the border with Kansas to compete, and stated that last year there had been talk of gaming at the tracks, so he wanted to know why the state should grant the tribes exclusivity.

Mr. Alexander replied that a new facility would change the market, and that, in response to the question of exclusivity, all other economic developments in the tribes have failed. He stated that gaming works and that the tribes have been good neighbors, making these developments work for themselves and their communities.

Representative Morrison asked if this was a better deal for the state, and requested more detail regarding the state's share.

Mr. Damron stated that the tribes had paid off quickly in the past and that there would be aggressive competition for loans, but that it would be difficult to assess something like the state's share this early in the process; it will be a significant source of revenue, but he could not say at this time.

Representative Huy expressed interest in an up down amendment, and would like to know the consequences of a no vote.

Representative Morrison stated that she would be interested in discussing organized crime.

Mr. Winter stated that Atlantic City was one of the highest regulated businesses but they have to watch for ancillary businesses; regulatory systems need an investigative machine to follow up. He stated that in Indian

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gaming, there had never been a problem with organized crime. He went on to state that in early Indian gaming, financing had been difficult and that individuals with money would come in and manage the casinos or take a share of 30-40% of profits, but there was no longer a need to deal with such people.

Representative Peterson questioned if the next step would be to negotiate with the governor and then take an up or down vote, and if that was what happened with the last compact.

Mr. Damron spoke to the committee about the Legislative Coordinating Council and stated that exclusivity would not apply to the four existing tribes because they would be grandfathered in. Following further discussion, he stated that this would not affect parimutuel tracks, but they would not be allowed to add gaming.

Representative Peterson asked what would happen if the Pottawatomie decided to put a casino near a racetrack.

Mr. Damron replied that this would not affect the tribes.

Mr. Winter stated that any class three gaming would not be expanded; this would not affect those trying to build on a reservation.

Representative Rehorn stated that by the time the Legislature sees the compact, the state would see revenue statistics. He stated that typically, an out-of-state management firm takes 25-30%. He went on to ask if it was fair to say that this money would remain in Kansas.

Mr. Damron replied that yes, that was a typical fee, and that he agreed about the money staying in the state.

Following further discussion, Mr. Damron stated that if time ran out on the process, the tribes could go to the Legislative Coordinating Council, but that his organizations would like the entire Legislature to weigh in on this issue.

The meeting adjourned at 2:45 p.m.

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T E S T I M O N Y

TO: **The Honorable Nancey Harrington, Chair**
 And Members of the Senate Committee on Federal and State Affairs

The Honorable Bill Mason, Chair
 And Members of the House Federal and State Affairs Committee

FROM: **Whitney Damron**
 On Behalf Of The

 - **Kickapoo Tribe in Kansas**
 - **Sac and Fox Nation**

Intertribal Gaming Management Consortium

RE: **Overview of Joint Tribal Destination Resort Hotel and Casino Project**
 Kansas City, Kansas

DATE: **January 30, 2003**

Good afternoon Madam Chair Harrington and Members of the Senate Committee on Federal and State Affairs and Chairman Mason and Members of the House Federal and State Affairs Committee. My name is Whitney Damron and I serve as Legislative Counsel to the Kickapoo Tribe in Kansas and the Sac and Fox Nation.

Although we have members of both tribes that will present comments to you later today, I would like to recognize the chairs of both tribes before we proceed:

- Ms. Sandra Keo, Tribal Chair of the Sac and Fox Nation
- Mr. Steve Cadue, Tribal Chair of the Kickapoo Tribe

On behalf of these two indigenous Kansas tribes, I would like to thank all of you for taking the time to meet with us today to hear about their proposal for a \$175+ million destination resort hotel and casino to be developed near the Kansas Speedway in Wyandotte County. This project will include 250 hotel rooms, a destination resort and spa with 80,000 square feet of gaming floor space on one-half of an 80 acre tract of land located adjacent to the Kansas Speedway and Village West development area that currently includes Cabela's and has under construction only the second location of

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Omaha's world famous Nebraska Furniture Mart mega store, the Great Wolf Lodge, the Kansas City T-Bones baseball team and their new stadium, several hotels and restaurants and many other exciting developments either under construction or in the design phase.

Without a doubt, there is not a more promising and exciting area of commercial real estate development in the Midwest.

As many of you know, the idea for the development of a joint Kansas tribal casino in Wyandotte County is not a new one. Proposals dating back to the mid-1990's were negotiated and evaluated by the four Kansas tribes and non-tribal partners, but nothing came of those discussions. However, during the past two years there has been a renewed dialogue with the office of the Kansas Governor, public officials and the four indigenous tribes regarding such a possibility. Governor Graves indicated a willingness to negotiate with the tribes and it was his initiative that has led us to where we are today.

In late 2001, the two tribes before you made a decision to move forward on a proposal for a Wyandotte County casino after meeting with the other two Kansas tribes and collectively coming to the decision that those who desired to move forward would do so together and those that did not have an interest in the Kansas City market would not be involved with the project.

The four tribes indigenous to Kansas are as follows:

Iowa Tribe of Kansas and Nebraska (White Cloud, KS)
Kickapoo Tribe in Kansas (West of Horton, KS)
Prairie Band Potawatomi Nation (Southwest of Holton, KS)
Sac and Fox Nation (Reserve, KS)

For the past year, the Kickapoo Tribe and the Sac and Fox Nation have steadily and quietly worked towards the development of a joint tribal gaming project for Wyandotte County. The subject of a joint tribal casino was reintroduced into the public realm late in the 2002 legislative session. However, these two tribes were not prepared to engage the legislature in a formal dialogue regarding their project at that time.

Since the end of the 2002 legislative session, these two tribes met with Governor Bill Graves and his staff as well as elected and administrative officials of the Unified Government of Wyandotte County and Kansas City, Kansas in an effort to quantify the potential scope and parameters of this project and the accompanying compact before putting together their development team. In early fall of 2002, a conscientious effort was made by these two tribes to move this project forward by the formation of the Intertribal Gaming Management Consortium, a co-tribal entity comprised of representatives from each tribe that are authorized to direct this project as we move forward in the approval process.

Early in this process the tribes recognized the potential for a premium quality development in Kansas City, Kansas, particularly around the Kansas Speedway. Accordingly, they engaged the services of a leading Wyandotte County real estate firm for the purposes of site identification, evaluation and acquisition. That company was Reece & Nichols Roberts of Kansas City, Kansas. Local Realtors for this project are Clay "Bud" Roberts and Rusty Roberts. Bud Roberts has been a commercial and residential Realtor in Wyandotte County for nearly forty years and his experience is unparalleled in the area of commercial development in Wyandotte County (www.reecenichols.com).

The next step in this process was to secure the services of local real estate counsel that had significant professional experience in Wyandotte County, the speedway redevelopment area, real estate right-of-way services, land acquisition and comprehensive infrastructure development. For these purposes, the tribe retained the services of Tim Orrick of the Leawood, Kansas law firm of Parkinson, Foth, Orrick and Brown. Mr. Orrick has advised the tribes on matters related to the real estate transaction for this development and continues to provide professional services for the project.

If you look at an aerial map of land surrounding the Kansas Speedway, without a doubt there is no better piece of real estate for this kind of development than that currently owned by Minnesota Avenue, Inc., which is located to the northwest of the Kansas Speedway and directly east of the 400 acre Village West development area that was created under the original speedway legislation. That particular tract of land is approximately 320 acres in size. The tribes have successfully optioned 80 acres within this area and will site their project to the northeast of the intersection of 118th Street and State Avenue. Throughout the history of numerous proposals for development in this area dating back over the past 50 years, from parimutuel track proposals, the Land of OZ development and virtually any other project of similar magnitude, this land has never been under option for development with the exception of the siting process related to the General Motors plant that ultimately was developed in the Fairfax District of Kansas City, Kansas.

It was the quality of the tribes' development proposal and the experience of their project team that ultimately convinced the shareholders of Minnesota Avenue, Inc., and its President, Mr. Gary Grable of Security Bank in Kansas City, Kansas, to come to agreement with the tribes on a real estate transaction. Take a look at the site map included in the information we distributed or others displayed before you and visualize the area around the Kansas Speedway -- We think you will agree that the tribes have selected an ideal location for their project.

During the time the tribes were evaluating properties in Kansas City, Kansas, they also began working with the most prominent architectural firm in the gaming business: Marnell Architecture of Marnell Corrao Associates, headquartered in Las Vegas, Nevada. Marnell Corrao has designed the best-of-the-best Las Vegas casinos constructed in the last ten years: The Bellagio, the Mirage and the Rio gaming hotels, among many others. There is simply no finer gaming architecture design firm in the world (www.marnellcorrao.com).

Prior to optioning the land, architects from Marnell Corrao visited the property and made recommendations regarding site configuration and infrastructure design. Before you today are their preliminary architectural renderings that have been developed for this project after significant review and changes were made at the direction of the tribes to reflect Kansas architectural themes and the heritage of the tribes and the State of Kansas.

During the time the tribes were evaluating development properties and negotiating options, they were also interviewing major construction companies with a presence in Kansas City. The tribes have selected the Kansas City-based company of J. E. Dunn Construction to be their construction partner. J. E. Dunn Construction is one of the largest construction firms in the United States and is comprised of five companies and fifteen offices nationwide. J. E. Dunn is consistently ranked in the top ten for contractors in a variety of fields by *Engineering News Record*, the leading trade publication that covers all facets of construction, engineering and architectural design. J. E. Dunn has nearly a century of construction experience in the greater Kansas City area and will be a tremendous asset to this project. Also of significance to the tribes was the fact that J. E. Dunn annually reinvests ten percent of its pre-tax earnings into the community. The tribes appreciate the fact that their construction partners are supportive of their communities, just as the tribes support their own communities (www.jedunn.com).

The tribes have also secured the services of local architectural and engineering professionals. The tribes selected a company with a strong local presence and an international reputation for engineering, architecture and project design: HNTB. With over 2,000 engineers, architects and project professionals on staff in 60 offices worldwide, HNTB is well respected for their work in transportation, bridges, aviation, architecture, urban design and planning, environmental engineering, construction services and design-build. HNTB also earns high national rankings by *Engineering News Record*, along with J. E. Dunn as previously mentioned in this presentation. The tribes will work with HNTB's Overland Park and Kansas City offices, but will receive the benefit of the collective professional resources of the entire company (www.hntb.com).

The tribes recognized the need for professional project management for a development of this size. For this task they have contracted with Glaze Real Estate Services of Kansas City who will serve as the Owner's Representative for the tribes. Ritchy Brown, MCR, AIA, of Glaze Real Estate Services, will serve as the onsite day-to-day manager representing the tribes' interests from design through construction and beyond (www.glazerealestate.com).

During this pre-announcement time the tribes have been actively working on financing. There are several leading financial institutions that have experience in tribal casino financing of this magnitude and the tribes have visited with all of them. Although we are not in a position to announce our financing partner today, we can tell you that the financial institutions the tribes have met with are confident this project can be readily financed, given their review of our the tribes current financial data, the tribes feasibility study and other market information independently available to them. Although a project of this size will require the lead financial institution to be of a national stature, the tribes have insisted there be an opportunity for local (Kansas) bank participation. That issue has not been a concern with the financial representatives the tribes are working with.

In regard to financing, the tribes commissioned a feasibility study for this project and received the results of that study in November, 2002. The pro forma for this project has been prepared quite conservatively given the large numbers of visitors to the speedway area now and projected into the future. For proprietary and competitive reasons, we are not prepared to release this information to the public at this time. However, summary documents will be made available to the Committee at a later date.

Early on in the process, the tribes also engaged the services of Mr. David Westbrook, President of Corporate Communications Group of Overland Park, Kansas and his team of public relations professionals.

The tribes understand that when they develop this project in the area of the Kansas Speedway they will have high construction and operational standards to adhere to. For that reason, they have committed to the Unified Government that they would work with the existing developments located around the Kansas Speedway to insure compatible, aesthetically pleasing and coordinated development will take place. The tribes have had numerous meetings with representatives of the Kansas Speedway to discuss possible business partnerships and look forward to future meetings with representatives of all of the developments in the speedway area throughout the design and construction of this project.

Available market information for the Village West development estimates there will be over seven million visitors annually to the Kansas Speedway area following the completion of the Nebraska Furniture Mart. The tribes believe their development will only add to this figure, making this area the leading tourist destination in the Midwest by far once their development is completed (www.villagewest.us).

By continuing to elevate the prominence of this redevelopment area, revenues derived from the patrons will increase revenues and potentially allow for additional development by the Kansas Speedway and other major attractions in this area. More revenues to the area will most certainly accelerate the repayment of STAR bonds used to finance the infrastructure of this entire area thus returning those revenue sources to the State of Kansas and the Unified Government of Wyandotte County and Kansas City, Kansas much quicker than ever projected or imagined.

The tribes are also actively working with their retained professionals and their future neighbors for development of the remaining forty acres they have under option that will not be used for their hotel, resort and casino development. The tribes are enthusiastic about bringing forth new and exciting ideas for this property as their primary project moves forward. An example of infrastructure development that has been suggested is an aerial tram to transport patrons throughout the speedway entertainment district. At this date, the tribes are in active negotiations with the Kansas Speedway and others for development of motor sports-themed entertainment facilities.

As you can see from information presented thus far, these two tribes have gone forth and assembled an unparalleled team of professionals for an unparalleled project. As outlined, they include:

- J. E. Dunn Construction
- Marnell Architecture
- HNTB
- Glaze Real Estate Services, Inc.
- Reece & Nichols Roberts Real Estate

To summarize, the tribes have selected one of the most sought after construction companies in the country and paired their abilities with one of the world's leading engineering and architect design firms, engaged design services from the leading resort casino design architect firm in the world and performed the due diligence necessary to get this project financed. Most of our team members are recognized as national or international leaders their respective fields, but additionally, they also have a strong corporate presence in Kansas.

The tribes look forward to negotiating a compact with the State of Kansas that will provide significant revenues to the State and Wyandotte County. This project will create hundreds of high paying construction jobs for nearly three years, including 14 months or more at a Flash Track Construction schedule (24 hour-a-day construction schedule for the gaming facility). Once completed, this facility will provide jobs of significance to over 2,000 individuals with an annual payroll in the tens of millions of dollars. Vendors from throughout the area will enjoy a new market for their products and services and the entire state will benefit from the economic development ripple effect.

This project is strategically designed to bring a major destination resort development to Kansas City, Kansas that will attract visitors from throughout the Midwest and provide overwhelming competition to Kansas City, Missouri gaming operations. The combined synergies of this development with the offerings our new neighbors surrounding the speedway will enhance the economic development opportunities for Wyandotte County and the State of Kansas to levels never imagined for our state or this region. No other gaming proposal that has been considered by the Kansas Legislature in the past nor any that may be brought before the Kansas Legislature this year can offer these benefits or provide the amenities we are describing to you here today.

With that said, it is now time to turn the microphone over to the people that are behind this proposal and whose vision, wisdom and financial resources have advanced this project to where we are today – the Kickapoo Tribe and the Sac and Fox Nation.

Emily Conklin
Vice Chair
Kickapoo Tribe in Kansas

I would like to first turn the podium over to Ms. Emily Conklin of the Kickapoo Tribe in Kansas to discuss the tribes experience and the benefits derived from tribal gaming for their tribal communities, Brown County and the State of Kansas.

Emily Conklin has been an active participant in the Kickapoo community and currently serves as the vice chairperson of the Tribal Council. She is the Kickapoo tribal representative to the Intertribal Gaming Management Consortium and has held numerous positions at the tribe's Golden Eagle Casino prior to being appointed to the position of Gaming Commissioner for the Tribal Gaming Commission.

Emily Conklin was born in Cleveland, Ohio and has resided on the Kansas Kickapoo reservation since 1973.

Fredia Perkins
Vice Chair
Sac and Fox Nation

Fredia Perkins relocated to Reserve, Kansas in mid-2001 after being elected to the five-member Sac and Fox Nation Tribal Council, the third time she has been honored with a seat on the tribal governing body over the past two decades. Fredia is the Sac and Fox tribal representative to the Intertribal Gaming Management Consortium.

Fredia has been a member of the advisory board of Indian Health Clinic, Holton, Kansas, and she has been a member of the Native American Law Enforcement Association.

Fredia is self-employed and her interests include the study of Native American history. Fredia grew up in Tulsa, Oklahoma and has three children and four grandchildren.

Both tribes have retained the services of leading professionals recognized throughout the country as experts in the area of tribal law and tribal gaming.

Robert Winter
Special Counsel
Kickapoo Tribe in Kansas

Robert Winter has been retained by the Kickapoo Tribe as special counsel for this project. He previously served as vice president and general counsel to the Native American Foxwoods Resort Casino in Connecticut, the world's largest gaming enterprise. He has also assisted Foxwoods Resort Development Company in conducting feasibility studies and securing financing for resort developments throughout North America, including sites in Arizona, Washington and Alberta, Canada. Prior to his work with the tribes, he served as head of the New Jersey State Organized Crime Task Force where his work focused on investigation and prosecution of casino-related crimes.

Mr. Winter will discuss the regulation of tribal gaming, the quality of tribal gaming, public safety, management and financing.

**Paul Alexander
General Counsel
Sac and Fox Nation**

Mr. Paul Alexander serves as the General Counsel to the Sac and Fox Nation. He has extensive experience representing the interests of Native Americans before Federal and State Governments. He holds law degrees from Georgetown University. He has worked as Special Counsel to the American Indian Policy review Commission (1975), he was General Counsel to the U. S. Commission on Civil Rights (1980), and Staff Director for the U. S. Senate Committee on Indian Affairs. Mr. Alexander's firm represented the Morongo Band of Mission Indians before the U. S. Supreme Court in a decision that recognized Indian sovereignty in the field of gaming, and the National Indian Gaming Association in preparing and drafting the Indian Gaming Regulatory Act (IGRA).

Mr. Alexander will discuss the negotiation processes involved with this project.

**Matt All
Chief Counsel to the Governor**

As outlined by Mr. Alexander, the process we are about to undertake will require the negotiation of formal agreements with the State of Kansas and the Federal Government, as well as the support of the Unified Government of Wyandotte County and Kansas City, Kansas. We have an ongoing dialogue with representatives of each of these entities, including the office of the Governor. Mr. Matt All is the Chief Counsel for Governor Kathleen Sebelius and we have met with he and others from this office on numerous occasions during the past 30 days. Mr. All has agreed to be a part of this presentation today and offer brief comments from the Office of the Governor. I would now like to call on Mr. All for those comments.

Closing Remarks

We will now conclude with brief comments from Ms. Emily Conklin and Ms. Fredia Perkins. All team members will be available for questions following their closing remarks.

Thank you again for your time and attention today. All team members are available for your questions at this time.

118th St.

T-Bones
Baseball

Nebraska
Furniture
Mart

State Ave.

Proposed
Resort Site



Cabela's

I-435

Great Wolf
Lodge

Kansas
Speedway

I-70

110th St.

KICKAPOO / SAC and FOX

PROPOSED HOTEL & CASINO



MARNELL ARCHITECTURE
ARCHITECTURE • PLANNING • INTERIOR DESIGN

MAIN ENTRY

ARTIST'S CONCEPT
12.22.2009

KICKAPOO / SAC and FOX

PROPOSED HOTEL & CASINO



MARNELL ARCHITECTURE
ARCHITECTURE • PLANNING • INTERIOR DESIGN

WATER FEATURE

CONCEPT
12.22.2007

KICKAPOO / SAC and FOX

PROPOSED HOTEL & CASINO



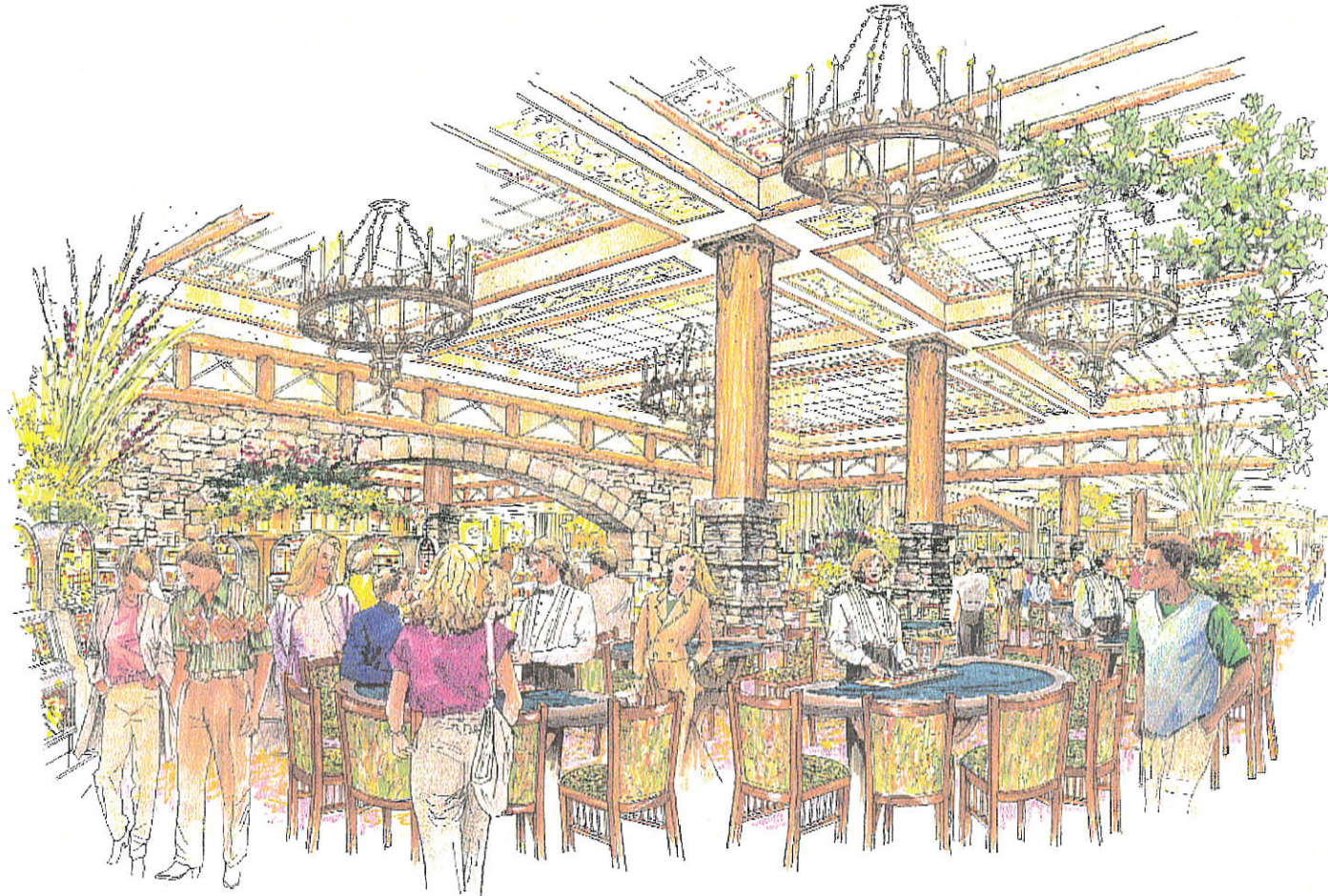
MARNELL ARCHITECTURE
ARCHITECTURE • PLANNING • INTERIOR DESIGN

WATER FEATURE

ARTIST'S CONCEPT
12.27.2002

KICKAPOO / SAC and FOX

PROPOSED HOTEL & CASINO



 MARNELL ARCHITECTURE
ARCHITECTURE • PLANNING • INTERIOR DESIGN

CASINO

ARTIST'S CONCEPT
12.27.2003

**Intertribal Gaming Management Consortium
Fact Sheet**

- Proposal: First-class resort hotel with spa, restaurants, and destination resort gaming and nongaming amenities.
- Site size: 80 acres, half for destination hotel/gaming resort and half to be developed for nongaming recreation and entertainment.
- Owners: Intertribal Gaming Management Consortium, a joint venture of the Kansas-based Kickapoo Tribe and Sac and Fox Nation.
- Management: Experienced first-class management employed by the consortium.
- Location: Northeast corner of 118th Street and State Avenue, Kansas City, Kan.
- Est. Size: 250 hotel rooms, 80,000-square-foot casino floor with approximately 2,800 gaming positions.
- Est. Cost: \$175 million.
- Market: 7 million to 9 million annual visitors from Minneapolis to Dallas, St. Louis to Denver.
- Process: Negotiate with Governor a state compact and transfer of land to trust.
Secure legislative approval of state compact and transfer of land to trust.
Secure regulatory approvals for the compact and land in trust from the Governor and the Secretary of the Interior.
Conclude financing and design.
Commence construction.
- Est. opening: Summer-Fall 2004

**Intertribal Gaming Management Consortium
Background Sheet
Project Team Members**

Whitney B. Damron

Lead Kansas lobbyist for the Intertribal Gaming Management Consortium, Whitney Damron has been a Kansas attorney and lobbyist since 1986. He began his career with Pete McGill & Associates, the preeminent lobbying firm of its time. In 1995, Damron began his own governmental relations firm, Whitney B. Damron, P.A., and has represented a variety of clients before the Kansas Legislature. In addition to serving as government relations counsel to the Kansas-based Kickapoo Tribe and Sac and Fox Nation, he represents approximately 20 other clients.

Robert Winter

Robert Winter, counsel to the Kansas-based Kickapoo Tribe, has served as vice president and general counsel to the Native American Foxwoods Resort Casino in Connecticut, the world's largest gaming enterprise. In that capacity, he developed regulatory, compliance and employee procedures for the prevention of fraud and waste of enterprise assets. He also functioned as legal counsel to the Foxwoods Resort Development Co. in conducting feasibility studies and securing financing agreements for resort developments throughout North America, including sites in Arizona, Washington, and Alberta, Canada.

Winter is deeply experienced in enforcement of gaming regulations. He has served as head of the New Jersey State Organized Crime Task Force, where he developed procedures for investigation and prosecution of casino-related crimes. Winter has investigated and convicted the leaders of the five organized crime families in New Jersey; investigated and prosecuted fraud and corruption statewide, including incidents involving the gaming industry; and served as Chief Law Enforcement officer for the New Jersey Attorney General.

Paul Alexander

Paul Alexander, counsel to the Kansas-based Sac and Fox Nation, has extensive experience representing the interests of Native Americans to federal and state governments. He holds law degrees from Georgetown University. He has worked as special counsel to the American Indian Policy Review Commission in 1975, general counsel to the U.S. Commission on Civil Rights in 1980 and staff director for the U.S. Senate Committee on Indian Affairs.

Alexander currently operates a private practice representing Indian interests. His firm has represented the Morongo Band of Mission Indians before the U.S. Supreme Court in a decision that recognized Indian sovereignty in the field of gaming, and the National Indian Gaming Association in preparing and drafting the Indian Gaming Regulatory Act (IGRA). He also has

(Project Team, con't.)

served as lead tribal attorney during negotiations with the states' attorneys general and National Governors Association addressing amendments to IGRA.

J.E. Dunn Construction Co.

J.E. Dunn Construction Co. has been a leader in the construction industry since 1924, earning a ranking of 22nd overall by *Engineering News Record* magazine's Top 400 Contractors survey in 2001. Within the last five years, J.E. Dunn has completed projects in 43 states. Work is presently being completed throughout the Midwest, Pacific Northwest, Southeast and in selected states along the East Coast.

With headquarters in Kansas City, J.E. Dunn has ample experience in developing local entertainment amenities, including the construction and renovation of large-scale projects such as the Kansas City Zoo, Science City at Union Station, Hilton Flamingo (now Isle of Capri) Casino, and expansion of the Nelson-Atkins Museum of Art.

Gary D. Grable

Gary D. Grable, president of Minnesota Avenue Sellers, has been doing business in Kansas City, Kan., and Wyandotte County for more than 40 years. An active civic leader, he is an executive committee and board member of the Kansas City Kansas Area Chamber of Commerce, co-chair of the chamber's Economic and Community Affairs Committee, and previously was the elected chairman of the Chamber. Grable also serves as executive committee and board member of the Wyandotte Development Corp. and was a former chairman. He is chairman of the advisory board of Security Bank of Kansas City, Kan., and serves on the board of numerous nonprofit corporations throughout the metropolitan area.

Reece & Nichols, Roberts

Reece & Nichols, Roberts is an independent real estate office owned by Clay Roberts Jr. and Rusty Roberts serving the real estate needs of clients primarily in Wyandotte, Leavenworth and Johnson County, Kan., since 1965.

Rusty Roberts has been in the real estate business since 1984. He has received numerous awards, including Rookie of the Year, earned by having a record-setting sales year by leading all the Reece & Nichols Alliance offices. He also has been a top producer for the past 10 years.

Clay (Bud) Roberts Jr. has been a Realtor since 1965 and a certified general appraiser in the state of Kansas. He has been president and Realtor of the Year of the Real Estate Board. He currently chairs the Board of Trustees of Kansas City Kansas Community College and has been re-elected to the college board for the past 22 years, a record for longevity. He also served as elected past president of the Board of Public Utilities.

(Project Team, con't.)

Corporate Communications Group Inc.

Corporate Communications Group, Inc. (CCG) is a full-service public relations and marketing firm serving clients nationwide from its offices in suburban metropolitan Kansas City. Founded in 1974, the firm today is the largest public relations firm in Kansas and the second largest in the metropolitan Kansas City area. The company's reputation arises from its consistent capability to manage complex issues, crisis programs, and brand positioning projects for businesses and organizations in the midst of change.

The firm and its principals have nearly 30 years of experience in working with policy leaders and lawmakers throughout Kansas and the nation. CCG specializes in service-based clients who are industry leaders. Clients include the State of Kansas and corporate associations in a variety of areas, such as financial services, education, transportation and health care.

Parkinson, Foth, Orrick & Brown, L.L.P.

Parkinson, Foth, Orrick & Brown, L.L.P. was founded by Mark V. Parkinson and Neil B. Foth in 1989. This firm's primary areas of practice are civil litigation, real estate acquisition, and governmental affairs.

Timothy P. Orrick heads the firm's real estate acquisition and governmental affairs practice group. A 1985 graduate of the University of Kansas School of Law, he has extensive experience in eminent domain; transportation-related litigation; land acquisition for large public and public/private projects; title and title insurance litigation; and general commercial litigation.

Among his projects are Kansas Speedway and Village West in Kansas City, Kan. He is currently leading acquisition activities for major I-635 and I-35 reconstruction projects in Wyandotte County.

HNTB

HNTB is a multidisciplinary firm known and respected for work in transportation, bridges, aviation, architecture, urban design and planning, environmental engineering, construction services and design-build. With roots dating to 1914 in Kansas City, the firm has expanded globally and pursues strategic partnerships around the world. HNTB has evolved into a world-class architecture, engineering and design firm with 60 offices nationwide and a portfolio that includes the Naval Air Systems Command Headquarters, the Oakland-Alameda County Coliseum, Denver Broncos Stadium, and the expansion of Salt Lake City's International Airport.

Marnell Corrao Associates

Since 1970, the architecture and design firm of Marnell Corrao Associates has developed a rich and innovative range of facilities in the resort hotel industry. Marnell Corrao Associates is the creative force behind Caesar's Palace (Las Vegas, Atlantic City and Lake Tahoe), and, in Las

(Project Team, con't.)

Vegas, The Mirage, Bellagio, and Rio. Committed to providing the highest quality work in each and every project, Marnell Corrao Associates has built a strong reputation as the leading source for creativity, function, and efficiency.

Glaze Commercial Real Estate Advisors Inc.

Glaze Commercial Real Estate Advisors Inc. provides real estate, workplace and ongoing corporate advisory services to companies with office, industrial, retail or warehouse space needs. Established by Lawrence C. Glaze, CRE, in 1988, the company was founded to professionally assist companies facing complex real estate decisions. As the region's exclusive partner with Corporate Real Estate Service Advisors, Glaze has demonstrated his capability to provide the information and analysis necessary to make sound real estate and workplace decisions. His clients include Butler Manufacturing Co. and Mid-America Health, among others.

Ritchy Brown, Glaze's vice president of corporate services, specializes in project management and owner representation. A Kansas City native, Brown holds a bachelor's degree in Environmental Design and Architecture from the University of Kansas and a master's degree in business administration from Rockhurst University. Brown has 30 years of experience managing a variety of real estate development projects, from retail facilities to corporate headquarters to distribution centers.

EMBARGOED FOR RELEASE, 2:30 P.M. CST, THURSDAY, JAN. 30, 2003

**Emily Conklin
Vice Chair, Kickapoo Tribal Council
Horton, Kan.**

Emily Conklin has been an active participant in the Kickapoo community and currently serves as the vice chairperson of the Tribal Council.

She studied Indian law and business at Haskell Indian Junior College in Lawrence, Kan., and continued her business education at Highland Community College. In 1994, she began working for the tribe as an enrollment officer. In 1996, Conklin began her career in the gaming industry working as a slot technician at the Kickapoo's Golden Eagle Casino in Horton, Kan. She advanced to dealer, floor supervisor and pit manager before she was appointed to the position of gaming commissioner for the tribal gaming commission in June 2000. In 2001, Conklin was appointed to the position of Tribal Council secretary.

Conklin, in using her gaming experience, has been instrumental in working with her tribe to develop and hopefully build a \$175 million destination resort gaming facility near the Kansas Speedway.

Conklin is a weekly reader at the day care center for children on the reservation; a member of the board of directors of the Northeast Kansas Health and Wellness Center, Horton, Kan.; and treasurer of the Kickapoo Boys and Girls Club on the reservation.

Conklin was born in Cleveland, Ohio, and has resided on the Kansas Kickapoo reservation since 1973. She has extended family on and near the reservation.

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EMBARGOED FOR RELEASE, 2:30 P.M. CST, THURSDAY, JAN. 30, 2003

**Fredia Perkins
Vice Chair, Sac and Fox Tribal Council
Reserve, Kan.**

Fredia Perkins relocated to Reserve, Kan., in mid-2001 after being elected to the five-member Sac and Fox Nation Tribal Council, the third time she has been honored with a seat on the tribal governing body over the past two decades.

Her tribe has named Perkins to be co-chair of the Intertribal Gaming Management Consortium, comprised of the Kansas-based Sac and Fox Nation and Kickapoo Tribe. In that capacity, she represents her tribe's interests with local, state and federal agencies as well as business allies. She also keeps the council and tribal members apprised of significant developments.

Perkins has been a member of the advisory board of the Indian Health Clinic, Holton, Kan., and she also has been a member of the Native American Law Enforcement Association.

As a child, Perkins learned about her Native American heritage from her extended family, which included her Indian grandfather. Throughout her life, Perkins has regularly attended Indian ceremonies and cultural events. She is self-employed. Her interests include the study of Native American history.

Perkins grew up in Tulsa, Okla. She has three children – a son, Patrick, and daughters, Tiauna and Kindy – and four grandsons.

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EMBARGOED FOR RELEASE, 2:30 P.M. CST, THURSDAY, JAN. 30, 2003

**Intertribal Gaming Management Consortium
Background Sheet
History**

The Sac and Fox Nation and the Kickapoo Tribe, two of four Native American tribes indigenous to Kansas, have long contributed to the economic and community life of the northeast corner of the state while building up the lives and fortunes of tribal members.

To spur economic development on the Kansas reservations where they have long lived, the tribes opened gaming establishments, which have a history of successful operation. The Golden Eagle Casino owned and operated by the Kickapoo Tribe employs approximately 500 persons in a casino opened in 1996 near Horton, Kan. The Sac and Fox Casino, which employs about 350 persons, opened in 1997 near Powhattan, Kan.

From inception, these casinos have addressed the tribes' economic objectives and complied with the intent of federal legislation and the Kansas compacts. They have operated profitably, making the tribes more self-sufficient. That has helped to attract young tribe members back to their communities to establish their careers and families. Many of these tribal members are pursuing professional careers as teachers, social workers and lawyers.

Kickapoo Tribal Chairman Steve Cadue said, "It is exciting to see professional and educational people return."

Sandra Keo, chair of the Sac and Fox Nation, said, "We are eager to work at improving the lives of our tribe members and benefiting all Kansans."

Both tribes are considered indigenous to Kansas. Each has resided by treaty since 1837 – nearly a quarter century before Kansas became a state – on the reservations they occupy today.

Earlier, the Sac and Fox lived around the St. Lawrence Seaway in Canada. They subsequently migrated through the Upper Midwest and Midwest before settling in Kansas. The Kickapoo moved from the Upper Midwest into Kansas. The tribes are culturally related; the native languages of each are dialects of Algonquin.

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EMBARGOED FOR RELEASE 2:30 P.M. CST, THURSDAY, JAN. 30, 2003

**DRAFT
News Release**

Jan. 30, 2003

For more information, contact:

Michael Grimaldi or Martin Rosenberg

Corporate Communications Group Inc.

(913) 451-2990 or michael_grimaldi@ccgcorp.com

Two Kansas Tribes Announce Plans for Destination Resort
Hotel, spa, restaurants and full-service casino envisioned for Wyandotte County

KANSAS CITY, Kan. — Plans to develop a destination gaming resort and hotel designed to attract visitors from across the Midwest to Wyandotte County were announced today by two Kansas Indian tribes with a record of gaming success in the state.

The Kansas Sac and Fox Nation and the Kansas Kickapoo Tribe said the projected \$175 million resort would generate hundreds of construction jobs for Kansas in the short term, and thousands of entertainment and recreation jobs in the long term. Furthermore, it will generate traffic that will increase business for and serve the existing and soon-to-open entertainment, recreation and retail establishments in the nearby Village West development around the Kansas Speedway.

“We have been privileged to operate our separate successful casinos in the state since the mid-1990s,” said Emily Conklin, vice chair of the Kickapoo Tribe. “This new enterprise is by Kansans, for Kansans, to benefit Kansans. It will be wholly financed by the tribes with funding from major financial institutions and with no out-of-state investors to draw profits out-of-state.”

Fredia Perkins, vice chair of the Sac and Fox Nation, said: “Our tribes have joined forces to pursue this opportunity for our communities and for Kansas. We will work closely with state and local officials as well as our future neighbors with the goal of building a resort that will provide significant contributions to the state and local economies. That will include creation of a family entertainment attraction on part of the land we will develop.”

Perkins continued: “We have acquired an option on a site in the Village West area near the Kansas Speedway, have hired architects, hired a general contractor, and have taken the first steps toward state and federal approval of this project.”

As tribes that have been located in the state since the late 1700s and on their current reservations by treaty since 1837, the Kickapoo and the Sac and Fox are considered indigenous to Kansas and will seek land-in-trust status for their destination resort gaming site in Wyandotte County. Simultaneously, the tribes will apply for a compact in Kansas that is necessary to operate a casino on the site in compliance with federal law.

(more)

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No special federal legislation or litigation is necessary for these tribes to pursue their plans.

Conklin said: "A destination gaming resort not only complements the exciting new family-oriented entertainment and retail attractions in Village West. It represents the best method of containing statewide gaming while capturing gaming revenue from out-of-state visitors."

Added Perkins: "This resort will attract people to come to Kansas from all over the Midwest."

The tribes independently have operated two gaming casinos in Brown County, Kan. The casinos bring direct benefits to their separate tribal communities and indirect benefits to the entire northeast part of the state.

Among benefits to the tribes from the casinos: tribal education, including contributions to local public school districts; improved health care; police, fire, and emergency services; senior citizen services and other social service services and facilities; and scholarships awarded to Native American youth from the tribes. Economic development has mushroomed in Brown County, adding jobs for Kansans from the region.

"We have been privileged to gain experience in managing our own casinos since 1996 for the Kickapoo and 1997 for the Sac and Fox," Perkins said. "Now these tribes are ready to work together to establish destination resort gaming that complements the state's premier economic development initiative in Wyandotte County."

The resort will pay particular attention to the desire to maintain a family atmosphere by providing separate entrances for the resort hotel and the gaming operation. The tribes envision that the resort hotel will have first-class rooms, a spa, multiple restaurants, conference facilities, water fountains and other amenities to make it appealing to visitors to Village West's other attractions.

The gaming facility, like those on the tribes' reservations in Brown County, will be a 24-hour operation regulated by tribal, state and federal authorities. Both slot machines and gaming tables will be featured.

The balance of the proposed 80-acre destination resort site will be developed with family-oriented entertainment and recreation businesses and features yet to be determined. The attractions will be developed in consultation with neighboring businesses to ensure that they complement existing and planned businesses in the area.

The Intertribal Gaming Management Consortium is a joint venture of the Kansas-based Kickapoo Tribe and Sac and Fox Nation, committed to capitalizing on their mutual experiences in casino operations for the benefit of their tribes and of Kansas.

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