

JUL 14 1995

Honorable Rose M. Gurnoe
Tribal Chairperson
Red Cliff Band of Lake Superior Chippewas
P.O. Box 529
Bayfield, Wisconsin 54814

Honorable Alfred Trepania
Tribal Chairperson
Lac Courte Oreilles Band of Lake Superior
Chippewa Indians
Route 2, Box 2700
Hayward, Wisconsin 54843

Honorable Arlyn Ackley, Sr.
Tribal Chairman
Sokaogon Chippewa Community
Route 1, Box 625
Crandon, Wisconsin 54520

Dear Ms. Gurnoe and Messrs. Trepania and Ackley:

On November 15, 1994, the Minneapolis Area Office of the Bureau of Indian Affairs (BIA) transmitted the application of the Sokaogon Chippewa Community of Wisconsin, the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, and the Red Cliff Band of Lake Superior Chippewa Indians of Wisconsin (collectively referred to as the "Tribes") to place a 55-acre parcel of land located in Hudson, Wisconsin, in trust for gaming purposes. The Minneapolis Area Director recommended that the decision be made to take this particular parcel into trust for the Tribes for gaming purposes. Following receipt of this recommendation and at the request of nearby Indian tribes, the Secretary extended the period for the submission of comments concerning the impact of this proposed trust acquisition to April 30, 1995.

The property, located in a commercial area in the southeast corner of the City of Hudson, Wisconsin, is approximately 85 miles from the boundaries of the Lac Courte Oreilles Reservation, 165 miles from the boundaries of the Red Cliff Reservation, and 188 miles from the boundaries of the Sokaogon Reservation. The St. Croix Band of Chippewa Indians, one of the eight Wisconsin tribes (not including the three applicant tribes), is located on a reservation within the 50-mile radius used by the Minneapolis Area Director to determine which tribes can be considered "nearby" Indian tribes within the meaning of Section 20 of the Indian Gaming Regulatory Act (IGRA).

Section 20 of the IGRA, 25 U.S.C. § 2719(b)(1)(A), authorizes gaming on off-reservation trust lands acquired after October 17, 1988, if the Secretary determines, after consultation with appropriate State and local officials, including officials of other nearby tribes, and the Governor of the State concurs, that a gaming establishment on such lands would be in the best interest of the Indian tribe and its members and would not be detrimental to the surrounding community.

The decision to place land in trust status is committed to the sound discretion of the Secretary of the Interior. Each case is reviewed and decided on the unique or particular circumstances of the applicant tribe.

For the following reasons, we regret we are unable to concur with the Minneapolis Area Director's recommendation and cannot make a finding that the proposed gaming establishment would not be detrimental to the surrounding community.

The record before us indicates that the surrounding communities are strongly opposed to this proposed off-reservation trust acquisition. On February 6, 1995, the Common Council of the City of Hudson adopted a resolution expressing its opposition to casino gambling at the St. Croix Meadows Greyhound Park. On December 12, 1994, the Town of Troy adopted a resolution objecting to this trust acquisition for gaming purposes. In addition, in a March 28, 1995, letter, a number of elected officials, including the State Representative for Wisconsin's 30th Assembly District in whose district the St. Croix Meadows Greyhound Track is located, have expressed strong opposition to the proposed acquisition. The communities' and State officials' objections are based on a variety of factors, including increased expenses due to potential growth in traffic congestion and adverse effect on the communities' future residential, industrial and commercial development plans. Because of our concerns over detrimental effects on the surrounding community, we are not in a position, on this record, to substitute our judgment for that of local communities directly impacted by this proposed off-reservation gaming acquisition.

In addition, the record also indicates that the proposed acquisition is strongly opposed by neighboring Indian tribes, including the St. Croix Tribe of Wisconsin. Their opposition is based on the potential harmful effect of the acquisition on their gaming establishments. The record indicates that the St. Croix Casino in Turtle Lake, which is located within a 50-mile radius of the proposed trust acquisition, would be impacted. And, while competition alone would generally not be enough to conclude that any acquisition would be detrimental, it is a significant factor in this particular case. The Tribes' reservations are located approximately 85, 165, and 188 miles respectively from the proposed acquisition. Rather than seek acquisition of land closer to their own reservations, the Tribes chose to "migrate" to a location in close proximity to another tribe's market area and casino. Without question, St. Croix will suffer a loss of market share and revenues. Thus, we believe the proposed acquisition would be detrimental to the St. Croix Tribe within the meaning of Section 20(b)(1)(A) of the IGRA.

We have also received numerous complaints from individuals because of the proximity of the proposed Class III gaming establishment to the St. Croix National Scenic Riverway and the potential harmful impact of a casino located one-half mile from the Riverway. We are concerned that the potential impact of the proposed casino on the Riverway was not adequately addressed in environmental documents submitted in connection with the application.

Finally, even if the factors discussed above were insufficient to support our determination under Section 20(b)(1)(A) of the IGRA, the Secretary would still rely on these factors, including the opposition of the local communities, state elected officials and nearby Indian tribes, to decline to exercise his discretionary authority, pursuant to Section 5 of the Indian Reorganization Act of 1934, 25 U.S.C. 465, to acquire title to this property in Hudson, Wisconsin, in trust for the Tribes. This decision is final for the Department.

Sincerely,

15/ Michael J. Anderson

Michael J. Anderson
Deputy Assistant Secretary - Indian Affairs

cc: Minneapolis Area Director
National Indian Gaming Commission

bcc: Secy Surname, Secy RF(2), 101-A, Bureau RF, JDuffy, SOL-IA, AS-IA, 100,
Surname, Chron, Hold

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rewrite per HSibbison:trw:7/11/95

rewrite per HManuel:GSkibine:trw:7/14/95