

CITY OF SHULLSBURG

190 N. JUDGEMENT STREET
SHULLSBURG, WI 53586
TELEPHONE 608-965-4424
FAX 608-965-4809

Tom Lethlean, Mayor

Marsha L. Einsweiler, City Clerk/Treasurer

December 19, 2011

The Honorable Scott Walker
Office of the Governor
P.O. Box 7863
Madison, Wisconsin 53707-7863

Wisconsin Department of Administration
Division of Intergovernmental Affairs
Ed Eberle, Administrator

Wisconsin Department of Administration
Division of Gaming
Steve Knudson, Administrator

Dear Public Officials:

It is the intent of the Common Council of the City Shullsburg, Wisconsin to inform our state officials of our position, local governing boards and that of the citizens of Shullsburg regarding the proposed gaming facility and hotel complex by the Lac du Flambeau Band of Lake Superior Chippewa Indians.

The Lac du Flambeau Tribe and the governing bodies of the Lafayette County Board, Shullsburg Township Board and the Common Council of the City of Shullsburg jointly, attempted to achieve approval from the United States Federal Government and the State of Wisconsin to allow for the construction and operation of a gaming facility and hotel complex in the year 2000.

On the 31st of July, 2000 the Lafayette County Board passed Resolution No. 15-00 supporting a Class III Gaming Facility with an affirmative vote of 15 and 1 opposed.

On the 2nd day of August, 2000 the Common Council of the City of Shullsburg passed a resolution stating the intent to pursue negotiations with the Lac du Flambeau Tribe supporting a Class III gaming facility. The vote of record is 4 yes, 0 opposed.

Based upon requests and with intent to learn how the majority of the voters of Shullsburg felt regarding a gaming facility, a referendum was placed on the ballot of April 1, 2003 spring election. On this date, 623 electors cast ballots, casting 540 yes and 79 no, representing 87% in favor of the operation and construction of a Class III Gaming Facility/Convention Center/Hotel Complex.

The Lac du Flambeau Tribe was able to present the recorded support by the voters of Shullsburg verified by resolutions passed by the Lafayette County Board and the Common Council of the City of Shullsburg to officials of the U.S. Department of the Interior and Governor Tommy Thompson of the State of Wisconsin. There was a verbal agreement from Governor Thompson to support the project, prior to Governor Thompson accepting a cabinet post in Washington, leaving the governorship to Scott McCallum. In the changing of leadership at the governors' position, then Governor Tommy Thompson did not sign the required documents prior to leaving the position. Scott McCallum succeeded Tommy Thompson as Governor of the State of Wisconsin and Governor McCallum did not support the expansion of

gaming compacts within the State of Wisconsin, as per notification received on July 20, 2001 to then Mayor Dan Morrissey, City of Shullsburg. We want to point out the referendum vote in the City of Shullsburg, was after this notification. The Shullsburg City Council felt it was vital to know the opinion of the voters and also felt the recorded vote would be helpful in our attempt to change the opinion of Governor McCallum. Unfortunately, we did not prevail.

We are fortunate to have the Lac du Flambeau Tribe again pursue this business venture. We will openly state, the general economics of southwest Wisconsin are in a greater need of stimulus today than existed in 2000. Today we have a higher level of unemployment, our local schools have had to make financial cuts (based on funding from declining enrollment numbers), local merchants have tried to survive with less incoming revenue, tourism travel is down, new business ventures are scarce, job opportunities for graduating students are hard to find and all forms of local government and school districts are dealing with less revenue sharing. The southwest portion of the State of Wisconsin is reliant on agriculture to sustain the economy. Although most of our regional forms of agriculture are enjoying strong economics today, due to technology and the diligence of those involved, it creates only limited employment numbers on an annual basis. We must attempt to find some degree of diversity for employment that will sustain our local economy during periods of poor economic times! We have been fortunate to have some business expansion in our community, but that expansion is 100% related to agriculture, and largely due to the parent company relocating their processing business in Shullsburg from existing facilities in Platteville, WI.

The proposed venture of the Lac du Flambeau Tribe is a great opportunity for southwest Wisconsin! We have local residents that drive to local gaming facilities for their entertainment and people continue to drive through our community on their way to various gaming facilities and hotels. We have the opportunity to work with the Lac du Flambeau Tribe to create comparable jobs that exist at nearby hotel and gaming facilities. We are only asking to be able to compete with that which is permitted elsewhere!

We believe this venture would be the biggest employer in Lafayette County and we all understand how many times payroll dollars turn over in the business environment. Members of the Common Council of the City of Shullsburg have lived the majority of their lives in and around the City of Shullsburg and there has never been such an opportunity as that which is presented today by the Lac du Flambeau Tribe! I want to emphasize the degree of commitment that has already been shown by the Lac du Flambeau Tribe. They entered into a purchase agreement in 2000 and finalized the purchase in 2005 for the building site of the casino. This property has remained on the tax roll and been kept in a good state of repair.

The Lac du Flambeau Tribal Chairperson Tom Maulson has stated the only property they desire to place into the Indian Trust would be that which encompasses the gaming facility. The remaining aspects, hotel and convention center, would be outside of the trust and be placed on the local tax roll. This would greatly add to the local tax base to serve the betterment of our area increasing revenue to the local and vocational school districts, Lafayette County, Shullsburg Township, City of Shullsburg and the State of Wisconsin. This benefit would be realized upon the initial construction of the project. The long term effect of new jobs, increased tourism, home construction and the possible expansion of the business venture by the Lac du Flambeau Tribe is an intangible number but it is clearly the right direction for future increases to the local tax roll.

We strongly hope to obtain the support of the Wisconsin Department of Administration and the Honorable Governor Scott Walker. The question will arise as to why this request is before you today when the first step to place the land within an Indian Trust must be accomplished at the United States Department of the Interior. We hope you realize, had the Lac du Flambeau Tribe not been derailed by former leaders, we believe the proposed business venture would already be in place providing the jobs and tax revenue we so desperately need today. The governmental studies required to permit this venture carry very substantial prices. We do not feel it would be fair or just to ask the Lac du Flambeau Tribe to incur these costs without knowing there is support on record to allow the project upon approval by the United States Federal Government and its' related Departments!

We want to thank you for your time today and we will do everything within our power to answer any and all questions you may have to aid you in your decision!

Respectfully,

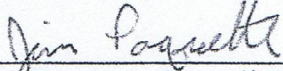
City of Shullsburg Common Council Members



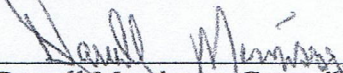
Thomas Lethlean, Mayor



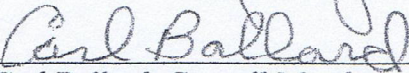
Daniel Spillane, Council President



Jim Paquette, Council Member



Darrell Morrissey, Council Member



Carl Ballard, Council Member