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Madison casino deal puts allies at odds

City, Dane County and Ho-Chunk Nation could see millions if voters pass referendum

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Madison - After an emotional and big-money campaign that has divided residents, voters go to the polls Tuesday to decide whether they want a Ho-Chunk bingo hall transformed into a high-stakes casino offering craps and blackjack.

Before it's over, \$1.3 million is expected to be spent by local casino advocates - funded by the Ho-Chunk Nation - setting a new record of spending on a political campaign in Dane County.

Opponents of the casino have raised \$45,000 for their campaign, and as of Feb. 9, they spent about \$24,000, according to campaign finance reports.

Both sides predict the results of the casino referendum will be close.

At stake for the Ho-Chunk Nation, which already operates a casino 30 miles west of Madison in Lake Delton, is millions of dollars of new gaming revenue that would be generated by adding casino games at its DeJoep bingo operation on Madison's southeast side.

At stake for Madison and Dane County is a guaranteed minimum payment to each by the tribe of \$3.5 million a year, beginning this year. By 2007, the annual payment would be \$3.5 million or 4% of the casino's net winnings, whichever is higher, and in 2009 that percentage would rise to 4.5%.

The revenue-sharing agreement, negotiated by Ho-Chunk, county and city officials, has political allies Dane County Executive Kathleen Falk and Mayor David Cieslewicz at odds.

Extra revenue needed

Falk argues that the payments under the agreement are too good to pass up in times of state budget cuts, tight county budgets and the potential for property tax increases.

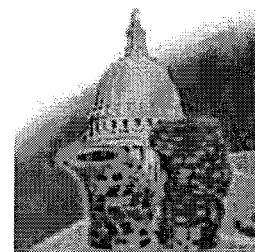
"This agreement is the best ever in terms of a community receiving benefits," Falk said.

She noted Dane County was socked with an \$8 million cut in state shared revenue this year, which necessitated dramatic cuts in county spending on human services.

"Those cuts hit our community hard, and those cuts are unlikely to ever be restored by the state," she said.

Gov. Jim Doyle has the authority under state tribal gaming compacts to approve the location of new casinos but has said he would abide by the outcome of Tuesday's referendum. If the advisory referendum fails, the Ho-Chunk could ask the Madison City Council for approval, but a majority of council members said last week that they oppose the casino.

Dealing with the Casinos



Viewpoints

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- Kathleen Falk ,
 Dane County executive

“ The agreement has been oversold in terms of promising property tax relief and all kinds of new services. ”

- David Cieslewicz,
 Madison mayor

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If the casino is approved by city and county voters and by Doyle, Falk has pledged to use casino payments to control property taxes and fund vital human services.

seems to be gaining strength

Too many downsides

Cieslewicz said the benefits to residents of the revenue-sharing agreement have been exaggerated and that in the end the potential harm caused by having a casino outweigh any advantage.

"The agreement has been oversold in terms of promising property tax relief and all kinds of new services," he said. "The agreement is not the answer to every problem."

Cieslewicz said there will be social costs of a Madison casino, including an increase in problem gamblers, bankruptcies and broken families. And there will be economic costs, especially to downtown businesses, he said.

"A dollar spent in a slot machine is a dollar not spent in a restaurant or shop," he said.

"When it's all said and done, the agreement will cover our costs. But, when you look at the effects on the community as a whole, it's just not worth it."

Cieslewicz said that although he personally opposes a casino, he felt compelled to negotiate the agreements with the Ho-Chunk if the referendum is approved and a casino becomes a reality.

But in recent days he has raised questions about whether the agreements are legally binding and has become more vocal in his opposition.

Ho-Chunk officials have said they are in the process of getting the needed federal approvals for the agreements.

In addition to the revenue-sharing funds, the casino would bring at least 600 new jobs and more tourist dollars to Madison and Dane County, said Lisa Pugh, spokeswoman for the Coalition for the Fair Indian Gaming and Revenue Sharing Agreement, whose efforts to promote a casino have been funded by the Ho-Chunk.

"This is guaranteed money going into city and county budgets at a time when that money is needed," Pugh said. "We need to look seriously at these jobs and at this revenue. We're getting a really good deal and a great opportunity."

Pugh discounted the argument that a Madison casino would cause an increase in problem gambling and crime.

"The people who want to gamble are already gambling, and they will continue to gamble regardless of whether there is a casino at DeJope," she said.

But Marilyn Townsend, a village trustee in suburban Shorewood Hills and a spokeswoman for No Dane Casino, said the millions of dollars of revenue the casino would generate would come out of the pockets of working men and women, the elderly and students.

She said the casino would be a "parasite on the economy" and cause an increase in crime.

Milwaukee County District Attorney E. Michael McCann recently urged people to vote "no" on the casino at a press conference also attended by Dane County District Attorney Brian Blanchard and a university professor who is an expert on the subject of casinos and crime.


"You bring in gambling into a major population base, and the more people you have going into a casino, the more people you have hooked on gambling," said John Kindt, a professor at the University of Illinois in Urbana-Champaign, who has studied the link between casinos and crime.

"Then they're like addicts; they can't help themselves. They will steal, cheat, embezzle and commit other crimes just to get

More On The Issue

For more on the issue, go to a Web site supporting the Madison casino, www.yesonthearguments.org/, and one opposing, www.nodanecasino.com/

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money to gamble."

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