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Tribe: Move by feds devalues Kenosha casino plan

The Business Journal of Milwaukee - by David Schuyler

The Mohegan Tribe of Connecticut has reduced the potential value of its investment in the Menominee Indian Tribe of Wisconsin's proposed off-reservation casino in Kenosha because of the federal government's stricter standards for approving such projects.

An official from the Mohegan Tribe, however, said the \$3.5 million write-down does not mean it's backing away from the project, which would create an \$808 million gaming and entertainment facility at Kenosha's Dairyland Greyhound Park.

The Mohegan Tribe, which operates the Mohegan Sun casino and resort in Uncasville, Conn., is a financial backer for the project and will manage the Kenosha casino for the first seven years of operation, if it opens.

To date, the tribe has invested about \$9 million in the project, said Leo Chupaska, chief financial officer for the Mohegan Tribal Gaming Authority.

According to a regulatory filing last week, the write-down, which Chupaska called an "accounting exercise," reduced the value of future reimbursable development costs by \$2.7 million and reduced the value of the development rights, valued at \$3.7 million when the tribe acquired the rights last year from Kenosha businessman Dennis Troha, by \$840,000.

The write-down came after the U.S. Bureau of Indian Affairs in January rejected 11 applications from Indian tribes across the country to have non-reservation land taken into federal trust for the purpose of developing an Indian casino.

The BIA rejected the applications under new guidelines that take into account the distance the land is from the tribe's reservation.

The Menominee application -- for land that's about 160 miles away from its Menominee County reservation -- was not among those rejected, and spokesmen for the Menominees and the Mohegans say the tribes remain committed to the project. Chupaska said the Mohegan Tribe continues to provide financing for the Menominee proposal.