

# Proposed Central California tribal casino at heart of Prop. 48 battle

By Patrick McGreevy

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A high-stakes turf war involving a proposed Central California casino has put a wedge between some Native American tribes and even divided the governor and California's senior U.S. senator.

The battle is embodied in Proposition 48 on next month's ballot.

If passed by state voters, the measure would preserve two compacts that allow a new casino on land a tribe has bought near Madera, just north of Fresno. A second tribe would receive a piece of the gambling revenue in exchange for not building its own casino elsewhere.

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In a rare political twist, competing tribes and other gambling interests who oppose the deal — which was approved by the governor and Legislature — put the referendum on the ballot. They want Californians, who typically do not vote on gambling pacts, to quash the arrangement with a "no" vote and are spending many millions of dollars in a campaign to defeat it.

Supporters of the casino project say the "no" campaign is an attempt by tribes with lucrative casinos, along with their East Coast financiers, to block competition from two tribes whose members have been struggling in poverty.

"It's tragic that a few fellow tribes who've climbed their own ladder of economic opportunity are now trying to pull it up behind them, so no others can follow," said Charles Banks-Altekruse, a spokesman for the North Fork Rancheria of Mono Indians, which owns the land off Highway 99 near Madera.

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The financial stakes are high. The 59 casinos now operated by tribes in California under compacts take in \$7 billion annually. The compacts give North Fork and its partners, Northern California's Wiyot Tribe, up to 2,000 slot machines.

The "no" side has so far anteed up more than \$15.3 million for its campaign, easily eclipsing the \$419,000 raised by the North Fork's supporters. The opponents have also been aided by community activists and politicians, including U.S. Sen. Dianne Feinstein, who have concerns about the expansion of gambling in California.

One of their arguments is that the North Fork project would set an unwanted precedent: The tribe would build its casino not on a reservation but on the land it bought and had placed in a federal trust.

That, opponents say, could lead other tribes to engage in "reservation shopping" in order to propose gambling operations in urban areas where they can make more money.

We have a historical connection to the Madera site. That's not 'reservation shopping.' That's 'reservation restoration.'  
- Tribal Chairwoman Elaine Bethel-Fink

"Proposition 48 will open the floodgates to countless more mega casinos in local communities across the state,"

Feinstein said in a statement.

The North Fork's headquarters, home to many of the tribe's nearly 2,000 members, is near Yosemite, 38 miles from the casino site. The tribe has no official reservation.

"We have a historical connection to the Madera site," said Tribal Chairwoman Elaine Bethel-Fink. "That's not 'reservation shopping.' That's 'reservation restoration,' with the full cooperation and agreement of local, state and federal partners."

Tribe members have lived and hunted throughout Madera County for generations, representatives said.

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The North Fork tribe is part of a partnership that bought the 305-acre site from a developer in 2005, in keeping with a federal process created for tribes without a reservation. It was approved for gambling by the Obama and Jerry Brown administrations.

The compacts fulfill "the promise of voter-approved Indian gaming, and that was to help tribes become self-reliant," Banks-Altekruse said, estimating that the North Fork project would create more than 4,000 jobs in an economically distressed area.

A 2011 study of North Fork tribal citizens, the most recent available, found that 69% fell below the poverty rate used by the state and 29% were unemployed.

Las Vegas giant Station Casinos Inc., which operates 19 casinos in Nevada, has partnered with the tribe to help build the Madera gambling hall and to operate it in exchange for up to 30% of the casino's net income.

The involvement of a Nevada gambling firm has been a hot-button issue for opponents. They include Cheryl Schmit, director of Stand Up for California, a nonprofit group that has pushed for limits on gambling in the state since 1996.

Normally, compacts become law when approved by the Legislature, but Schmit filed the referendum and it qualified for the ballot with more than 555,000 signatures. The signatures were obtained with funds provided by the Table Mountain Rancheria, which operates a casino 25 miles east of Madera, and Brigade Capital Management, a New York hedge fund invested in the Chukchansi Gold Resort & Casino in nearby Coarsegold, Calif.

In addition to the other opposition arguments, Schmit said a new casino would use a large amount of water at a time when the state is in drought. She also objected that the compact takes 305 acres off the property tax rolls (tribes do not pay such taxes).

"There is a significant loss of taxation to the local government and the state government," she said.

Banks-Altekruse noted that the pacts require the North Fork to make a one-time payment of at least \$16 million to local governments and annual payments averaging \$10 million to the state and local governments for 20 years.

And the deal helps the environment by preventing the Wiyot Tribe from building a casino on its pristine Humboldt County land in exchange for a share of around \$5 million per year of the Madera casino revenues, he said.

Supporters of the compacts include Brown, who told reporters last year that the effort to overturn the compacts is "unfortunate" and is about "money and competition."

"Voting yes helps California's tribes help themselves — without costing state taxpayers anything," says a ballot argument signed by Brown.

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