

By JOHN HANNA

TOPEKA, Kan.

A regulatory commission in Kansas is facing a key decision about a proposed state-owned casino south of Wichita only a day after new Gov. Sam Brownback appointed a new chairman for the panel.

The state Racing and Gaming Commission was scheduled to

meet Friday to consider a background check on Peninsula Gaming, of Dubuque, Iowa, which hopes to build and operate the casino for the Kansas Lottery in Sumner County. The commission's approval of the background check is the last regulatory hurdle Peninsula must clear to begin its \$260 million project. Approval also would allow the state to keep a \$25 million fee that Kansas law requires the casino developer to pay.

Brownback announced Thursday that he'd replaced the commission's chairwoman, former state Rep. Carol Sader, of Prairie Village, who'd led it since 2005 and remains on the commission. Brownback's choice for chairman was William Falstad, of Fredonia, the former president of a printing company who's served on the commission since 2005.

Brownback, who took office Monday, told The Topeka Capital-Journal in December that he had "real qualms" about Peninsula being chosen for the project because of misdemeanor criminal charges against the firm and two executives in Iowa -- charges the executives say are unfounded.

But the new governor's staff said he's not interfering in the commission's decision, and his budget recommendations assume the state claims the \$25 million fee from the casino developer by July 1. Aides didn't say why Brownback demoted Sader, though Kansas law gives the governor the right to pick the chairman.

In his announcement Thursday, Brownback said of Falstad, "His experience on the commission

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and understanding of state racing and gaming laws will serve the commission well."

Brownback also said Neysa Thomas would continue to serve as the commission's acting executive director, having replaced Patrick Martin, who'd held the job in the final months of outgoing Gov. Mark Parkinson's administration.

Peninsula wants to build its casino complex off the Kansas Turnpike in Mulvane, about 18 miles south of Wichita. A state review board, separate from the Racing and Gaming Commission, picked the Peninsula project over one proposed by Global Gaming Solutions, an Ada, Okla., firm owned by the Chickasaw Nation. Global's site was near Wellington, an additional 14 miles to the south of Wichita.

In a column Sunday in The Wichita Eagle, prominent gambling opponents called upon the commission to reject Peninsula's background check or delay a decision, based on the legal issues facing the company and its executives in Iowa. The gambling foes also urged people to contact the commission.

Peninsula, CEO Brent Stevens and Chief Operating Officer Jonathan Swain are charged in Iowa with violating campaign finance laws, accused of making contributions in the names of others to former Iowa Gov. Chet Culver's unsuccessful re-election campaign last year. The case is scheduled to go to trial in June. The executives say they and the company have committed no wrongdoing and look forward to having the matter resolved in their favor.

The Racing and Gaming Commission regulates each casino operated by a private developer for the Kansas Lottery under a 2007 law that allowed only a single project in each of four regions. The lottery owns the rights to the new gambling and the gambling equipment, down to the cards and dice, and the state claims 22 percent of the revenues.

The first state-owned casino opened in Dodge City in December 2010, and another is under construction at Kansas Speedway, the NASCAR track in Kansas City, Kan. The south-central Kansas casino must be built in Sumner County and not in Wichita itself because Sedgwick County voters rejected the idea. A casino is permitted in the state's southeast corner, but the lottery has no proposals.

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Online:

Kansas Racing and Gaming Commission: <http://krgc.ks.gov/>

Peninsula Gaming: <http://www.peninsulagaming.com/>

Kansas governor: <https://governor.ks.gov/>

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