Written by Administrator Friday, 01 April 2016 19:14 -

PITTSBURG, Kan. — Construction of a state-owned casino planned for Crawford County will resume after a ruling in favor of the project by a Shawnee County judge, the lead investor in the project said Friday.

Investor Bruce Christenson praised the decision by Judge Larry Hendricks. Construction was halted in September at Kansas Crossing Casino and Hotel because of lawsuits brought by Cherokee County and a competitor that wasn't chosen.

"It's certainly great news for the hundreds of people who will benefit from jobs during construction and the hundreds more who will benefit from permanent jobs once Kansas Crossing opens next year," Christenson said in a statement. "We will now start construction to build a fantastic project, which will serve to enhance tourism in Southeast Kansas."

The \$70.2 million casino is expected to open in March 2017. Kansas Crossing has received three 90-day extensions from Kansas lottery officials.

Debbie Beachner, owner of RFB Construction, of Pittsburg, said her company is hiring now that the judge has ruled. RFB will be doing site preparation and erosion control. Said Beachner: "I'm really glad it's over. I think it will be a great thing for Pittsburg."

Kansas Crossing officials have said the casino would create 325 jobs when it opens. About 380 construction jobs are expected to be created at the site, located at the northwest corner of U.S. highways 160 and 69.

Pittsburg City Manager Daron Hall said, "I think it was proper to let the legal system work. That's why it's there. We're going to hit the ground running and make this happen for the people of Southeast Kansas."

Galena businessman Steve Vogel, who would have financially benefited if a competing casino had been chosen, criticized the judge's decision. Vogel questioned how big the market will be



for a casino in Pittsburg and whether people will want to drive there.

"It's the state of Kansas that loses, and Crawford County and Cherokee County," Vogel said.

Another Galena businessman, Gary Hall, whose company is bankrolling the legal bills for Cherokee County, said the court battle might not be over. Hall's company, Penfield's Business Centers, has paid more than \$150,000 so far.

"If he rules against it, you go to the next court," Hall said.

Russell Jones, an attorney for the competing Castle Rock casino, said the business probably will appeal. Jones said Hendricks noted that administrative appeal procedures in Kansas limited what he could do.

"It isn't that he said they got it right," Jones said. "It's that under applicable legal standards he didn't think he should overturn it."

Hendricks, in a 44-page decision released Thursday, said substantial evidence supported the decision of the review board that recommended Kansas Crossing. The Lottery Gaming Facility Review Board voted 5-2 in June to recommend Kansas Crossing, and another state commission also voted for Kansas Crossing in July.

Hendricks denied the petitions for judicial review that sought to restart the casino selection process.

"The Board's explicit duty to consider which proposal 'best maximizes revenue' or best 'encourages tourism' necessarily requires a consideration of whether the project was feasible in the first place," Hendricks wrote. "A shuttered casino — or, as one Board member put it, a 'monument to failure' — generates neither revenue nor tourist visits, no matter how rosy its projected numbers may have appeared at the outset."

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Cherokee County Commissioner Charles Napier, who had opposed filing the lawsuit, said he thinks it's time to drop the legal challenges. He mentioned that Cherokee County will receive 1 percent of casino revenue, or \$400,000 a year, the same amount that would go to Crawford County and Pittsburg.

Cherokee County Commissioner Pat Collins said he isn't sure if the county will drop the lawsuit. "The good old boys win again," Collins said, of the decision by Hendricks.

The proposal by Castle Rock for a \$145 million casino on U.S. Highway 400 near Interstate 44 in Cherokee County dwarfed the proposal for Kansas Crossing. Kansas Crossing is projected to have 625 slot machines and 16 gaming tables, and attract an estimated 500,000 visitors a year. Castle Rock would have had 1,400 slot machines, 35 table games and a 16--table poker room, and was predicted to draw a million or more visits a year.

Hendricks called the projections about Castle Rock's revenue, jobs, taxes and tourism the "elephant in the room."

He wrote that Castle Rock would face heavy competition from Downstream Casino Resort and other Northeastern Oklahoma casinos while those casinos would have less of an effect on Kansas Crossing and a casino proposed for Frontenac.

The judge wrote that comments by review board members suggested a majority of the board did not believe Castle Rock's proposals were feasible in the market.

"The Board's statutory duty was to recommend the contract that best maximized revenue, encouraged tourism, and served the interests of the people of Kansas; a failed casino, even if it had been planned as a 'destination' casino, would accomplish none of those things," Hendricks wrote.

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