

Kan. court rejects challenge involving casino site - Bloomberg

Written by Administrator
Thursday, 09 December 2010 07:32 -

TOPEKA, Kan. (AP) — A company hoping to build a casino in south-central Kansas said Wednesday that legal questions surrounding its preferred site have been resolved, because the state Supreme Court has refused to hear a lawsuit challenging actions by local officials that allowed the project to move

forward.

Peninsula Gaming, based in Dubuque, Iowa, hopes to build and operate the casino for the Kansas Lottery in Mulvane along the Kansas Turnpike, about 18 miles south of Wichita. The city annexed the casino site, and the Supreme Court's decision means the annexation stands, despite arguments by the Sumner County Commission that it wasn't valid.

Kansas law prevents a casino project from moving forward without the endorsement of the local government with jurisdiction over the site. Had Mulvane's annexation been invalidated, Peninsula would have needed the backing of the county commission, which has endorsed a rival proposal from Global Gaming Solutions, an Ada, Okla., company owned by the Chickasaw Nation.

Global hopes to build a casino off the Kansas Turnpike near Wellington, some 14 miles south of Peninsula's preferred site. State law allows only one Kansas Lottery casino in the Wichita area, and a state review board plans to pick one of the proposals next week.

The Supreme Court's denial came Tuesday, without comment, on a request for a hearing from the county commission's attorneys. The decision allows a state Court of Appeals ruling in the city of Mulvane's favor to stand.

"We are pleased with this action by the Kansas Supreme Court finally clearing up the legal questions surrounding this site," said Brent Stevens, Peninsula's chief executive officer. "We are continuing to work with local government leaders and citizens throughout Sumner County as this project moves forward."

With the lawsuit still pending, Peninsula had proposed a second site for Mulvane, about two miles due east of its preferred site. But its preferred site would have been right off the Kansas Turnpike exit for Mulvane.

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Global CEO John Elliott did not respond to a telephone message seeking comment, but a company spokeswoman said Global planned to respond to the Supreme Court's ruling.

The Sumner County Commission issued a statement saying the ruling doesn't affect its endorsement of Global's plan and its belief that, "Global has submitted a superior application."

The lottery's casino must be in Sumner County because Sedgwick County voters rejected an initiative to allow one there, ruling out Wichita as the site. The lottery will own the rights to the new gambling and the gambling equipment, and the state will claim 22 percent of the gambling revenues. Local governments also will get some revenues, with the division depending upon where the casino is located.

Consultants hired by the state review board predicted that Peninsula's casino would generate significantly more revenue because it's closer to Wichita, but Elliott and Global's supporters strongly dispute that, saying any difference would be negligible.

Mulvane's annexation was unusual because it involved a series of tracts, about 100 feet wide and 5 miles long, from the city's previous border to the casino site. A trial court judge cited "fishy circumstances" and struck down the annexation.

The Court of Appeals ruled that while state law would have permitted landowners to challenge the annexation, it doesn't give the same right to the county commission, meaning the commission couldn't sue to invalidate it.

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