



4646 Dakota St. SE
Prior Lake, MN 55372

May 19, 2010

A Message from the Mayor

Our Relationship with the SMSC

I have received a lot of questions about city and county matters, and it is important to me that elected officials provide candid answers and complete transparency regarding activities and decisions made on your behalf. One question I often receive is about the Shakopee Mdewakanton Sioux Community (SMSC) and its relationship with the City of Prior Lake.

Historically, the federal government entered into numerous treaties and land purchase agreements with Indian tribes. The United States Constitution, and since then, the courts and Congress have recognized in law a unique, government-to-government relationship between each Indian tribe and the United States under which an Indian tribe like the SMSC has sovereignty and immunity similar to that of a state. The city's relationship with the SMSC is impacted by their sovereign status – i.e. land, taxes and services. As a matter of federal law, we must treat the SMSC like a neighboring government and territory.

The tribal community has its own form of government. The Tribal Council is the body most of us would be familiar with and has three individuals: a chairman, vice chairman and secretary/treasurer. They are elected every four years. The Tribal Council, like a city council, makes decisions regarding the operations of the Tribal Government. They have a Tribal Administrator and staff who implement Tribal Council directives and provide day-to-day services to the community.

The General Council is made up of the entire electorate. Many decisions – like whether to build the Dakotah! Ice Center – require the approval of the General Council. It meets every 60 days when the Tribal Council presents decisions for direction and approval.

The Gaming Enterprise has a seven-person board of directors, of which one member is from the Tribal Council. This board oversees actions at the Gaming Enterprises including the casino and hotel operations. The SMSC's enterprises employ 4,500 persons overall; 620 of whom live in Prior Lake.

The SMSC provides its own municipal services including street, sewer, water, planning, recreation, fire and ambulance. The city provides police service. One of the city's police officers is a SMSC liaison officer because the community has elected not to form its own police department. In addition, because the SMSC provide their own fire service, Prior Lake Fire responds only when they are asked to do so through mutual aid agreement.

The community owns 3,361 acres of land, of which 1,504 acres are in Prior Lake. The community may own land in a number of ways. Like you and me, they can purchase the land in fee title. Of the 1,504 acres the SMSC owns in Prior Lake, 569 are owned in fee. This means the land owned in fee status (rather than trust status) is treated from a taxation perspective like any other land. But, in order for land to be used for gambling purposes, it must be held in trust and part of the original reservation property (owned by the SMSC before 1992) or acquired in trust for gaming which is a different process than non-gaming trust acquisitions.

Tribal lands are held in trust for the tribe by the federal government once the request is approved by the Bureau of Indian Affairs (BIA), Department of Interior. Of the criteria used by the federal government for placing land into trust, only one of seven considers the impact upon adjacent municipalities. Most of the criteria exclusively address the vitality and needs of tribal communities – the main mission of the BIA. Consequently, even if there is an objection from one or more cities or counties, the land may still be placed in trust by the federal government. The reason the land is placed in trust is so that it remains within the SMSC community rather than sold to a private party. Land which has been placed in trust is not subject to property tax, nor is it subject to city zoning laws. The federal government holds 935 acres in trust within Prior Lake for the SMSC.

By a 1984 Supreme Court ruling, the city is obligated to provide the same level of service to the SMSC as the rest of the city and may not charge for the service. The ruling was broad and applies to the relationship between any tribe and its neighboring local governments.

Over the years, the SMSC has provided numerous donations to the city including a Carnes-Iris Thermal Imager, three civil defense sirens, an all-terrain vehicle, a sufficient number of automated external defibrillators to serve both the police and fire departments, fire department uniforms, athletic field lights (\$450,000) and contributions toward a Lakefront amphitheatre building, skateboard park, a park-and-ride lot lease and more.

In addition, the SMSC, by its own volition, gives the city \$380,000 annually which is referred to as local government aid. The SMSC is not required to give the city any money. It is a gift from them to the City of Prior Lake.

The SMSC has also contributed to road construction projects that serve their community and ours. They paid \$18.5 million and donated significant right-of-way for County Rd. 82, County Rd. 83, the County Rd. 42/83 intersection, the County Rd. 42/21 intersection and construction of Dakota Pkwy. In addition, they have donated 11 acres of right-of-way for the County Rd. 21 northerly extension, a low-cost 50-year lease for the County Rd. 21 transit station, and earmarked \$1.1 million for upcoming County Rd. 21/17 intersection improvements. They have constructed and operate a number of businesses which Prior Lakers use including Dakota! Ice Center, Dakota! Sports & Fitness and Playworks.

The SMSC has also made available to governmental entities in Scott County a mobile medical command post for emergencies or to dispense medical or dental services to residents who can't travel. In an emergency, natural disaster or major community event, this truck acts as a communications and tactical command post.

Prior Lake and the SMSC cooperate on many issues. While not required to do so, the SMSC shares information about proposed plats with the city so that both parties can coordinate trail and park plans. The City of Prior Lake and SMSC interconnect water systems to assure water availability in a wider variety of circumstances. The interconnection serves us both. During the winter months, the SMSC used city water (which they paid for) while they completed water system improvements. The SMSC is a leader in green technology such as its wind turbine. The turbine is intended to defray their residential electrical costs in the future. The SMSC naturalists have assisted the city in buckthorn and prairie management. Together we also operate a seasonal compost site on weekends. Finally, like the City of Prior Lake, the SMSC is a member of SCALE, an organization devoted to cooperative endeavors.

There are many differences and similarities between the City of Prior Lake and the SMSC. The residents of the SMSC who live in Prior Lake are also full voting residents in the city. We have a history of working together for our mutual benefit despite disagreement from time-to-time. I believe that there

are additional areas where we can cooperate, such as economic development, and I want to pursue them with the help of my fellow council members. I also believe in seeing Prior Lake land developed and contributing to the tax basis of the city. Finally, we are jointly exploring ways in which the SMSC can utilize Sewer Availability Charge Credits they previously purchased from the Metropolitan Council to provide economic incentives to recruit new businesses to Prior Lake.

The City and SMSC may not always agree on issues, but we are committed to working with each other. Councilor Ken Hedberg and I have been appointed as liaisons to the SMSC. As our 2030 Vision and Strategic Plan says, "We are proud to be the home of the Shakopee Mdewakanton Sioux Community."

Sincerely,
Mayor Mike Myser