

Mill Bay Resort shuts down

Debate could alter the entire Valley

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The battle for the Mill Bay Resort land shows no signs of cooling off. Over the last week, a long legal stalemate broke in an emergency teleconference. Both sides of the fight gained ground, but both sides lost some as well.

The current controversy concerns the waterfront Mill Bay Resort. The property is operated by Chief Evans Incorporated (CEI). Two years ago, rumors began circulating that plans for moving Mill Bay Casino, which is also on property owned by CEI, onto the resort property were brewing. When questioned by resort members, employees of CEI denied these allegations. Early in 2001, however, members received letters that Mill Bay Resort was losing money and would be shut down at the end of the year. Most membership contracts with resort residents were decades away from expiring. A lengthy legal melee has ensued that seems to resist resolution from every angle. Due to CEI's affiliation with the Colville Tribes, legal jurisdiction is in question.

All recent skirmishes have taken place in tribal court under Judge Aycock. CEI filed suit against the Washington State Attorney General and the members of Mill Bay Resort. The suit aimed to end the Attorney General's investigation and restrict the resort members from interfering with CEI's plans for closing the park. The resort members sought a temporary restraining order forbidding the park's closure. As the park was scheduled for shutdown on Nov. 15, an emergency teleconference took place on Nov. 14 to attempt some kind of resolution. The hearing

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Attorney for CEI

was a victory for CEI in the sense that the restraining order was not initiated and they are free to close the park. The hearing was a victory for the resort members in the sense that the lawsuit was dismissed and they are now free to pursue their case in Chelan County Court.

According to CEI, this is purely a matter of fiscal insolvency. Richard Price, attorney for Bill Evans and CEI, says that operation of Mill Bay Resort is causing his client's firm a loss exceeding \$100,000 annually. Certified Public Accountant Jeff Webb, who serves as Bill Evans' limited guardian and oversees

his many business interests, has stated in affidavits that the result of this is that CEI is insolvent. Price has argued against the restraining order by stating that the resort members could not force CEI to do the impossible and continue operating the park at a loss.

"Bill Evans has tried to work with the campers so that he is not subsidizing their enjoyment of the property," says Price. He says the response from the members came in the form of offers that did not provide adequate funds to cover the cost of maintenance. The resort members have also offered to take over operation of the park and remove the financial burden from CEI. Price's response

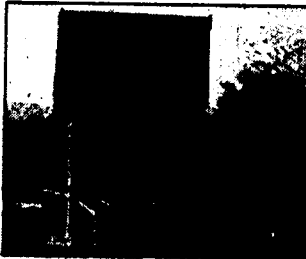


Photo by Heidi Neal

A closed sign hangs from the Mill Bay Resort guard shack. Similar signs cover nearby entrance signs.

to this is that the Mill Bay Resort is on "Indian allotment land, held in trust. This is not land they can just take over."

Franklin Smith, attorney for the resort members and a member himself, says tribal sovereignty is irrelevant in this case. Back in 1984, when the contested membership contracts were drafted, CEI was a Washington State corporation. "They solicited Washington residents with the promise that the resort would be there for the next 50 years," says Smith. "We're dealing with lease provisions and seeking our rights under our contracts." Since 1984, CEI's registration as a Washington State corporation expired and the company was reformed under the Colville Tribes. This took place without notifying the resort members. As the original contracts stipulate that the resort would be administered under Washington State law and that CEI has continued to operate as if that were the case, the resort members do not believe that their new status as a tribal corporation makes any difference. "CEI subjected themselves to regulation," says resort member Paul Grondal. Grondal also says that none of the resort members would have purchased their memberships if they knew this could happen. "If these contracts can be voided this easily, what good are they?" he asks. Revenue from the sale of Mill Bay Resort memberships is estimated at \$1.5 million.

The outcome of this struggle has

enormous implications for the entire valley. Smith says anyone who deals with land that is held in Indian trust should be very concerned with this case. Paul Grondal cites Wapato Point as an area that could be affected, considering that the resort is located on trust land as well. Grondal says this whole case is really about the plans for a new casino. Smith concurs, "They want to make more money."

Grondal says he has seen plans for the new casino and it's like nothing the Lake Chelan Valley has seen. "The people of Chelan should be very concerned about what the Tribe has in the works. It's a large scale operation," Smith and Grondal agree that the resort is of such magnitude as to irrevocably change the character of the Lake Chelan Valley. When asked what the plans contained, Grondal responded, "Envision all the possibilities and you're probably getting close." Smith says one must cross the Cascades to find anything that compares. Referring to the recent McDonald's debacle, Grondal says, "This makes McDonald's look like a drop in the bucket."

A complaint to the Sheriff's office delayed the scheduled shutdown until Monday. At press time, the electricity, water and sewer services have been cut off. This imperils all the trailers on the property should the temperature drop any lower. Calls placed to the resort office and the maintenance office received no answer. A "closed" sign has replaced the "welcome" sign at the park's entrance, and another "closed" sign has been posted at the guard shack. A sign with a new company name is now hanging from the resort office, "Wapato Point Heritage LLC". The Jones family has had their trailer dragged up near the office to maintain power. All other trailers on the resort are without utilities.

All signs point to Chelan County Court as the next battle ground in this on-going war. Smith says the members plan to file a complaint against CEI to enforce their contractual rights. They will also continue to seek a restraining order forcing the park to remain open. They will pursue their hopes of assuming responsibility for operating the park. Smith says, "For more than a year we've offered to take over operation of the park for the next 35 years." Grondal concurs, "If they're losing money, we'll take over the park and they won't lose a dime."

When asked what's next, Price said, "That's up to the campers. Bill Evans is ready to meet, but it has to be rational." Then he added what might be the truest statement of this entire debacle, "Some change is needed in order to meet everybody's needs."