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Battle of **Mill Bay** campground: RV park members fight for lakefront on tribal land

By Laurie Smith, World staff writer

MANSON -- The operators of **Mill Bay Resort** want to close the recreational vehicle park on the shores of Lake Chelan, apparently to make room for a casino, hotel and conference center.

Campground members, however, say they have long-term contracts that can't be broken and have filed about 50 consumer complaints with the state Attorney General's Office.

Chief Evans Inc., which owns the RV park, claims it is losing money in a deal that was unfair from the start. The company is asking the Colville Tribal Court to shield it from a state investigation of the complaints.

Documents filed in tribal court cite more than 180 **Mill Bay Resort** memberships. With family members included, contractual rights to use the RV park extend to several hundred people, said Paul Grondal of Issaquah, a spokesman for the members.

Collectively, they have shelled out an estimated \$1.5 million for 25- and 50-year memberships, he said.

"They love the place," Grondal said, adding, "It's important enough for me that I'll fight for it, and I'll fight for as long as it takes. ... I just can't imagine summers without Lake Chelan."

He paid \$25,000 for a 50-year membership that runs until 2033 or so. He also pays maintenance fees that amount to about \$2,300 annually and increase by 15 percent a year, under his contract.

Grondal and other members were advised of plans to close the park, located on Indian trust land east of Manson, in a letter from Chief Evans last year.

In the company's defense, attorney Richard Price of Omak said it can no longer afford to operate the RV park at a loss. Maintenance fees paid by members fall more than \$100,000 short of covering expenses each year, Price said.

Recreational vehicles jam the **Mill Bay Resort** near Manson. Its owners want to close the park, reportedly so the Colville Confederated Tribes can build a casino and other facilities along the shoreline there.-TOM WILLIAMS PHOTO/WORLD GRAPHIC MAP BY CHERYL GRAHAM SHOWING LOCATION

Campground members have "been treated very well to the point of Bill Evans supporting their comfortable lifestyle along the lake at his expense," Price said, referring to the 80-year-old Manson resident who owns Chief Evans Inc. "Is Bill required to subsidize their enjoyment of lakefront property?"

Chief Evans, a tribal corporation that until 1998 operated as a state-chartered company, has petitioned the tribal court in Nespelem to let it cancel the membership contracts and close the RV park.

An alternative Chief Evans proposal would move the park and rewrite the membership agreements to substantially boost maintenance fees. For some members, fees would triple.

In response, the consumer protection division of the state Attorney General's Office and **Mill Bay Resort** members have filed motions to dismiss Chief Evans' petition. A hearing date is pending.

As a Native American corporation, Chief Evans maintains it is not bound by state law, specifically Washington's Consumer Protection Act.

Among other things, Chief Evans is asking the tribal court to rule that the state has no authority to regulate its business dealings.

Back in the 1980s and '90s, campground members bought into the RV Park when Chief Evans and its predecessor, MAR-LU, a limited partnership owned largely by Bill Evans, were domestic companies registered with the state. Members say they were never given notice of its change to tribal status.

"There is a strong argument that Chief Evans Inc.'s covert decision to commence a tribal corporation can be seen as an attempt to cheat hundreds of Washington residents out of their contractual rights," said a brief filed in tribal court by Frank L. Smith, a Seattle attorney and member of **Mill Bay Resort**.

"Chief Evans should not, and cannot, be allowed to utilize tribal sovereignty for its own selfish and deceptive ends," Smith wrote.

Until recent events, **resort** members had enjoyed an amicable relationship with Bill Evans. "He's been a good friend over the years, and we all like him," Grondal said. "We feel bad this is happening. ... Bill has always been a man of his word."

But "things have changed," Grondal said.

Evans' health has been failing; he goes to Omak for kidney dialysis three times a week, Price said.

Meanwhile, a trustee, Chelan CPA Jeff Webb, has taken over management of the business with assistance from Evans' three grandchildren, the attorney said.

Webb declined to comment.

As a descendant of the Wapato family, 19th century residents of the former Chief Moses Indian Reservation, Bill Evans holds the master lease on roughly 175 acres known as Moses Allotment 8. Besides the RV park, a nine-hole golf course and **Mill Bay** Casino, currently housed in temporary buildings, occupy the property.

"We're just asking them to live by the contracts we signed," Grondal said.

Price said: "It's a tough question. I understand the members thinking they have a contract, and a contract's a contract." But the contracts are "so one-sided" that Chief Evans should be allowed to declare them null and void, he said.

The agreements were originally set up by Seattle businessmen in a way that failed to anticipate the cost of operating the **resort**, Price said. He said such circumstances are common when non-Indians handle business arrangements for Native American-owned mineral or natural resource interests.

Usually, those arrangements "turn out to be very advantageous for non-Indians, and Indians end up making very little money off of very valuable resources," Price said.

With its 2,500 feet of lakefront, the **Mill Bay** parcel has to be one of the most valuable pieces of waterfront property in the state, he said.

"If it were owned by non-Indians, you wouldn't see an RV park there," Price said. "You'd see expensive homes or a **resort** or something of much greater value."

Price said the Colville Tribal Enterprise Corp. (CTEC) "has indicated that it's genuinely interested" in relocating the casino and building a hotel and conference center on the RV park site. He referred questions about the plans to CTEC's attorney, Joseph Caldwell.

Caldwell did not return phone calls from The World. A spokeswoman for CTEC said Wednesday that she was unaware of any such plans.

CTEC, however, gave the Lake Chelan Reclamation District a photocopy of preliminary building plans, said Paul Cross, the district's general manager. The document shows the proposed casino where the RV park is now located, Cross said.

Cross said Caldwell and two other representatives of CTEC, along with an architect and the Evans family, met with him in November 2000 to discuss the project.

Resort members have offered to take over maintenance and operation of the campground and to continue lease payments to Chief Evans Inc. Because of legal restrictions on Indian land, Price said, "That can't happen."

"We don't believe that," Grondal said.

If the campground's "business plan was flawed from the beginning," he said, "that's really not the fault of the members."

Chief Evans' alternative proposal to move the RV park and to double or triple maintenance fees is unacceptable, Grondal said. "All of us feel there is nothing better than what we have, anywhere on the lake."

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