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For more information on Michigan's gaming industry, please visit www.michigangaming.com

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The _____ MICHIGAN GAMING _____ Newsletter



FUTURE LOOKS BRIGHT FOR CASINO'S ACCORDING TO THE NEW AGA STATE OF THE STATE'S SURVEY

Figures from this year's American Gaming Association (AGA) 2007 State of the States Survey show positive growth for the overall U.S. casino industry. Gross gaming revenues continued to show positive growth in 2006 which had a 6.8 percent increase from 2005 reaching \$32.42 billion. Michigan's commercial gaming market saw a 6.1% increase in 2006 over 2005 revenues, as they increased from \$1.229 billion to \$1.303 billion. The survey also indicated that acceptability of casino gambling among American adults is high, with 82 percent saying that this sort of activity is acceptable for themselves or others.

Frank J. Fahrenkopf, Jr., President and CEO of the AGA said that, "the industry's performance in 2006 upholds our ongoing legacy of providing good jobs, making significant tax contributions and fostering positive economic environments in the communities where we operate." The figures support Fahrenkopf's statement with 460 commercial casinos in 11 states employing 366,197 people, and that's not including the people who gain employment from business' working with casinos. Direct employees of casinos in 2006 earned \$13.3 billion in salaries, which is a 5.6 percent time increase from those in 2005.

Casino's contributions to state and local taxes also increased 5.5 percent from 2005, totaling \$5.2 billion. In Michigan from commercial casinos alone the City of Detroit and state received collectively \$349.86 million, according to the survey.

Another area of the casino industry which has continued to grow is that of racetrack casinos, also known as racinos. Michigan does not offer this form of wagering. According to the survey there are now 36 racetrack casinos in 11 states generating \$3.62 billion in gross gaming revenue, which is a 16 percent increase over last year. Employment at these institutions grew even more than the gaming revenue with a 30.3 percent increase in employment from last year now employing 22,308 individuals nationwide. Tax contributions from the racinos to the state also increased 12.5 percent to reach \$1.44 billion in 2006.

Notably, it is more than gaming that draws people to casinos, 82 percent of casino visitors say that they ate at a fine dining restaurant as part of their casino visit during the past year, and more than twice as many say that the overall casino experience of food, shows, entertainment and everything else is more fun than actually gambling. American casinos continued to have high visitation rates, with 56.2 million adult visitors that made a total of 371 million trips.

Continued on next page.

Below are the highlights from the survey on Michigan's Detroit Market:

MICHIGAN'S DETROIT COMMERCIAL CASINO STATISTICS 2006	
Current # of Operating Casinos	3
Gaming Format	Land-Based
Casino Employees	6,961
Casino Employee Wages	\$379.6 million (includes tax and benefits)
Gross Casino Gaming Revenue	\$1.303 billion
Gaming Tax Revenue	\$349.86 Million
How Taxes Spent	Public safety, capital improvements, youth programs, tax relief, neighborhood development and improvement, infrastructure repair and improvement
Legalization Date	November 1996
First Casino Opening Date	July 1999
Current State Gaming Tax Rate	24% tax on gross gaming revenue (11.9% to city of Detroit, 12.1% to state of Michigan)
Mode of Legalization	Local advisory vote, statewide voter referendum, legislative action
Rank in Top 20 U.S. Casino Markets	5th

Source of Table: 2007 State of the States, The AGA Survey of Casino Entertainment

In addition, you can obtain a copy of the complete survey by visiting the AGA's Web site at www.americangaming.org.

MICHIGAN LAUNCHES AD CAMPAIGN TARGETING MIDWEST

Two weeks ago Travel Michigan, an agency under the State's Department of Economic Development, started a \$11.3 million campaign which consists of radio and TV advertisements boasting Michigan's numerous outdoor, recreational, and key attractions.

This campaign is an extension of the \$7.5 million spent last year on the "Pure Michigan" advertisements which also featured highlights of northern Michigan and the Upper Peninsula. However, southern Michigan was not forgotten, one of the radio advertisements shares nicknames of many of Michigan's most beloved cities, such as Jack Town, Fish Town, Ypsi, Kzoo, A Squared and Hockeytown. Other radio advertisements coax listeners to play hooky and come to Michigan to fish, play golf, or even go for a swim. Television advertisements feature shot after shot of what Michigan's wilderness has to offer and there is an advertisement series for every season.

(The advertisements can be seen online at <http://www.michigan.org/medc/aboutus/biz/index.asp?showall%20=true&c=TM>)

The advertisements were launched in surrounding major Midwest metropolitan areas including: Chicago, Indianapolis, Cleveland, Cincinnati, Milwaukee and Ontario.

While this year's tourism advertisement spending for Michigan has increased, the newly formed business coalition, Tourism Improving Michigan's Economy (TIME), is rallying for the state to spend \$30 million a year on promotion of Michigan's tourism. Michigan is currently ranked 17th in state tourism promotion, and is competing with neighboring states, such as Illinois which spent \$49 million last year on tourism promotion. TIME argues that for each dollar spent on promotion, \$3 is received in revenue for the state.

RMC Ventures would like to give a special thanks to Ashley Loveall for her contributions to this Newsletter.