

April 1, 2008

Volume 14, Issue 10

For more information on Michigan's gaming industry, please visit [www.michigangaming.com](http://www.michigangaming.com)

*Editor in Chief:*

**David D. Waddell, Esq.**

Phone: 517.507.3859

[waddell@rmclegal.com](mailto:waddell@rmclegal.com)

*Senior Gaming Analyst  
& Editor:*

**Robert R. Russell, II**

Phone: 517.507.3858

[russell@rmclegal.com](mailto:russell@rmclegal.com)

*Reporter*

**Douglas L. Minke**

Phone: 313.221.9380

[minke@rmclegal.com](mailto:minke@rmclegal.com)

*Reporter*

**Blaine R. DeGracia**

Phone: 517.507.3857

[degracia@rmclegal.com](mailto:degracia@rmclegal.com)

*Subscription information:*

[info@michigangaming.com](mailto:info@michigangaming.com)

A publication of

**RMC Ventures, LLC**

University Place Center  
333 Albert Ave, Suite 450  
East Lansing, MI 48823  
Phone: 517.507.3860  
Fax: 517.908.0235  
[www.rmclegal.com](http://www.rmclegal.com)

# The \_\_\_\_\_ MICHIGAN GAMING \_\_\_\_\_ Newsletter



## WAYNE COUNTY COMMISSION GIVES FURTHER APPROVAL TO HURON TOWNSHIP THOROUGHBRED TRACK PROJECT

According to the *Detroit Free Press*, this morning, the Wayne County Commission unanimously approved a proposal to bring a thoroughbred racetrack to Huron Township, located in southwest Wayne County near the Detroit Metropolitan Airport. Under the terms of the project, Wayne County will sell 320 acres of land to developer Jerry Campbell for \$1.00, unless the project fails to create at least 1,100 jobs. If the requisite number of jobs is not created, Campbell will have to pay \$50,000 per acre for the 320-acre parcel.

Campbell told the *Free Press*, “[e]veryone has been telling us that this would be impossible. But the impossible is on course.” Campbell has said that he plans to begin running live thoroughbred races on July 18.

The Wayne County Commission is expected to give its final approval to the Huron Township Thoroughbred Track deal at its meeting on Thursday, April 3, set to be held at 10:00 am.

On Friday, April 4 at 10 a.m., Wayne County Executive Robert Ficano and other dignitaries will join in a scheduled ground breaking ceremony to launch the construction of the racetrack at Pinnacle Racecourse.

## CLUB KENO SETTLEMENT REACHED BY STATE AND MICHIGAN TRIBES

The long-standing dispute and lawsuit over the State of Michigan Bureau of Lottery's Club Keno game, arising between the State of Michigan and the two northern Michigan Indian Tribes, has been settled, releasing millions of dollars held in escrow to the Michigan Strategic Fund, and the tribe involved in the dispute.

The settlement involving the Little River Band of Ottawa Indians and the Little Traverse

*(Continued on page 2)*

Bay Bands of Odawa Indians provides for the distribution of \$52 million paid into escrow by the tribes during the dispute. Under the agreement, the funds will be divided evenly between the Michigan Strategic Fund and the tribes. The dispute involved the question of whether the introduction of the Michigan Lottery's Club Keno game terminated the tribes's obligation to pay 8% of their revenues to the Michigan Strategic Fund under the 1998 Class III Gaming Compacts.

"This agreement restores funds vital to Michigan's economic development efforts at this critical time and will help to ensure a more stable and cooperative economic relationship between the state and these two tribal governments," Governor Jennifer Granholm said.

According to Larry Romanelli of the Little River Band of Ottawa Indians, "The tribe is pleased to be able to bring this question to a close. The settlement allows both the tribes and state to work together for our mutual future while respecting the sovereignty of each side."

Little Traverse Bay Band of Odawa Indians Tribal Chairman Frank Ettawageshik said, "we have many tough economic challenges that are much easier to work through when we all work together."

Under new amendments made to the tribes' 1998 Class III Gaming Compacts with the State of Michigan, the percentage of slot machine revenues paid to the State by the tribes has been reduced from the initial 8% to 6%. In addition, the Gaming Compacts require both tribes to pay 2% of their net revenues to local governments. In return, the tribes have agreed to changes in their revenue sharing agreement that will make those payments more stable in the future, specifically:

- Gaming exclusivity will no longer be measured on a state-wide basis but will instead be based on a more limited market area for each tribe - generally nine to ten county areas in the immediate vicinity of each tribe's casino. This means that new commercial gaming activities elsewhere in the state will no longer result in the termination of payments.
- Lottery and other similar activities by the state will not be considered to be new commercial gaming unless they involve large scale use of electronic machines.
- If new commercial gaming does occur within one of the tribe's market areas, it will no longer result in permanent termination of payments; instead, payments are suspended and can be reinstated later at a reduced rate if the tribe's casino business continues to grow.

In addition, according to *Crain's Detroit Business*, the Pokagon Band of Potawatomi Indians which opened its new Four Winds Casino Resort on August 2, 2007, are similarly holding state and local tax revenue in escrow. The Pokagon, whose payment was originally due December 1,

2007, are currently holding an estimated \$3.9 million as they await the outcome of the federal lawsuit.

## INDIANA RACINOS APPROVED

On Monday, March 31, 2008 the Indiana Gaming Commission approved two state horse tracks to offer casino style gambling this summer.

Hoosier Park, located in Anderson, Indiana and Indiana Downs located in Shelbyville both won state licensing approval which will enable them to feature 2,000 electronic slot machines at their tracks. The race tracks acquired the \$250 million licenses from the Indiana General Assembly last year in order to open the new "racinos."

According to Hoosier Park's website ([www.hoosierpark.com](http://www.hoosierpark.com)), "[t]he single-level, 92,000-square-foot casino complex features a martini bar, player's club, high-limit area and more. Among the 2,000 high-tech slot machines, patrons will find interlinked progressives and 66 multi-player electronic video gaming machines." Jim Brown, general manager of gaming at Hoosier Park, said the early June opening will offer to customers a "fully integrated racing, gaming and dining experience."

After Hoosier Park's licensing approval, Gaming Commission Chairman William Barrett remarked, "[e]ven though you're not going to have a boat, welcome aboard."

Indiana Downs also plans on offering patrons a similar venue which will include the new \$170 million Indiana Live Casino with a NASCAR-themed sports bar and high end steakhouse. According to the Indiana Live Casino website ([www.indianalivecasino.com](http://www.indianalivecasino.com)), "[t]he facility will be a sprawling 233,000 square foot complex that will remain open 24 hours a day, seven days a week, all year long. All of the 2,000 slot machines will feature the latest advancements, including the convenient ticket-in, ticket-out redemption system in addition to the newest and hottest slot machines. Indiana Live! Casino will also showcase unique electronic versions of popular table games."

Indiana Live Casino currently offers a temporary pavilion to patrons with a scheduled final construction of the casino in June of 2009.

## FULL HOUSE RESORTS INVESTOR PRESENTATION GIVES INSIGHT INTO FIREKEEPER'S CASINO PROGRESS

According to a March 27, 2008 Investor Presentation given by Full House Resorts Inc. ("Full House") as part of a Wall Street Analyst Forum, the development and construction of the \$270 million Firekeepers Casino near Battle Creek, Michigan is one of the company's top priorities.

(Continued on page 3)

Full House is a casino company with gaming operations in Nevada and Delaware. In addition, Full House is responsible for managing the \$270 million Firekeepers Casino project on behalf of the Nottawaseppi Huron Band of Potawatomi.

When commenting on the Michigan casino market, Andrew Hilliou, CEO of Full House said, “(t)he Michigan gaming market ... is a well established market and really despite the economic challenges in Michigan, the market has continued to grow.”

Those representing Full House during the Investor Presentation focused on Firekeepers Casino as having a 1 million person market with no direct competition within a 50 mile radius, “key feeder markets” from surrounding towns and cities, and easy accessibility from major roadways as key aspects for sound investment.

Located on 78 acres of tribal land near Battle Creek, Michigan, Firekeepers Casino will offer 2,500 class III slot machines, 90 table games, 20 poker tables and five restaurants to patrons. It is scheduled to open in 2009.

In addition, Full House Resorts is also managing and developing the Tongue River Casino located near the Wyoming/Montana border and also holds stakes in Stockman’s Casino Bar Restaurant located in Northern Nevada. Full House Resorts is also in charge of management responsibilities of Harrington Casino in Delaware through 2011.