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The

MICHIGAN GAMING

Newsletter



GREEKTOWN CASINO OPENS EXPANDED GAMING FLOOR

Last Thursday, August 28, 2008, Greektown Casino unveiled 25,000 square feet of new gaming space, bringing the casino's total gaming space to 100,000 square feet.

The expanded gaming floor is part of a \$550 million construction investment for the casino. The casino is currently in the process of completing phase two of its permanent facilities which includes the expanded gaming floor and a new 400-room luxury hotel scheduled to open in February 2009.

"With the latest slot machines available and the most convenient attached parking among the Detroit casinos, we continue improvements to position Greektown Casino for future revenue growth and to provide the hottest gaming action to our guests," stated Greektown Casino Chief Executive Officer Craig Ghelfi.

The casino addition adds over 600 slot machines, featuring hundreds of penny, nickel and dollar games. In addition, renovations are being done to the casino's VIP gaming area, expected to be finished in late November, 2008.

According to Greektown Casino Management Board Chairman Tom Miller, "[w]e're pleased that work on our permanent Greektown Casino continues to move forward largely on schedule and on budget. The many improvements we are making increase the casino's revenue-generating capacity and give our guests more ways to have fun."

When complete, the permanent facilities at Greektown Casino will include 100,000 square feet of gaming space, 3,000 slot machines, five lounges, new

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restaurants, a 400-room luxury hotel, multi-purpose theatre and meeting accommodations.

Notably, once Greektown Casino's permanent casino is "fully operational" it will experience a reduction in its wagering tax from 24 percent to 19 percent. The tax reduction will help ease the financial burden of the casino, as it previously filed for Chapter 11 Bankruptcy protection earlier this year.

SAULT TRIBE VICTORIOUS IN KEWADIN SHORES CASINO LAWSUIT

A two-year long legal dispute between the Sault Tribe of Chippewa Indians (Sault Tribe) and the United States Government, the Department of the Interior (DOI) and the National Indian Gaming Commission (NIGC) came to a close last Friday, August 29 when U.S. District Court for the Western District of Michigan granted summary judgment in favor of the Sault Tribe.

The case involved a parcel of land in St. Ignace, located in Michigan's Upper Peninsula, which was put into trust by the DOI as contiguous land in the year 2000. The Sault Tribe decided to rebuild the Kewadin Shores Casino with a \$41 million capital investment, partially on the disputed parcel and partially on the existing land-in-trust.

The Federal Government took the position in the case that the portion of the land taken into trust by the DOI in 2000 was not "reservation land" under the Indian Gaming Regulatory Act (IGRA), and thus could not be used for Class III casino gaming.

In granting summary judgment, the court found that:

The court concludes that deference to the [DOI's] February 14th Opinion is unwarranted in light of its conflict with the Indian canon and its confusing definition of "reservation." The opinion states that land can only be a reservation if Defendants declare it to be so, but provides no guidance on what

factors are considered in making such a declaration. Defendants appear to ignore any case law that discusses the meaning of reservation in any context and instead rely on their own inability to make a decision on a timely request for a proclamation as evidence of the lack of merit of the request. Under these specific facts and circumstances, the Secretary should have found that the 1983 Trust Parcel is a reservation.

The court finds it important to reemphasize, however, that its ruling that the 2000 Trust Parcel fits the "contiguous to the boundaries of a reservation" exception is limited to the specific facts of this case...In conclusion, the court determines that the 2000 Trust Parcel fits the contiguous to a reservation exception under the IGRA, 25 U.S.C. § 2719(a) (1). Therefore, the court will GRANT the Tribe's motion for summary judgment and DENY the Defendants' motion for summary judgment.

The Federal Government has the right to appeal the decision within a 60 day window after the court's decision. It is unclear as to whether or not the government plans to appeal.

Notably, in 2006, the Sault Tribe's new casino complex was completed. It was not until August 2007, when the Court granted a preliminary injunction, that the new casino facilities were actually opened to the public on the contiguous land.

FIREKEEPERS CASINO ON TRACK TO OPEN SUMMER 2009

Today, September 5, 2008, FireKeepers Casino, in partnership with the Battle Creek/Calhoun County Convention and Visitors Bureau, held a presentation preview of the casino facility, which is being built next to I-94 in Emmett Township, near Battle Creek, Michigan.

"The project is right on schedule to open during the early Summer of '09," said Senior Project manager for Clark Construction Company, Dwane Wixon. Clark Construction Company was hired

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to be the main contractor for the casino project.

In reference to how well the construction process is going, Mr. Wixon noted that they will soon be adding a second-shift to the site sometime next month. He emphasized the importance of hiring local contractors and tribal persons to perform construction work. Local and tribal workers are estimated to comprise 90 percent of the workforce.

Located on 78 acres of tribal land near Battle Creek, Michigan, the \$270 million FireKeepers Casino will offer a Las Vegas-style gaming experience to patrons.

The 107,000 square feet of gaming space will be filled with 2,500 class III slot machines, 90 table games, 20 poker tables, high-limit gaming area with VIP lounge, bingo room, five restaurants and a central sports bar.

“This facility has a lot of meat on it,” remarked FireKeepers General Manager, Bruce McKee. According to Mr. McKee, it is possible that a phase two of construction could include a hotel and entertainment center.

The casino will create an estimated 1,500 permanent jobs in addition to the several hundred employees currently at work on the site.

When completed, the current phase of construction will utilize 34 acres of tribal land, leaving more than 44 acres for possible additions and further development.

FireKeepers Casino is managed by Gaming Entertainment, LLC, a joint venture between Full House Resorts, Inc., and RAM Entertainment, LLC, a privately owned investment company.

Full House is a casino company with gaming operations in Nevada and Delaware. 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. In addition, Full House Resorts is in charge of management responsibilities of Harrington Casino located in Delaware through 2011.

CASINOFEST 7 TO BE HELD NEXT WEEK: MICHIGAN REPRESENTED

Casino Enterprise Magazine is sponsoring and holding CasinoFest 7 at the Pechanga Resort and Casino in southern California next week.

The educational event will include several educational tracks including “Slot and Network Operations”, “Table Games Management” and “Casino Marketing”. Additionally, the Casino Management Forum is once again being held for executives, tribal leaders, and managers to broaden the scope of their skills.

A brand new event at CasinoFest 7 is the Slot Machine Academy, which will provide a hands-on classroom experience for new and seasoned slot technicians. CasinoFest 7 will also award an honor to the Indian Gaming Advocate of the Year.

Michigan will be well represented at CasinoFest 7. Deputy Director of Enforcement for the Michigan Gaming Control Board, John Page, is speaking on a panel entitled: “Promulgation of Gaming Regulations—Who owns the Standards?” and will provide attendees with his insights on the process of dealing with changing technologies that may not have been contemplated when rules were drafted by a regulatory agency.

Also speaking at the event will be former Michigan Lab Manager Pat Leen, and former Michigan Deputy Director of Licensing Tom Nelson. They will be speaking on several panels including: “Licensing: A Surreal Experience,” “Revenue Allocation Plans,” “The Pyramids of Compliance and the Asset Target” and “Promulgation of Gaming Regulations: Who Owns the Standards?.” Both men now work as regulatory consultants with the company Gaming Regulatory Consultants.

For more information about CasinoFest 7, please visit: www.casinofest.org.