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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JULY 2009

The Michigan Gaming Control Board (MGCB) recently released the July, 2009 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, revenue was down less than 0.25% from the same reporting period last year. Specifically, revenue for Greektown Casino was up by 24.83%, while revenue for MGM Grand and MotorCity Casinos was down by 5.4% and 9.62% respectively, in comparison to the same month last year.

Month in 2009	Total Adjusted Revenue 2009		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$45,760,680.80	\$36,824,138.17	\$24,331,489.11
February	\$49,452,574.79	\$40,001,069.14	\$27,507,991.91
March	\$48,417,844.13	\$41,632,619.57	\$29,974,562.14
April	\$44,249,852.45	\$38,539,338.93	\$28,589,866.54
May	\$47,216,927.68	\$40,457,965.75	\$30,153,069.06
June	\$43,772,027.46	\$36,881,519.22	\$28,849,029.46
July	\$47,805,123.70	\$35,770,492.65	\$31,736,529.31
<b>Total</b>	<b>\$326,675,030.69</b>	<b>\$270,107,143.43</b>	<b>\$201,142,537.53</b>

The figures above do not include: 1) wages and benefits paid to casino employees; or 2) payments to suppliers, service providers or vendors.

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Month in 2009	Total Adjusted Revenue 2009		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$106,916,307.76	\$9,633,480.49	\$11,897,192.47
February	\$116,961,635.84	\$10,574,212.18	\$13,023,898.23
March	\$120,025,025.84	\$10,921,009.58	\$13,382,473.44
April	\$111,379,057.92	\$10,165,298.35	\$12,426,215.98
May	\$117,827,962.49	\$10,750,187.72	\$13,144,778.60
June	\$109,502,576.14	\$10,023,669.85	\$12,224,271.09
July	\$115,312,145.66	\$10,609,744.97	\$12,886,389.17
<b>Total</b>	<b>\$797,924,711.65</b>	<b>\$72,677,603.15</b>	<b>\$88,985,218.98</b>

For Greektown Casino, the State of Michigan’s share of the wagering tax reflected in the numbers released by the MGCB is 12.1% and the City of Detroit’s share is 11.9%, for a total tax of 24%. This 24% tax historically applied to all three Detroit casinos. Greektown Casino has applied for a tax rate reduction effective as of the opening of its permanent facility earlier this year.

MGM Grand Detroit and MotorCity Casino have received a tax base reduction certification as a result of their facilities being declared “fully operational” by the MGCB. These properties are now subject to a wagering tax of 19%, with a 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.

## GUN LAKE TRIBE’S RESERVATION PROCLAMATION SIGNED

Last Friday, August 14, 2009, Assistant Secretary-Indian Affairs Larry Echo Hawk announced that the Match-e-be-nash-she-wish Band of Pottawatomi Indians of Michigan’s (“Gun Lake Tribe”) reservation proclamation was signed, allowing approximately 147 acres of land located in Wayland Township, Michigan to become the Gun Lake Tribe’s initial tribal reservation. This action allows the Gun Lake Tribe to move forward with its planned efforts for a Class III casino.

“I am pleased to issue this proclamation and to exercise the authority delegated to me by the

Secretary of the Interior to the Match-e-be-nash-she-wish Band of Pottawatomi Indians,” Echo Hawk said. “The land is for the exclusive use of Indians on the reservation who are entitled to reside at the reservation by enrollment or tribal membership. These properties will provide opportunities for economic development, self-determination and self-sufficiency.”

The tribe has undergone a lengthy battle to move forward with its casino plans. The tribe was federally recognized on August 23, 1999, and worked for eight years to negotiate a compact with the state of Michigan. In May, 2007, Michigan Governor Jennifer Granholm and the tribe came to terms on a compact that will provide economic benefits to the state and local community (the “Gun Lake Compact”).

On January 30, 2009, the U.S. government took the 147-acre tract of land into trust, after numerous lengthy court challenges filed by casino opponents.

On February 19, 2009, the Michigan House of Representatives passed House Resolution (HR) 28, a measure concurring with the tribal-state gaming compact signed by Governor Granholm and the Gun Lake Tribe. The passage of HR 28, which was approved by a voice vote, came on the heels of the Michigan Senate’s passage of Senate Resolution 11, its respective concurrence in the Gun Lake Compact. The Gun Lake Compact allows for, and will govern, Class III gaming (i.e. Las Vegas-style gaming including slot machines and table games) at the tribe’s casino facility to be built in Wayland Township, approximately 20 miles south of Grand Rapids, Michigan.

The Gun Lake Tribe is working with the experienced Las Vegas casino operator, Station Casinos, Inc., on the development project. The Station Casinos, Inc. bankruptcy filing is not expected to affect the Gun Lake Tribe’s \$200 million casino project.

The new casino is expected to create 1,800 new direct jobs, 3,100 indirect jobs, and to attract over 2.9 million tourists to West Michigan once the casino is open, according to a study commissioned by the Friends of Gun Lake

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Indians. The Gun Lake Tribe is expected to announce a ground breaking date in the near future.

## **OHIO LOTTERY SETS VIDEO LOTTERY TERMINAL AGE LIMIT AT 18**

On Monday the Ohio Lottery Commission approved rules for the state's implementation of video lottery terminals ("VLTs") at Ohio's seven racetracks next year, which includes a provision allowing 18-year-olds to play the VLTs.

Commission members did not talk about the topic while questioning lottery staff on Monday. In addition, no one addressed the issue at the meeting. Officials referred to the age limit as essentially a "non-issue."

A public hearing is tentatively set for September 18 at the Lottery Commission offices in Cleveland, Ohio. In order for the rules to go into effect, the Ohio General Assembly's Joint Committee on Agency Rule Review must also give its approval.

Earlier this month, Governor Ted Strickland appointed Cleveland lawyer Kathleen Burke as the new Ohio Lottery Commission executive director. The new appointment comes after current executive director Michael Doan announced his resignation after two years as head of the lottery. He will serve as an advisor to Burke for two months after his resignation takes affect next Monday, August 24, 2009.

The new VLT rules include:

- Applications for gaming licenses due September 15, along with a \$100,000 nonrefundable application fee;
- The state will take fifty percent of the proceeds after payouts;
- Separation of the VLTs from the racing wagering areas;

- Allowing tracks to operate VLTs 24 hours a day, seven days a week;
- Requiring all players to be at least 18 years old;
- Requiring each track to spend \$80 million on improvements, including \$20 million during the first year

Under the plan, the governor's office estimates that the implementation of up to 15,250 VLTs has the potential to generate nearly \$1 billion in 14 months. The state would collect 50 percent of revenue, while the other 50 percent would be split among the seven track owners to pay operational expenses, including payouts to winners.

This expansion of gaming in the state will likely compete with a separate proposal to allow four Las Vegas-style casinos in Ohio. The Ohio Jobs and Growth Committee campaign submitted 850,000 petition signatures to the Ohio Secretary of State. If the petition is certified, Ohio voters will be asked on the November 2009 state-wide ballot whether casinos should be built in Cleveland, Cincinnati, Columbus, and Toledo. The tax rate would be 33% and the minimum capital investment per casino location would be \$250 million each and would require each casino to pay a \$50 million licensing fee.

Previous attempts to amend Ohio's constitution to expand gaming options failed in 1990, 1996, 2006 and most recently in 2008.