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

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# The MICHIGAN GAMING Newsletter



## GUN LAKE TRIBE ANNOUNCES GROUND BREAKING DATE, PHASE I DETAILS FOR CASINO

On September 3, 2009, the Match-e-be-nash-she-wish Band of Pottawatomi Indians ("Gun Lake Tribe") announced a ground breaking date for Phase I of the Gun Lake Casino. Construction will begin on September 17, 2009, on the proposed \$157 million, 83,000 square foot class III gaming facility.

In January of 2009, the Gun Lake Tribe announced the federal government had approved 147 acres of land and placed it into trust for a proposed \$200 million facility to be built in Wayland Township, Michigan. However due to the economic climate, a smaller version of the casino is currently being pursued by the Gun Lake Tribe.

"Given the current economic conditions, it makes sense for us to build this project in phases. This will allow us to bring jobs to our area sooner, and we look forward to planning and developing the next phase as the economy recovers," stated D.K. Sprague, Tribal Chairman.

Phase I plans call for 1,200 slot machines, 36 table games, an entertainment lounge and a casino bar. In addition, Gun Lake Tribe officials suggest the new casino will create 600 direct jobs and 1,000 indirect jobs while generating approximately \$9.1 million and \$2.3 million annually to state and local revenue sharing boards, respectively.

"We are absolutely elated that good career opportunities for our tribal citizens and our friends and neighbors are finally within reach," said John Shagonaby, CEO of MBPI, Inc., the economic development arm of the Gun Lake Tribe.

The casino will be located about twenty miles south of Grand Rapids in Western Michigan. It will be operated by the Tribe's management partner, MPM Enterprises, LLC, owned by an affiliate of Station Casinos, Inc., as well as private investors from Michigan.

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Last month, Station Casinos spokesperson Lori Nelson told *The Michigan Gaming Newsletter*, that the recent Chapter 11 bankruptcy filing by Station Casinos will have no impact on the relationship between Station Casinos and The Gun Lake Tribe, and they are committed to continuing the Gun Lake casino project.

For more information regarding the Gun Lake Tribe, please visit, [www.mbp.i.org](http://www.mbp.i.org)

## LAWMAKERS EXPLORING GAMING EXPANSION AT RACETRACKS

During a press-conference last week, Michigan Governor Jennifer Granholm revealed that she would support an expansion of gaming in order to raise money and help balance the state's nearly \$2 billion budget deficit. Issues remain among lawmakers as to what types of gaming will be suitable and how to implement an expansion.

According to an August 27, 2009 *MIRS* report, Gov. Granholm has been in closed-door talks with Michigan Rep. Mike Simpson (D-Jackson), sponsor of legislation to expand gaming in the state. Although both agree that the expansion of gaming in the state will have a positive impact, they disagree on how to get there.

Several options for expanding gaming exist, including a new pull-tab game and the implementation of slot machines at race tracks. Michigan voters approved a constitutional amendment in 2004 requiring a state-wide and local vote on most forms of gaming expansion, thus this requirement must be factored into the discussion.

According the *MIRS* report, Rep. Simpson acknowledges that a lawsuit will likely be filed by from Detroit and Native American casinos if an expansion of gaming is made in the state.

## AGA ANNOUNCES NEW GAMING ADVOCACY CENTER

On Tuesday, September 1, 2009, the American Gaming Association ("AGA") announced the launch of its online Gaming Advocacy Center, a section of its website offering individuals the opportunity to communicate directly with representatives in Congress about legislation and issues that impact the gaming industry.

"We hope the Gaming Advocacy Center will serve as a valuable resource," stated AGA president and CEO Frank J. Fahrenkopf, "...you can use this site on a daily basis to track federal legislation related to our industry, see key votes, identify your members of Congress and local medial contacts, follow election progress and even register to vote."

Specifically, on September 8, the U.S. Senate is set to vote on the Travel Promotion Act (S. 1023), projected to generate \$4 billion in new visitor spending. Supporters of the Act believe it will spur domestic and international tourism to the U.S., thus bringing millions of new visitors to casinos across the country.

Writing letters of support to members of Congress is made easy by the AGA's new Gaming Advocacy Center.

The Gaming Advocacy Center will notify users when future federal issues arise, thus mobilizing industry support. For more information regarding the Gaming Advocacy Center, please visit: [www.gamingadvocacycenter.org](http://www.gamingadvocacycenter.org).

## ONTARIO OLG: CEO AND BOARD RESIGN

On Monday, the Ontario, Canada Finance Minister Dwight Duncan announced the resignation of Ontario Lottery and Gaming Corporation ("OLG") CEO Kelly McDougald and the rest of the OLG board.

Mr. Duncan's office stated it will be taking actions to protect taxpayers' money by asking the Auditor-General to review expense practices of the OLG. The OLG was created on April 1, 2000 under the *Ontario Lottery and Gaming Corporation Act* of 1999 and is a provincial agency operating and managing province-wide lotteries, casinos, and slot facilities at horse racing tracks, including Caesars Windsor located in Windsor, Ontario, Canada.

In connection with the announcement, the OLG made the following statement on August 31, 2009:

*"... expense claim reports of some OLG executives and senior-level staff from January 2007 to December 2008 were made public.*

*Clearly, some of these expenses are unacceptable. OLG as a public agency is aligned with Minister Duncan in the need to do better in protecting taxpayer*

*(Continued on page 3)*

*dollars and meeting the expectations of increased accountability and a culture of respect for the public interest.*

*The organization will fully support new leadership and the Auditor General's review of OLG's expense practices and the government review of agencies, board and commissions. OLG will be available for further comment after the findings of the reviews are complete.*

Allegations against the agency include the use of taxpayers' money for personal expenses such as nannies, car washes and luggage replacement.

"New leadership at the OLG will work under a mandate to instill increased accountability and a culture of respect for the public interest and taxpayer dollars," stated Mr. Duncan.

An interim Board and CEO has been put into place, comprised of senior-level officials from the Ontario Public Service.

## **GOV. GRANHOLM ANNOUNCES EFFORTS FOR HIGH-SPEED RAIL**

Last Monday, Michigan Governor Jennifer Granholm announced that the state is applying for over \$830 million in federal stimulus money to further efforts for a high-speed rail network between Chicago and Detroit.

"High-speed rail will give Michigan citizens another transportation option for business and recreational trips," Gov. Granholm said.

In July, a memorandum of understanding was signed by Gov. Granholm which established a partnership among eight states to work to fund the Midwest Corridor. Michigan's portion of the high-speed rail would stretch from Pontiac to Detroit and then west to Chicago. From Chicago, one could travel to other Midwestern cities.

Federal funding now available under the Recovery Act will help facilitate efforts for a 110 mile per hour high-speed rail in Michigan. If implemented, the trains will reduce normal train travel between Chicago and Detroit from 6 hours to 4 hours.

According to a press-release by Gov. Granholm, the American Association of Railroads estimates that for

every dollar spent on Michigan's railroads, \$3 is yielded in economic output. They also estimate that each \$1 billion spent creates 20,000 jobs.

## **DAILY AGA SMARTBRIEFS**

The American Gaming Association, producers of the Global Gaming Expo, has recently introduced *AGA SmartBrief*, a free daily e-newsletter which keeps the gaming industry up to date on the latest gaming news.

Sign up and stay ahead of the curve with updates on products, technologies, amenities, industry happenings and more.

Sign up for your free AGA SmartBrief by visiting [www.smartbrief.com/aga/](http://www.smartbrief.com/aga/).