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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



PURE MICHIGAN FUNDING UPDATE

On Thursday, March 25, 2010 state lawmakers approved an additional \$9.5 million to be added to the existing Pure Michigan tourism promotion budget of \$5.4 million. The approved 2010 budget of \$14.9 million is half of the amount used to run the advertising campaign last year.

“We’re certainly pleased for the boost, obviously, because at \$5.4 million we weren’t even going to be doing regional very well,” said George Zimmermann, Vice President of Travel Michigan, in an interview with *Crain’s Detroit Business*. “So this was essential to be in business this year.” Travel Michigan is a division of the Michigan Economic Development Corporation and is in charge of the Pure Michigan campaign. The Pure Michigan tourism promotion campaign will be returning in late April or early May, 2010.

Travel Michigan’s advertising agency, McCann-Erickson located in Birmingham, has yet to make decisions regarding whether the campaign will include national placements, like in the previous year, or stay regional. Mr. Zimmerman stated, “[w]e’re still looking at everything and we’re not going to decide until we see what’s out there and what it costs.”

The Michigan Lodging and Tourism Association publicly expressed its appreciation for the increased budget, but is now focusing its efforts on supporting legislation that will provide permanent funding for Pure Michigan and to increase the annual promotional budget to last year’s level of \$30 million. Last year’s campaign was the sixth largest state tourism budget in the nation and was considered a wide success, bringing millions of out-of-state dollars to Michigan businesses.

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Michigan Lodging and Tourism Association President and CEO Steve Yencich said, "We need to reinforce the need for a permanent funding source for Pure Michigan, one that avoids the issue becoming a political football each year."

In March, the Michigan Senate failed to pass legislation that would have levied a \$2.50 per day car rental tax in order to provide a permanent mechanism for funding the award-winning tourism promotion campaign.

2010 SOUTHERN GAMING SUMMIT TO BE HELD IN BILOXI, MISSISSIPPI

The 17th Annual Southern Gaming Summit will be held at the Mississippi Coast Coliseum & Convention Center in Biloxi, Mississippi on May 5-6, 2010. Attendees can register by April 16, 2010 to take advantage of early bird savings.

The Southern Gaming Summit is considered the largest commercial gaming trade show outside of Las Vegas, Nevada and offers conference sessions and a trade show floor for educational and business opportunities. Summit speakers will include experts representing a broad cross-section of the gaming industry and will explore issues such as gaming operations, marketing, tribal gaming, finance, and "big picture" trends in the gaming industry.

This year, the Southern Gaming Summit is being co-located with the BingoWorld Conference and Expo, the world's largest bingo conference and trade show, now in its 14th year. A full conference registration entitles attendees access to any of the Southern Gaming Summit or BingoWorld conference sessions and events.

The BingoWorld conference includes numerous bingo and gaming industry experts. The program includes sessions in three separate tracks; technology, promotions, and "nuts and bolts."

"Having both conference programs together and a combined trade show provides attendees with unprecedented value," said Beverly Martin, executive director of the Mississippi Casino Operations Association. "With one common

registration and access to two complete programs, we will have something for everyone."

Some of the gaming industry's leading companies have already signed on as exhibitors at the Summit, including A C Coin & Slot, American Games, Aristocrat Technologies, Aruze Gaming America, Bally Technologies, GameTech, Gametronics North America, IGT, Konami Gaming, Modern Gaming, Multimedia Games, Planet Bingo, Technology Exclusive, VGT, Video King and WMS Gaming.

Those who should consider attending the conference include commercial and tribal gaming executives, regulators, legislators, local officials, consultants, and gaming and hospitality industry suppliers.

The Southern Gaming Summit is produced by the Mississippi Casino Operators Association, in conjunction with BNP Media Gaming Group. For more information, please visit: <http://www.sgsummit.com/>

OHIO CASINO UPDATE

In November of 2009, voters in Ohio passed a constitutional amendment allowing for four casinos to operate within the state, one each in the cities of Cincinnati, Cleveland, Columbus, and Toledo, respectively. As part of the constitutional amendment, Penn National Gaming, Inc. (Penn National) and Rock Ventures, LLC (Rock Ventures) will each control two properties in the state with Penn National controlling the Columbus and Toledo sites and Rock Ventures controlling the Cincinnati and Cleveland sites.

Columbus Location Change

Earlier this year, Penn National was lobbied by local residents to change the original site of the Columbus facility from the Arena district to the West side of the city. After considering their local concerns, Penn National agreed, securing the former Delphi auto manufacturing plant as an alternative location. Because the original location of the casinos was explicitly set forth in the text of last November's constitutional amendment, state

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residents must pass a new constitutional amendment to institute the change. This proposal will be Issue 2 on the next Ohio ballot.

Issue 2 will not affect any development plans for the three other casino locations that were approved last November. If Issue 2 does not pass, Penn National will continue construction on the Columbus Casino in the Arena District.

According to *Columbus Local News*, Bob Tenenbaum, local spokesman for Penn National, stated, "Penn is going to be part of the coalition that is working to get this passed statewide. They will contribute to the cost of the campaign." The campaign has seen strong support from Columbus area residents, citing the need for an economic revitalization of the West side of the city.

Rock Ventures to choose Operator

Rock Ventures, current owners of the casinos in Cincinnati and Cleveland, have narrowed their list of potential operators to four and expect to make their final selection by April 30. According to the *Cincinnati Enquirer*, Matt Cullen, president of Detroit Rock Ventures said, the operator will significantly influence the shape and scope of the local casino. The operator will have a say in selecting the architects who design the facility, influence its branding and possibly invest as a minority-stake shareholder.

Rock Ventures is looking to invest \$300-\$400 million in the Cincinnati facility and is planning on breaking ground in October or November of this year. The facility will be located at Broadway Commons on the Northern edge of the downtown area.

Mr. Cullen has yet to identify the final four operators, but Penn National has been rumored to be one of the finalists.

OHIO SLOT MACHINE REFERENDUM

Ohio voters will get the chance to vote whether electronic slot machines will be allowed at the state's horse race tracks.

On Friday, March 26, 2010, Ohio Secretary of

State Jennifer Brunner said that the measure will go on the November, 2010 general election ballot after the group LetOhioVote.org submitted the required number of valid signatures.

Last year, the Ohio Legislature approved a plan from Governor Ted Strickland to allow lottery-run slot machines in the state to balance its current two-year budget.

Under Governor Strickland's original plan submitted in July of 2009, it was estimated that the implementation of up to 15,250 video lottery terminals would potentially generate nearly \$1 billion in 14 months. The state would collect 48% of revenue for state education programs, while the other 52% would be split among the seven track owners to pay operational expenses, including payouts to winners.

The group LetOhioVote.org argued that the issue should be subject to a voter referendum. The Ohio Supreme Court agreed, thus resulting in the ballot initiative.

For more information regarding LetOhioVote.org please visit: www.letohiovote.org.

FIREKEEPERS' REVENUE SHARING BOARD TO SET REIMBURSEMENT TIMELINE

Some local Michigan governments could receive reimbursements for costs incurred from the establishment of the FireKeepers Casino in Battle Creek from the FireKeepers Local Revenue Sharing Board (LRSB) as soon as June 30, 2010.

Richard Lindsey, Calhoun County Corporation Counsel, told the *Battle Creek Enquirer* that there are 24 local government units that are eligible to collect the reimbursements. Out of these, 12 have stated they will not seek any reimbursements.

Interested local government units will be provided opportunities to prove actual cost increases before the LRSB the week of May 24. In order to collect, governments must prove they incurred costs related to the FireKeepers Casino or on the Pine Creek

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Reservation in Athens Township between December 3, 1998 and December 31, 2009. After all approved reimbursements have been paid out, 80% of the remaining funds will be distributed among governments who have experienced a decrease in tax revenue due to the casino construction. Those payments are scheduled to be made by July 12, 2010.

Calhoun County, Emmett Township, and the Calhoun County Road Commission recently announced that they will be filing for reimbursement. Calhoun County Road Commission has declared they will be asking for \$250,000 to cover the cost of building Wheatfield Parkway and installing traffic signals at 11 Mile and Verona Roads. Calhoun County and Emmett Township have yet to release information regarding the amount or nature of their reimbursement request.