

May 18, 2012

Volume 18, Issue 15

For more information on Michigan's gaming industry, please visit www.michigangaming.com

Editor in Chief

David D. Waddell, Esq.

Phone: 517.507.3859

waddell@rmclegal.com

Senior Gaming Analyst & Editor

Robert R. Russell, II

Phone: 517.507.3858

russell@rmclegal.com

Reporter and Associate Editor

Dustin M. Ford

Phone: 517.999.5414

dford@rmclegal.com

Reporter

Douglas L. Minke

Phone: 313.221.9380

minke@rmclegal.com

Reporter

Blaine R. DeGracia

Phone: 517.507.3857

degracia@rmclegal.com

Subscription information:

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

The MICHIGAN GAMING Newsletter



ATTORNEY GENERAL SENDS LETTER OF OPPOSITION REGARDING LANSING CASINO

Yesterday, May 17, 2012, Michigan Attorney General Bill Schuette's office released a letter addressed to the U.S. Department of the Interior Indian Affairs unit regarding the legality of a proposed \$245 million casino in Lansing, Michigan. The May 11th letter states that the proposed project could be in violation of both state and federal law, including the tribal-state compact between the state of Michigan and the Sault Ste. Marie Tribe of Chippewa Indians ("Sault Tribe").

According to the May 11th letter, the "State is gravely concerned" about the consequences of allowing the proposed casino to operate in Lansing. Specifically, the Attorney General does "not believe that by passing the Indian Gaming Regulatory Act (25 U.S.C. § 2701 *et seq.*) and the Michigan Indian Land Claims Settlement Act, Pub. L. No. 105-143 (MILCSA), Congress intended to provide the Sault Tribe with unfettered power to open a casino anywhere in Michigan or the United States, limited only by how much money it could accumulate in its MILCSA trust. For this reason, we have told the Tribe and the City that we will take whatever steps are necessary to preclude the opening and operation of a casino in Lansing."

The Sault Tribe has indicated that it plans to build a 125,000 square-foot gaming facility in downtown Lansing that would house an estimated 3,000 slot machines and 48 table games. The Sault Tribe has estimated that the project would create 700 construction jobs and 1,500 full-time positions once the casino is opened.

The Sault Tribe must seek approval from the federal government in order to move forward with the project. The Sault Tribe must file the necessary documentation and applications for an off-reservation gaming expansion with the Department of the Interior. The Secretary of the Interior would then need to take the land in downtown Lansing into trust for the benefit of the tribe after determining that the Tribe would be eligible to open a casino at

the location.

According to the May 11th letter, the Michigan Attorney General requests the opportunity to provide comments and other information to the Department of the Interior before a decision is made on such trust application.

On Thursday, May 3, 2012, the Sault Tribe announced that the members of the Tribe voted in favor of the Tribe's intention to move forward with plans to establish a tribal casino in downtown Lansing. The final vote was 3,947 for and 2,311 against the referendum. The Tribe has already received approvals from the Lansing City Council to move forward with a land purchase agreement for a parcel near the existing Lansing Center in downtown.

Notably, on February 7, 2012, Governor Snyder and state Attorney General Schuette issued a separate, joint letter stating their opposition to the project, in part, because the Governor has taken the position that the project would conflict with other tribal compacts in the state, as well as with federal law.

For a copy of the May 11th letter, please [click here](#).

OHIO GAMING UPDATE

Horseshoe Casino Cleveland Opens; Hollywood Casino Toledo Set to Open May 29th

Horseshoe Casino Cleveland, the first of what will be four commercial casinos in Ohio, officially opened at 9:30pm on Monday, May 14th. The grand opening ceremony was limited to approximately 5,000 visitors to ensure the comfort of the VIP guests and initial patrons; though the casino reported that it had approximately 11,000 visitors through 8:00pm on Tuesday, May 15th. Rock Gaming, LLC, a majority partner in the Horseshoe Casino Cleveland, has said that it estimates the new casino facility will draw approximately five million visitors per year, or an average of roughly 13,000 per day. Crowds at the new casino, which boasts 2,100 slot machines, more than 60 tables games and a 30-table poker room, have been large all week and the casino expects an even larger weekend turnout, given the baseball series between the Cleveland Indians and

Miami Marlins at Jacobs Field in downtown Cleveland.

On May 29th, the day after Memorial Day, Penn National Gaming will open the Hollywood Casino Toledo, a 290,000 square foot facility which will feature a 120,000 square foot gaming floor with more than 2,000 slot machines and 80 table games. The Hollywood Casino Columbus, another Penn National Gaming property, is slated to open this fall, while the Horseshoe Casino Cincinnati, which will be majority owned by Rock Gaming, is expected to open in the spring of 2013.

Ohio Lawmakers Delay Compromise on Sweeping Gaming Regulation Bill

The status of House Bill 386, the wide-ranging measure that will revise regulation and oversight of Ohio's commercial casinos, horse racetracks and lottery operations remains undecided. The original HB 386 was passed by the Ohio House of Representatives on February 15, 2012, while a Senate substitute for HB 386 passed the Ohio Senate on May 9th. The senate substitute for HB 386 was roundly defeated by the Ohio House and the measure was then sent to a negotiation committee between the two chambers in an effort to resolve the differences between the two versions of the bill. A vote was expected by the negotiation committee yesterday, but the bill's original sponsor, Representative Lou Blessing (R-Cincinnati), has said that he does not expect a vote to be taken until next Tuesday, May 22nd.

The major areas of disagreement between the competing version of the bill include, among others: (1) the means for distributing commercial casino and horse racing taxes; (2) whether certain games of chance can be held at public festivals; and (3) the means to fund a study on gambling addiction.