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The _____ MICHIGAN GAMING _____ Newsletter



CITY OF LANSING TRANSFERS LAND FOR PROPOSED CASINO PROJECT

On November 1, 2012, Lansing Mayor Virg Bernero, Sault Tribe Chairperson Aaron Payment, and investor Bob Liggett signed documents to finalize the transfer of city-owned land to the Sault Ste. Marie Tribe of Chippewa Indians (Tribe) to further efforts to bring a \$245 million casino to the downtown district. Mr. Liggett is the main investor in the project and owns a majority of Lansing Future Development, LLC, the Sault Tribe's partner in the project.

The Tribe plans to build a 125,000 square-foot gaming facility in downtown Lansing that is proposed to house an estimated 3,000 slot machines and 48 table games. The project has been approved by the Lansing City Council, the Sault Tribe Board of Directors, and the Sault Tribe membership in a tribal referendum held earlier this year.

According to a joint media release from the proponents of the casino, the agreement between the city and Tribe allows the Tribe to close on two other parcels of land in the future at a price previously agreed upon, assuming all necessary approvals for the project are secured.

"I'm thrilled to have this opportunity to finalize the transfer of land to the Sault Tribe of Chippewa Indians, our partner in this game-changing project," Mayor Bernero stated. "While we still have a long way to go, today's milestone gets us one step closer to building a project that will help boost the economic revitalization of Michigan's capital city and transform our downtown into a major entertainment destination. Our eyes are on the prize-this project will create thousands of good jobs, attract tens of thousands of tourists to the region, and generate enough revenue to allow our city to send all of our school district graduates to college through the

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Lansing Promise.”

Significantly, on Friday, September 7, 2012, Michigan Attorney General Bill Schuette filed suit to prevent the Tribe from moving forward with the casino plans. The lawsuit follows a letter issued in May of this year by Schuette to the federal government expressing the state’s concerns. A scheduling conference for the suit is scheduled to take place on December 5, 2012, before District Court Judge Robert J. Jonker.

The state has alleged that the Tribe would violate provisions of its gaming compact with the state, that the Tribe is violating the Indian Gaming Regulatory Act and the Michigan Gaming and Revenue Act, and that the operation of the facility would constitute a “nuisance” under Michigan law. Specifically, the Complaint alleges that the Tribe would be violating the revenue sharing portions of its gaming compact with the state. The suit also alleges a violation of federal law because the land in question has not been properly deemed eligible for casino gaming use by the federal government.

John Wernet, general counsel for the Tribe, said that the tribe is confident that their legal standing will hold up in court.

The Tribe, together with Lansing Mayor Virg Benero, announced plans to develop a downtown casino in January of this year. The project, tentatively named Lansing Kewadin Casino, would be located next to the Lansing Center.

The Tribe must now seek approval from the federal government in order to move forward with the project.

HORSE RACING BILL PASSES HOUSE

On Thursday, November 8, 2012, the Michigan House passed [House Bill 5546 \(“HB 5546”\)](#), a bill that would revise several aspects of the state’s horse racing laws and permit the operation of electronic machines at tracks utilizing historic races, by a vote of 91-16. The

bill, introduced this April by Rep. Kevin Daley (R – Lum), seeks to update statutory horse racing requirements and to expand the type of wagering that occurs at tracks to allow wagering on the new form of electronic games.

If passed, the legislation would amend the Horse Racing Law of 1995 to provide a near complete overhaul of the current statute. The legislation would allow the use of “Instant Racing” machines, which look and operate much like slot machines and allow users to wager on historical races. The machines use data from past races and provide the user with a limited amount of information about the horses to assist in determining the wager. The video display can appear much like a slot machine or video lottery terminal, but the determination of winners is claimed to be based on the outcomes of the past races.

The Michigan Constitution (as amended by Proposal 1 of 2004) requires both statewide and local voter approval of any form of gambling authorized by law after January 1, 2004. Opponents of the Legislation have indicated that the electronic game portions of the proposed legislation are unconstitutional under this provision.

Shoshanna Levine, an attorney representing Hazel Park Raceway, told the Agricultural Committees at a hearing on a concurrent senate measure in April that there is no constitutional issue because “pari-mutuel” wagering is not specifically within the scope of the constitutional provision on gambling activities and that pari-mutuel wagering has been allowed in Michigan since the 1930’s. Recent amendments to the original bill language appear to seek to address this by stating that all electronic wagering allowed under the bill would be “limited to wagering on the results of horse races, but include all technology and innovations related to horse races and wagering on the results of horse races that may exist now or in the future.”

The existing Horse Racing Law, however, authorized wagering on “live” racing rather than historic races. Thus, the opponents of the bill are likely to contend that wagering on “historic” races is a new form of gambling requiring a statewide and local vote to be constitutional.

In order to become law, the bill must be approved

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by a majority of the Senate, approved by the by the Governor, and must comply with the requirements of the Michigan Constitution.

MICHIGAN GAMING CONTROL BOARD HORSE RACING SECTION GRANTS 2013 HORSE RACE MEETING LICENSES

On October 31, 2012, Michigan Gaming Control Board (MGCB) Executive Director, Richard Kalm granted applications to allow 2013 race meeting licenses and simulcast permits to four horse race tracks in Michigan. Hazel Park Harness Raceway, Sports Creek Raceway, and Northville Downs received Standardbred Race Meeting licenses and simulcast permits for 2013, while Mount Pleasant Meadows was granted a Mixed Breed Race Meeting license and simulcast permit for 2013.

Hazel Park Harness Raceway was granted a total of 54 Harness race dates, from Friday, May 3, 2013, through Monday, September 2, 2013; three days per week, Mondays, Fridays, and Saturdays, with no less than 9 live horse races programmed per race date.

Sports Creek was granted a total of 27 Harness race dates, from Friday, October 4, 2013, through Tuesday, December 31, 2013; two days per week, Fridays and Saturdays, with the following exception: racing Tuesday, December 31, 2013; with no less than 9 live horse races programmed per race date.

Northville Downs was granted a total of 26 Harness race dates from Friday, February 2, 2013, through Saturday, April 27, 2013. Live racing will be held two days per week, Fridays and Saturdays, with no less than 9 live horse races programmed per race date.

Mouth Pleasant Meadows was granted a total of 46 Mixed Breed race dates, from Saturday, May 4, 2013, through Sunday, October 13, 2013; two days per week, Saturdays and Sundays, with no racing Saturday, July 27, 2013, and Sunday, July 28, 2013; with no less than 9 live horse races programmed per race date.

In addition, all four horse tracks were granted a 2013 Simulcast Permits valid from January 1, 2013 through December 31, 2013.

Effective January 17, 2010 the MGCB assumed the duties of the Office of the Racing Commissioner by way of Executive Order No. 2009-45 which, among other things, transferred the regulation of horse racing from the Office of Racing Commissioner to the Executive Director of the MGCB. Executive Director Richard Kalm now performs the functions of the Racing Commissioner.

WOLFGANG PUCK PIZZERIA OPENS AT MGM GRAND DETROIT

On Wednesday, November 7, 2012, Wolfgang Puck Pizzeria & Cucina opened at MGM Grand Detroit. It is the first of two new Wolfgang Puck restaurants to open before the end of the year.

“It’s great to return to Detroit and to the MGM Grand with the opening of our casual Italian concept,” said Wolfgang Puck. “Our Pizzeria & Cucina is the perfect place to relax with family and friends. Great Italian food is all about great ingredients. It doesn’t have to be complicated, just delicious!”

A second Wolfgang Puck restaurant, Wolfgang Puck Steak, will open at MGM Grand Detroit this December.