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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR OCTOBER 2016

On November 10, 2016, the Michigan Gaming Control Board (“MGCB” or “Board”) released the October 2016 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, the revenue for the Detroit market fell 1.9% compared to the same reporting period last year.

Month in 2016	Total Adjusted Revenue 2016		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$46,718,389.11	\$37,132,788.69	\$25,215,520.31
February	\$47,193,903.95	\$40,385,060.23	\$28,822,028.76
March	\$51,818,121.13	\$43,700,908.78	\$29,430,087.08
April	\$50,462,057.70	\$42,346,725.48	\$29,548,118.17
May	\$51,903,469.93	\$39,010,274.10	\$27,621,012.43
June	\$47,555,020.17	\$35,895,882.01	\$25,161,438.57
July	\$50,185,322.0	\$40,569,698.06	\$27,707,524.25
August	\$51,333,425.60	\$37,835,364.01	\$26,734,163.06
September	\$48,479,767.93	\$37,034,304.51	\$26,653,491.54
October	\$47,347,683.27	\$37,182,514.06	\$26,207,798.17
Total	\$492,997,160.85	\$391,093,519.93	\$273,101,182.34

Month in 2016	Total Adjusted Revenue and Taxes 2016		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax*
January	\$109,066,698.11	\$8,834,402.55	\$12,978,937.08
February	\$116,400,992.94	\$9,428,480.43	\$13,851,718.16
March	\$124,949,116.98	\$10,120,878.48	\$14,868,944.92
April	\$122,356,901.35	\$9,910,909.01	\$14,560,471.26
May	\$118,534,756.46	\$9,601,315.27	\$14,105,636.02
June	\$108,612,340.75	\$8,797,599.60	\$12,924,868.55
July	\$118,462,544.37	\$9,595,466.09	\$14,097,042.78
August	\$115,902,952.67	\$9,388,139.17	\$13,792,451.37
September	\$112,167,563.98	\$9,085,572.68	\$17,804,434.90
October	\$110,737,995.50	\$8,969,777.64	\$13,651,298.30
Total	\$1,157,191,863.11	\$93,732,540.91	\$142,635,803.33
*Total includes wagering tax and development agreement payments to the city of Detroit as reported by the casinos			

Specifically, revenue for MGM Grand Detroit fell 0.3%, MotorCity was down 1.6%, and Greektown declined 5% during October 2016 when compared to the same month last year.

All three casinos are subject to a wagering tax of 19%, with 10.9% of this levy payable to the City of Detroit and 8.1% payable to the State of Michigan.

The market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for October 2016 were 43%, 33%, and 24%, respectively.

The figures released by the Board are the gross receipts less winnings paid to wagerers. The figures do not include: 1) any fees or other relevant city, state or federal taxes; 2) wages and benefits paid to casino employees; 3) payments to suppliers, services providers or vendors; nor 4) other normal business expenses.

SAGINAW CHIPPEWA TRIBE ANNOUNCES 2% DISTRIBUTIONS

On November 17, 2016, the Saginaw Chippewa Indian Tribe (“Tribe”) delivered its semi-annual 2% distribution to surrounding communities, which amounts to \$3,003,454.67. As reported by the Tribe, funds are distributed from slot machine revenues after expenses and payouts at The Soaring Eagle Casino & Resort and Saganing Eagles Landing Casino and includes \$2,195,656.19 to Isabella County (\$1,159,892.93 for Government and \$1,035,763.26 for Education) along with \$807,798.48 in Arenac and Northern Bay County (\$565,458.94 for Government and \$242,339.54 for Education).

According to the Saginaw Chippewa Indian Tribe, there was a total of 381 individual requests, with local governments turning in 105 and local schools handing in 276. Tribal Council Chief, Frank Cloutier explains, “the Tribal Council takes great pride in being able to award over three million dollars to our local schools and governments this fall. We remain committed to maximizing these dollars by making sure that the impacts can be felt by members in all communities. We are able to help create state of the art learning environments by providing the latest technology in our local schools preparing all youth to become our future leaders.”

AGA ANNOUNCES GOALS POST-ELECTION

On November 10, 2016, the American Gaming Association (“AGA”) announced it will now shift its focus toward working with President-Elect Trump’s Administration and the newly formed Congress. The AGA highlighted specific areas of attention including:

- Advocating for pro-business policies that promote growth and reinvestment;
- Supporting economic policies that provide consumers with greater confidence and discretionary income;
- Continuing to encourage a welcoming environment for foreign visitors, many of whom are interested in enjoying the casino gaming experience;
- Cultivating relationships with and educating new members of Congress on gaming’s positive economic and community impacts; and
- Advancing a pro-gaming agenda, including a repeal of the failed federal ban on sports betting outside Nevada.

Additionally, the AGA plans to use its industry presence across 40 states to further relationships with pro-gaming Congressional leaders and continue promoting favorable policies while discouraging unnecessary federal intervention.

While the AGA says it is optimistic that a Trump Administration will feature significantly more restrained federal agencies than past years, the “Get to Know Gaming” campaign and other activities within prominent casino markets will remain a vital component to gaming’s continued success.

Notably, AGA President and CEO Geoff Freeman stated the “AGA is eager to work with the Trump Administration and new Congress and we are optimistic that the coming years will include important victories for the gaming industry.”

GREEKTOWN CASINO-HOTEL RECEIVES AAA FOUR-DIAMOND AWARD

On November 7, 2016, Greektown Casino-Hotel announced that it received AAA’s Four-Diamond rating. According to Jack Entertainment, owner of Greektown, AAA’s inspectors conduct unannounced property evaluations to review cleanliness, comfort and hospitality and only 5.7 percent of the approximately 28,000 hotels approved by AAA receive the Four-Diamond ranking.

AAA defines the respected ranking as any hotel that is “refined, stylish with upscale physical attributes” and possesses “extensive amenities and a high degree of hospitality, service and attention to detail.”

Since the acquisition of the property by Dan Gilbert and Jack Entertainment in 2013, the casino-hotel has undergone many upgrades such as the recent addition of a state-of-the-art HVAC system for enhanced air quality, new technology and gaming options for guests, as well as advanced LED lighting. In 2014, both MotorCity Casino-Hotel and MGM Grand Detroit received the Four-Diamond rating, and Greektown says “they are beyond proud to be the newest member of that list.” Described by AAA, Greektown Casino-Hotel offers meeting facilities, on-site dining and an exciting attached casino in a

convenient, pedestrian-friendly Detroit location.

POKAGON BAND AND FOUR WINDS CASINOS DONATE 1,000 BASKETS OF FOOD TO SOUTHWEST MICHIGAN AND NORTHERN INDIANA

On November 15, 2016, the Pokagon Band of Potawatomi Indians and its Four Winds Casinos announced that it will be donating 1,000 baskets of food across Northern Indiana and Southwest Michigan. From November 18 – 22, Four Winds Casino Employees will be joining several local organizations to deliver the baskets to those in need. According to the Pokagon Band, each basket includes a turkey, potatoes, stuffing, cranberry sauce, corn, and pumpkin bread.

Four Winds Casino will participate alongside the Food Bank of Northern Indiana in South Bend, Indiana; Decatur Human Services in Decatur, Michigan; the Methodist Church in Hartford, Michigan; Emergency Shelter Services in Benton Harbor, Michigan; and Child & Family Services of Southwest Michigan in Benton Harbor, Michigan.

“The Pokagon Band empathizes with families and individuals who are struggling to feed themselves and their loved ones,” said John P. Warren, Chairman of the Pokagon Band of Potawatomi Indians, which owns Four Winds Casinos. “We hope our efforts, along with the assistance of several local organizations, will bring some comfort to all recipients.”