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The MICHIGAN GAMING Newsletter



GOVERNOR RICK SNYDER APPOINTS SEVEN MEMBERS TO MICHIGAN'S NEW STATEWIDE RACING COMMISSION

On November 23, 2016, Governor Rick Snyder appointed seven individuals to the recently formed racing commission, according to the Appointment Press Release. In June of this year, Governor Snyder signed SB 504 which, among other provisions, created the Horse Racing Advisory Commission to govern both Hazel Park Raceway and Northville Downs. Although the Michigan Gaming Control Board will continue to oversee horse racing in the state the new commission, housed within the Michigan Department of Agriculture and Rural Development, was created to make recommendations to the Legislature to improve the regulatory structure of horse racing with the goal of maintaining its long-term viability.

"I am certain the expertise of these individuals in this field will help benefit horse racing in Michigan," said Governor Snyder.

Dr. Don Ryker of Ortonville will head the commission as chairman. He is the current owner of the equine veterinary practice Don Ryker DMV. Also, Ryker is an adjunct professor at Michigan State University and an instructor for the veterinary technician program at Wayne State University. His education includes a bachelor's degree in oceanography from the University of Michigan and a doctorate in veterinary medicine from the University of Missouri.

Other members include:

Thomas Barrett of Novi, vice president and market manager of The State Bank and the current president of the Michigan Harness Horseman's Association. He has over 30 years experience as a licensed harness horse

owner, trainer, driver, and breeder. Barrett holds a bachelor's degree in finance from John Carroll University. He will represent statewide horse racing associations.

Mike Carlo of Northville is the operations manager for Northville Downs harness horse racing track and previously worked as the marketing manager for Daily Racing Form in New York. Carlo holds a bachelor's degree in economics from the University of Cincinnati. He will represent owners and operators of horse racetracks in this state.

Nancy Frank of Haslett is the assistant state veterinarian for the Michigan Department of Agriculture and Rural Development. She is an adjunct faculty member for the Michigan State University College of Veterinary Medicine. Frank holds a master's of public health from the University of Michigan and a doctor of veterinary medicine degree from Michigan State University. She will serve as the designee of the Director of the Department of Agriculture and Rural Development.

George Kutlenios of Holly is the president of Holly Management Inc. – The Holly Hotel, and president of the Michigan Horseman's Benevolent and Protective Association. He is a former board member of the Michigan Restaurant Association, the Holly Area Chamber of Commerce, the Holly Economic Development Corporation, and the Northwest Oakland County Headwaters Association. Kutlenios holds a bachelor's degree from Duquesne University. He will represent statewide horse racing associations.

Frank Nickels of Haslett is a veterinarian who specializes in equine health and a professor at Michigan State University College of Veterinary Medicine, where he has worked for nearly 40 years. He has been a member of several veterinary associations including the American Association of Equine Practitioners, the American Veterinary Medical Association, and the American College of Veterinary Surgeons. Nickels holds a master's degree from Washington State University College of Veterinary Medicine and is a diplomate of the American College of Veterinary Surgeons. He will represent veterinarians.

Members will serve four-year terms expiring

October 31, 2020. Their appointments are subject to the advice and consent of the Senate.

POKAGON BAND OF POTAWATOMI INDIANS RECEIVE APPROVAL FOR NEW CASINO & HOTEL IN INDIANA

On November 17, 2016, the Bureau of Indian Affairs informed John Warren, Chairman of the Pokagon Band of Potawatomi Indians ("Tribe"), that plans for a \$400 million casino in South Bend have received federal approval. The announcement came via letter, written by Lawrence S. Roberts, Principal Deputy Assistant Secretary of Indian Affairs. Nearly 166 acres of tribal homeland will be accepted into trust.

"I know that this restoration of land in Indiana is important for your citizens," said Roberts. "It will provide tribal governmental offices to better serve your citizens and economic development in the form of a gaming facility, which will provide jobs to tribal citizens and the surrounding community. This acquisition and development is particularly important considering that approximately 34 percent of Pokagon citizens in Indiana have an income below the poverty level, and approximately 50 percent are living without health insurance. A significant number of citizens live in substandard housing or experience considerable challenges in maintaining adequate housing. Elders are particularly hard hit due to a lack of nearby services. This restoration will provide housing, education, and health facilities for tribal citizens residing in this area."

In addition to the casino, plans call for a 500-room hotel, tribal services hub and nearly four dozen tribal housing units. According to insideindianabusiness.com, the Tribe projects more than 1,400 construction jobs and more than 2,000 permanent jobs for the finished product.

"Over the last two centuries, the Pokagon Band ceded over 5.2 million acres of our homeland to the United States; 185 years later, as we reclaim only a modest portion of our homeland, we take comfort in knowing how proud our ancestors would be of this historic achievement," said Bob Moody, vice chairman of the Pokagon Band, in a

news release. “Restoration of our homeland will preserve our legacy for the next seven generations of Pokagon citizens and ensure that our ongoing contributions to South Bend will continue to grow.”

As reported by southbendtribune.com, the Tribe’s economic contributions will include:

- \$400,000 to help South Bend replace and upgrade the Calvert Street Lift Station
- 2 percent of the casino’s annual net win paid to the city, annual payments not being less than \$1 million if the casino has between 850 and 1,699 games, and will not be less than \$2 million if the casino has 1,700 or more games
- \$5 million in donations to local initiatives and organizations over a five-year period after the casino opens, such as \$500,000 for South Bend Schools, \$500,000 to renovate the Newborn Intensive Care Unit at Memorial Children’s Hospital of South Bend, and more than \$2.2 million to make improvements to Howard Park downtown.

Currently, the Pokagon Band of Potawatomi Indians operate casinos in Hartford, Dowagiac and New Buffalo, Michigan. According to Calvinayre.com, the Tribe will allocate 2% of revenue to the city of South Bend and the agreement includes a stipulation to spend \$5 million on local community projects.

MICHIGAN LOTTERY PROVIDES RECORD \$888.9 MILLION FOR PUBLIC EDUCATION IN 2016

On November 21, 2016, The Michigan Lottery (“Lottery”) announced a record contribution of \$888.9 million to the state School Aid Fund for the 2016 fiscal year, marking a 12 percent increase from the previous record of \$795.5 million set in 2015. Lottery contributions comprise about 7.5 percent of the fund.

According to the Michigan Lottery, the contributions to public education from 1972 until 2016, now amount to over \$20.5 billion. For ten straight years, the Lottery has provided \$700 million or more for public education in Michigan and, over those ten years, contributions total \$7.6 billion.

As reported by the Lottery news release, 2016 has made the Michigan Lottery the fastest growing lottery in the nation. Growth is attributed to the Lottery’s increasing instant game portfolio, record player Powerball purchases from the \$1.6 billion jackpot run in December and January, and strong performance from the Lottery’s online games launched in 2014.

Other major records the Michigan Lottery set in 2016 include:

- \$3.1 billion in player purchases, eclipsing the previous mark of \$2.8 billion from 2015
- Instant game purchases hit \$1.1 billion, after topping \$1 billion for the first time in 2015
- Players won \$1.9 billion in prizes, up from \$1.7 billion in 2015
- \$231.7 million in commissions to retailers, breaking the previous mark of \$203.6 million set in 2015

For each dollar spent on a Michigan Lottery ticket in 2016, approximately:

- 29 cents went to the School Aid Fund
- 59 cents went to prizes for players
- 9 cents went to commissions for vendors and retailers, many of them family-owned businesses
- 3 cents supported the Lottery’s ongoing operations and administrative costs

