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The MICHIGAN GAMING Newsletter

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MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR NOVEMBER 2007

On Tuesday, the Michigan Gaming Control Board (MGCB) released the November, 2007 total adjusted revenue figures for the three Detroit casinos: MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

Month in 2007	Total Adjusted Revenue 2007		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
January	\$40,503,320.38	\$40,452,401.96	\$28,439,733.74
February	\$36,771,280.82	\$39,208,228.16	\$28,998,669.02
March	\$47,402,120.22	\$42,894,972.21	\$33,427,503.33
April	\$41,040,958.48	\$39,345,925.30	\$30,060,692.80
May	\$41,417,910.37	\$36,787,442.36	\$27,394,026.36
June	\$38,562,158.58	\$42,333,206.56	\$28,490,060.73
July	\$41,334,381.05	\$42,676,452.96	\$29,281,394.59
August	\$42,750,887.02	\$41,091,884.90	\$27,795,698.55
September	\$35,279,291.62	\$39,884,824.57	\$26,308,063.80
October	\$54,888,849.43	\$37,709,923.79	\$25,633,602.69
November	\$46,783,708.09	\$38,306,560.95	\$28,115,302.02
Total	\$466,734,866.06	\$440,691,823.72	\$313,944,747.63

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The figures released by the MGCB are the gross receipts less winnings paid to wagerers. The figures do not include: 1) the 12.1% state share of the wagering tax; 2) the 11.9% City of Detroit portion of the wagering tax; 3) any fees or other relevant city, state or federal taxes; 4) wages and benefits paid to casino employees; and 5) payments to suppliers, service providers or vendors. (See story below concerning MGM Grand Detroit Casino's Fully Operational Certification).

The three Detroit casinos' total adjusted gross receipts for November 2007 were \$113,205,571.10. Of this amount, the three Detroit casinos collectively paid to the state of Michigan \$13,697,874.09 and the City of Detroit \$13,471,462.96 in casino wagering tax. The November 2007 revenues for the Detroit market represent a 4.5% increase over a year ago.

MGM GRAND DETROIT, LLC RECEIVES TAX BASE REDUCTION CERTIFICATION

At the meeting of the Michigan Gaming Control Board (Board) on Tuesday, December 11, the Board considered the tax base reduction certification request of casino licensee MGM Grand Detroit, LLC (MGM Grand Detroit). Pursuant to Public Act 306 of 2004, the wagering tax rate applicable to the Detroit casinos was increased from 18% to 24%. However, PA 306 also provided for a rollback of the wagering tax to 19% once a casino licensee was "fully operational" for a period of 30 consecutive days.

Under the Michigan Gaming Control and Revenue Act (the Act), a casino licensee is determined to be "fully operational" when "a certificate of occupancy has been issued to the casino licensee for the operation of a hotel with not fewer than 400 guest rooms and, after issuance of the certificate of occupancy, the casino licensee's casino, casino enterprise, and 400-guest-room hotel have been opened and made available for public use at their permanent location and maintained in that status."

After opening its permanent casino and hotel in October, MGM Grand Detroit requested a tax base reduction pursuant to the Act. After reviewing reports and recommendations from Board staff indicating that MGM Grand Detroit met the qualifications for the tax rollback, the Board, in a unanimous vote, entered an Order Certifying MGM Grand Detroit as Fully Operational under the Act, and ordering that MGM Grand Detroit was entitled to a tax rollback retroactive to October 3, 2007.

Accordingly, MGM Grand Detroit will now be subject

to a wagering tax of 19%, with 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.

MICHIGAN TOURISM RECEIVES BOOST IN 3RD QUARTER

On Monday, December 10, Comerica Bank announced that the Michigan Tourism Index, a quarterly summary of five travel and lodging data series, increased 1.1% between 2nd and 3rd Quarters of 2007. In a press release, Comerica Bank's Chief Economist, Dana Johnson, said, "[s]ome relief in gasoline prices and the appreciation of the Canadian Dollar appears to have helped give Michigan tourism a bit of a boost in the third quarter."

However, despite this increase, the Michigan Tourism Index is averaging approximately 2% lower than last year, and experts are forecasting that slowing national economic growth could harm Michigan tourism during the winter.

RACETRACK DEVELOPER PLANS FOR JULY 2008 OPENING

At a news conference on Friday of last week, developer Jerry Campbell and his wife Felicia, the President of Post It Stables, Inc. announced that construction will begin on the Pinnacle Race Course in March of next year and they expect the track to be completed in time for racing to commence on July 18th. The grandstand will not yet be constructed, so the developers plan to bring in temporary seating for the first season of racing. The track is proposed to be constructed in southwest Wayne County near I-275 and Eureka Roads, very close to the Detroit Metropolitan Airport. Post It Stables, Inc. was awarded race dates for the 2008 season by the Office of Racing Commissioner, conditioned upon obtaining a track license. The developer is still working on accomplishing the necessary steps in order for a track license to be issued.

OHIO VOTER INITIATIVE CASINO PROPOSAL: TAKE THREE

On Tuesday, December 11th, the organization MyOhioNow.com, LLC (MyOhioNow) submitted a third petition filing with the Ohio Attorney General in order to obtain certification of its voter referendum which seeks to amend the Ohio Constitution and allow for a privately-owned casino resort in Clinton County, Ohio. MyOhioNow has filed

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two previous petitions with the Attorney General. The first petition was rejected on November 13, 2007 as it did not comply with Ohio law. A second petition was then filed by the organization on November 20, 2007, and this petition was certified by the Attorney General. However, on December 5, 2007 the Ohio Ballot Board ruled that the petition was actually three separate proposed constitutional amendments. The unanimous vote by the Board concluded that MyOhioNow required three constitutional amendments: one to authorize the casino, a second to allow granting of a liquor permit, and a third to empower a gaming control commission to make laws regulating the casino.

Following this determination, MyOhioNow circulated a third petition which it filed with the state on Tuesday. According to the *Columbus Dispatch*, the owner of the Beulah Park race track helped argue that the Board should break up the casino proposal into three separate proposed amendments. Although the Ohio race track owners have not initiated a current proposal to amend the Ohio Constitution in order to allow them to transform their facilities into slot operations, the owner of Beulah Park told the *Dispatch* that this was a possible option. In 2006, the Ohio track owners were unsuccessful in their own voter referendum to allow slot machines at state racetracks.