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For more information on Michigan's gaming industry, please visit [www.michigangaming.com](http://www.michigangaming.com)

*Editor in Chief:*

**David D. Waddell, Esq.**  
Phone: 517.507.3859  
[waddell@rmclegal.com](mailto:waddell@rmclegal.com)

*Senior Gaming Analyst  
& Editor:*

**Robert R. Russell, II**  
Phone: 517.507.3858  
[russell@rmclegal.com](mailto:russell@rmclegal.com)

*Reporter*

**Douglas L. Minke**  
Phone: 313.221.9380  
[minke@rmclegal.com](mailto:minke@rmclegal.com)

*Reporter*

**Blaine R. DeGracia**  
Phone: 517.507.3857  
[degracia@rmclegal.com](mailto:degracia@rmclegal.com)

*Subscription information:*  
[info@michigangaming.com](mailto:info@michigangaming.com)

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**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](http://www.rmclegal.com)

# The \_\_\_\_\_ MICHIGAN GAMING \_\_\_\_\_ Newsletter



## AGA RELEASES ANNUAL STATE OF THE STATES

The 2008 edition of the *State of the States* survey has recently been released by the American Gaming Association (AGA), and covers many different aspects of the U.S. gaming industry, including the AGA's traditional look at revenue trends and public attitudes toward gambling. The 2008 edition also includes, for the first time, a detailed analysis of poker and sports betting in the US.

The AGA finds that although some sectors of the industry have experienced slowdowns, the US commercial gaming industry maintained its revenue gains throughout the year, and according to Frank Fahrenkopf Jr., president and chief executive of the AGA, "[t]he data presented in this report point to an industry that continued to grow in 2007."

Michigan's three commercial casinos in Detroit generated over \$1.335 billion in gross casino gaming revenue in 2007, making it the fifth largest US casino market and only one of seven US casino markets with gross gaming revenues greater than \$1 billion, according to the AGA. Of the \$1.335 billion, \$365 million was generated as gaming tax revenue. In addition, the Detroit casinos directly employed 7,650 people, generating \$389 million in employee wages. This figure was an increase of over 9% compared to the prior year, making the Detroit market the second highest overall in percentage growth in casino-related jobs.

Since 2000, which was when the third Detroit casino opened, the three Detroit casinos have experienced a 79.4% growth in gaming revenues. By early 2009, all three casinos are slated to have permanent facilities with hotels and conference space.

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The AGA study notes:

“As the three Detroit casino properties have built their permanent facilities, they have injected more than \$1.2 billion in investment into the area. These permanent facilities include expanded gaming floors, fine dining options, luxury hotel towers and other high-end amenities.”

The AGA’s annual survey also reports that overall consumer spending on casino gaming increased by 9.3 percent compared to the prior year. More specifically, Michigan experienced a 2.4 percent increase in spending, higher than such states as Indiana and Nevada. States experiencing the greatest increase in consumer spending on commercial casino gaming were Iowa and Mississippi, at 16.2% and 12.5% respectively.

The casino gaming-tax revenue contributions to local and state governments by the casino gaming industry have enabled funding for various developmental programs and projects throughout the US. According to the AGA, casino tax revenue generated by commercial casinos has more than doubled over the past 10 years, and in 2007 US commercial casinos contributed \$5.79 billion in direct gaming taxes.

A copy of AGA’s *State of the States* survey may be found at: <http://americangaming.org>.

## **MICHIGAN SMOKING BAN LEGISLATIVE UPDATE**

On May 8, the Michigan Senate passed a bill banning smoking in public places; including bars, restaurants, indoor areas and the Detroit casinos. The proposed legislation, House Bill 4163, passed the Michigan Republican-controlled Senate by a vote of 25-12. The legislation has been returned to the House and is currently being considered.

In order for the current draft legislation to become law, it will need to pass the Michigan House, and then need to be signed into law by Michigan Governor Jennifer Granholm. If the House makes additional changes, or adds certain exemptions back into the bill, then the legislation would return to the Senate.

Since passage in the Senate, disagreement over whether the Detroit casinos and cigar bars should be exempt from the smoking ban continues to be debated in Legislature.

House Bill 4163 was originally introduced in January

of 2007 and, after several changes to the bill were adopted by the Democratic-controlled House, the bill narrowly passed the House on December 5, 2007, by a vote of 56-46 vote. The House version called for a ban on indoor smoking in public places, but excluded private residences, cigar bars, smoke shops, Detroit casinos, bingo halls and horse racetracks.

The current version of the proposed legislation would not impose smoking restrictions on Michigan’s Native American casinos currently operating under Class III Gaming Compacts entered between the various Michigan tribes and the State of Michigan as a result of Tribal sovereignty.

House Speaker Andy Dillon (D-Redford Twp.) has indicated that he will oppose legislation that would ban smoking in the three Detroit casinos but would support language that exempts the Detroit casinos and cigar bars. He has indicated a desire not to give the tribal casinos an unfair competitive advantage against the three Detroit casinos.

The current version of the bill that passed the Michigan Senate may be viewed at: House Bill 4163.

## **DMCVB ANNOUNCES: ‘LET’S MEET IN THE D!’ INITIATIVE**

On Tuesday, Detroit Metro Convention & Visitors Bureau (DMCVB) Chairman Christopher Ilitch announced a new initiative to drive economic development and encourage local businesses to host their meetings and conventions in southeast Michigan. ‘Let’s Meet in the D!’, a two-year initiative, plans to actively recruit local companies to host conventions in the metro Detroit area in hopes to spur economic growth while revamping the area’s image. The DMCVB states that the ‘Let’s meet in the D!’ campaign is the first of its kind and plans on “keeping dollars in the local economy” while creating much-needed jobs for the region.

“There is significant opportunity for local businesses to help grow and diversify our regional economy,” said Ilitch, president and CEO of Ilitch Holdings, Inc.

Success of the plan is already evident, as the DMCVB has named 13 early adopter companies that committed to the plan even before it was formally announced.

To jump-start the initiative, Ilitch announced that Little Caesars, which is owned by Michael and Marian Ilitch, will be the first company to commit to the plan

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by moving the Little Caesars 2009 worldwide conference for franchises from Las Vegas to the metro Detroit area. The conference will bring an estimated 1,500 people to the area with projected spending of \$1.4 million.

Several other companies scheduled to take part in the plan include: General Motors, Ford Motor Company, Crain Communications, Detroit Medical Center, Michigan Economic Development Corporation, Verizon Wireless, Bank of America and Blue Cross Blue Shield. And DMCVB feels that this is only the tip-of-the-iceberg noting that several other companies have expressed interest in 'Let's Meet in the D!''.

“The fact is, whether it’s a meeting of 50 or a meeting of 5,000, if every local business leader considered hosting just 10 percent of the meetings they currently hold outside the region with southeast Michigan, the results would be staggering,” noted Ilitch.

As the DMCVB points out, nearly sixty percent of the US is within a five-hour drive or short flight of the metro Detroit area, thus making the region highly marketable to surrounding states as fuel and travel costs continue to rise.

For more information on the DMCVB or for details about hosting a meeting in the metro Detroit area please visit to <http://visitdetroit.com> and click on “meetings” or contact DMCVB Director of Sales, Clara Conner-Penzabene directly at (313) 202-1938 and [cvsales@visitdetroit.com](mailto:cvsales@visitdetroit.com).