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Editor in Chief:

David D. Waddell, Esq.
Phone: 517.507.3859
waddell@rmclegal.com

*Senior Gaming Analyst
& Editor:*

Robert R. Russell, II
Phone: 517.507.3858
russell@rmclegal.com

Reporter

Douglas L. Minke
Phone: 313.221.9380
minke@rmclegal.com

Reporter

Blaine R. DeGracia
Phone: 517.507.3857
degracia@rmclegal.com

Subscription information:
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

The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN SENATE APPROVES GUN LAKE CASINO COMPACT

On Wednesday, the Michigan Senate passed Senate Resolution 11, concurring in the tribal-state gaming compact signed on May 9, 2007, by the Governor and the chairperson of the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians of Michigan (the Gun Lake Band). The compact allows, and governs, the conduct of tribal Class III gaming by the Gun Lake Band. Class III gaming is casino style gaming, complete with slot machines and table games.

The Gun Lake Band has announced that it is moving forward with its plans for a resort casino facility in Wayland, Michigan with a ground breaking ceremony in the next few weeks. The tribe has undergone a lengthy battle to move forward with its casino. The tribe was federally recognized on August 23, 1999, and worked for eight years to negotiate a compact with the state of Michigan. In 2007, Governor Granholm and the tribe came to terms on a compact that will provide positive economic benefits to the state and local community. The Michigan House of Representatives concurred with the compact in August of 2007, but the Michigan Senate declined to take action until land was actually taken into trust. On January 30th, the U.S. government took the land into trust, after numerous lengthy court challenges filed by casino opponents. With land in trust, the Gun Lake Band was in a position to move forward with a Class II gaming facility, which would not have resulted in any revenue being shared with the state of Michigan. Additionally, under applicable federal law, states are required to negotiate Class III gaming compacts "in good faith". Thus, the Senate's action in concurring in the compact was necessary to assure that the state would receive any revenue from the inevitable casino.

The Gun Lake Band is working with the experienced Las Vegas casino company, Station Casinos, on the development project. The new casino is expected to create 1,800 new direct jobs, 3,100 indirect jobs, and to attract

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over 2.9 million tourists to West Michigan once the casino is open, according to a study commissioned by the Friends of Gun Lake Indians.

GREEKTOWN CASINO PERMANENT FACILITY OPENS

Yesterday, Greektown Casino opened its new 30 story, 400 room hotel and welcomed guests for the first time. The new hotel is offering special introductory rates as low as \$99 per night, and brings an influx of much needed new hotel rooms to the City of Detroit in time for the NCAA Final Four and other upcoming events. The new hotel is the last major step in the completion of Greektown's permanent casino complex, which now includes 100,000 square feet of gaming floor, 2,600 slot machines, a buffet, steakhouse, and other restaurants and lounges. Greektown recently added many new slot machines, and has brought in a new management consultant to work on enhancing relationships with its customers.

"We're really proud of this latest accomplishment here at Greektown Casino. Now we're ahead of schedule and under budget. We believe that this new property will help enhance not only Greektown Casino, but the city of Detroit as well," said Bill Williams, vice president of guest services. "We're thankful to all those involved in completing the hotel tower. And we would also like to thank the city inspectors for all of their cooperation in this process," he added.

The completion of the Greektown Casino permanent facility now means that Detroit is home to three complete casino resort hotel facilities, with a fourth just across the Detroit River in Windsor, Ontario. The availability of these additional hotel rooms should help the City further grow its convention and tourism business in the coming years.

Last year, The Detroit Metropolitan Convention & Visitors Bureau launched a very successful "Lets Meet in the D" campaign to encourage local companies to hold their conventions and seminars in the region.

UNRECOGNIZED BURT LAKE TRIBE EXPLORES CASINO IN STURGIS

On Wednesday night, the Sturgis City Commission voted unanimously to explore the possibility of a tribal casino in their town, which is near the Michigan/ Indiana border. The commission met with a developer, Jon Weaver of Vanguard Entertainment, LLC, together with tribal representatives from the Burt Lake Band of Ottawa and Chippewa Indians (Burt Lake Band).

The Burt Lake Band was denied federal recognition by the U.S. Department of Interior in 2006 and has been appealing this decision. The tribe also sought federal legislation granting it recognition and has indicated on its website that its traditional homelands are near Burt Lake, Michigan, 300 miles away from the City of Sturgis. If the tribe were to gain recognition, it would still need to seek to have land taken into trust in Sturgis by the Bureau of Indian Affairs (BIA) in order to allow an off reservation casino facility. Last year, the BIA issued off reservation guidance indicating that in considering proposed off reservation casinos, a key factor is whether the facility is located within a "commutable distance" from the tribe's reservation. If it is not, then a higher level of scrutiny is given to the application, with a focus on the potential negative impact on tribal life and greater weight is given to state and local community concerns.

GOVERNOR'S PROPOSED BUDGET ELIMINATES STATE SUPPLEMENTAL FINANCIAL SUPPORT FOR HORSE RACING INDUSTRY

Yesterday, State Budget Director Bob Emerson released the Administration's proposed 2010 budget which included a number of cuts and a proposed restructuring of state government. Importantly, the proposal suggests a dramatic change in funding for Michigan's struggling horse racing industry. It provides for the elimination of state supplemental financial support for the industry.

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The budget proposal “[r]ecommends that horse racing programs be completely self-supporting. In prior years, horse racing programs have been partially supported with casino licensing revenues. The Governor recommends that casino licensing revenues instead support State Police forensic laboratory operations.”

The stream of revenue from the casinos ends, for each casino, upon the opening of the permanent casino facilities. This was part of the extra level of temporary taxation that was placed on the casinos as an incentive to get the projects completed. The budget is also not clear on what casino revenues will be diverted to the State Police forensic laboratory. Under the Gaming Control and Revenue Act, wagering tax funds are to be placed in the state school aid fund to provide educational funding.

In addition to temporary tax payments from the casino industry into the Agricultural Equine Fund, the horse racing industry has, in the past, received other state funds to support the industry. Under the Governor’s proposal, it is not entirely clear where funding for the industry would come from, other than from the Agricultural Equine Fund, which is funded by racing taxes and used to pay many expenses, fund breeders’ awards, and supplement the purse pools to keep the industry competitive.

MICHIGAN GAMING CONTROL BOARD RELEASES 2008 ANNUAL REPORT

On Wednesday of this week, the Michigan Gaming Control Board (MGCB) issued its 2008 Annual Report. The report provides a broad overview of the various activities of the Board and its staff. Some of the highlights of the activities of the state agency include:

- In calendar year 2008 the Board approved 257 applications from individuals requesting inclusion on the Disassociated Persons List. Since its inception in 2000, the Board has placed 2057 individuals on the self-exclusion list.
- In 2008 the Records Section processed and digitalized 429,446 records. Most of these

records were license applications and confidential investigations.

- The Enforcement Division maintains a presence in each of the casinos 24/7.
- The Audit Section completed fieldwork for nine (9) of the twelve (12) planned compliance audits at each of the three Detroit casinos. Auditors also ensure that the daily gaming taxes are paid by the casinos for every day the casinos are in operation.
- The Gaming Lab resolved 2,621 gaming device submissions and processed 95 casino internal control change requests. The Lab also assisted Michigan State Police, Michigan Liquor Control Commission and local law enforcement with multiple cases involving unlicensed gaming operations and potentially illegal games.
- The Regulation and Compliance Section investigated and resolved 62 patron complaints, reviewed and approved 15 new rules for games, investigated 27 manufacturer notifications and participated in 13 formal disciplinary proceedings, which resulted in fines from \$100 to \$30,000.

JACK RIGGS PASSES AWAY AT 79

Last Friday, Jack Riggs, the longtime voice of horse racing in Michigan, died at the age of 79. Mr. Riggs served as the Track Announcer at Hazel Park Raceway for 46 years, while also calling races at Northville Downs and the now-closed Detroit Race Course. He was part of the first television broadcast from a Michigan racetrack in the 1950’s and later worked on the nightly racing replay show that was broadcast from Hazel Park and Northville. During Mr. Riggs’ career, which spanned more than 50 years, he called races in seven different states and in Canada, and appeared on such national networks as NBC, CBS, and on ABC’s Wide World of Sports. Mr. Riggs is believed to have called more races during his career than any other announcer in history.

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Mr. Riggs spent the majority of his career in metro Detroit, and is an honorary lifetime member of the Detroit Sports Broadcasters Association. He was also honored with the Michigan Harness Horseman's Association Appreciation Award for his years of dedication to racing in the State of Michigan.

A memorial service in honor of Mr. Riggs will be held at St. Mark's Episcopal Church in Venice, Florida on March 27 at 11 a.m. In lieu of flowers, memorials may be made to the Detroit Sports Broadcasters Association Grant Fund, P.O. Box 1222, Warren, Mich. 48090 or the American Heart Association.

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JANUARY 2009

On Wednesday, the Michigan Gaming Control Board (MGCB) released the January, 2009 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, revenue was down 5.83 percent from the same reporting period last year. Specifically, revenue for MGM Grand, MotorCity Casino and Greektown casinos were down by 1.88%, 6.46%, and 11.63% respectively, in comparison to the same month last year.

Month in 2009	Total Adjusted Revenue 2009		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
January	\$45,760,680.80	\$36,824,138.17	\$24,331,489.11

The figures do not include: 1) the State of Michigan share of the wagering tax; 2) the 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.

For Greektown Casino, the State of Michigan's share of the wagering tax is 12.1% and the City of Detroit's share is 11.9%, for a total tax of 24%. This 24% tax historically applied to all three Detroit casinos.

MGM Grand Detroit and MotorCity Casino received a tax base reduction certification as a result of their facilities being declared "fully operational" by the MGCB. These properties are now subject to a wagering tax of 19%, with a 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.

Although casino revenue was down slightly last month, the Detroit market continues to be strong in relative comparison to other markets. Collectively, the Detroit casino revenues were down only 5.83 percent in January. In comparison, Atlantic City casinos saw a revenue decline of 9 percent, according to the New Jersey Casino Control Commission. Similarly, Las Vegas saw a decline of 23 percent in December, 2008 (most recent reported month).