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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN TRIBAL CASINOS CONTINUE TO OPEN

As previously reported in [The Michigan Gaming Newsletter Volume 26, Issue 21](#), Island Casino Resort, Odawa Casino Mackinaw and Odawa Casino Petoskey have already re-opened with safety measures implemented to keep guests and employees safe. There are now an additional 8 tribal casinos that have announced their openings, including casinos operated by Grand Traverse Band of Ottawa and Chippewa Indians ("Grand Traverse Band"), Gun Lake Tribe ("Gun Lake"), Little River Band of Ottawa Indians ("Little River"), Nottawaseppi Huron Band of Potawatomi ("Potawatomi"), and the Saginaw Chippewa Indian Tribe ("Saginaw Chippewa"). They are as follows:

- Leelanau Sands Casino and Turtle Creek Casino & Hotel, both operated by the Grand Traverse Band, opening May 29;
- Soaring Eagle Casino, Soaring Eagles Landing Casino, and Soaring Eagle Slot Palace Casino, all operated by the Saginaw Chippewa, opening to select guests May 29 and to the public on June 1;
- FireKeepers Casino, operated by the Potawatomi, opening June 1;
- Little River Casino, operated by Little River, opening June 1; and
- Gun Lake Casino, operated by Gun Lake, opening June 8;

As with the three casinos that had previously announced openings or have opened, all of the tribal casinos have implemented safety measures such as temperature checks for guests and employees, requirements for face masks, increased spacing between slot machines and gaming positions, and enhanced cleaning plans.

Several of the casinos released statements in connection with their reopening announcements. Potawatomi Tribal Council chairperson Jamie Stuck noted: "We believe the state's efforts to flatten the curve are working and have worked. We have positioned ourselves to safely open and welcome our guests'

return. COVID-19 has impacted all aspects of everyday life and, as such, the casinos will operate under a 'new normal.' Gun Lake Casino CEO Sal Semola said: "We are excited to welcome our guests and team members back to Gun Lake Casino. In preparation for our re-opening we have worked conscientiously to put extra safeguards and measures in place to ensure your continued health and safety. The result of these efforts is the [Play It Safe initiative](#)."

In an interview on the Michigan Big Show on Spotlight Radio hosted by Michael Patrick Shields, Jim Wise, VP of Marketing for Firekeepers Casino outlined the planned safety measures, including masks, a ban on smoking, controlling the number of entrances, and limited gaming. "We are trying to start in a staged format. . . . We are going to start at our most restrictive stage, and move from there as we monitor how things are going, so you are going to have to wear that. . . . If you can't wear one for a medical reason we apologize. Standby, there will be future stages where we will be able to let you in."

Unlike tribal casinos, Michigan's commercial casinos are under the jurisdiction of the Michigan Gaming Control Board and Governor Whitmer's stay at home order that runs through June 12 and have not announced any projected opening dates.

GAMING IN CRISIS: THE PATH BACK WEBINAR SERIES CONTINUES WITH DESIGN CHANGES: WHAT WILL A CASINO RESORT LOOK LIKE IN THE WAKE OF COVID-19

A panel of three experts discussed how casinos and resorts will likely require redesign to address ongoing concerns relating to COVID-19 and what elements the resorts might introduce. The panel discussion occurred as part of the ongoing CasinoWebinar.com "Gaming in Crisis: the Path Back" series that is being presented by RMC, The Innovation Group ("TIG"), and Global Gaming Business Magazine ("GGB"). The entire series of webinars is available for free at

www.casinowebinar.com. Michael Soll, President of TIG moderated the panel which included Frank Freedman, COO of Four Winds Casino; Nathan Peak, AIA, Principal/Partner and Design Director at HBG Design; and Robert Gdowski, Principal/Director of Hospitality Design, JCJ Architecture.

Frank Freedman led off the discussion, offering the perspective of management of a casino and resort. He outlined the prevention measures that the Four Winds Casinos will implement upon reopening, including temperature screening, social distancing floor markers, required masks for guests and employees, no smoking indoors, and touchless menus using QR codes and disposable single-use menus for food and beverage services, and plexiglass in certain areas. He noted that they are striving to implement the safety measures in the least intrusive manner. Mr. Freedman explained the tentative reopening plan, including coordination with Pokagon Health Team and Tribal Police, daily meetings to discuss updates/changes, staffing recall procedures, updating departmental standard operating procedures, updating safety and sanitation plan documents for both employees and guests, employee communication, guest communication/engagement, and utilizing data analysis to aid in decision-making process. Mr. Freedman noted that being in two different states has posed some problems being in both Indiana and Michigan in terms of having to monitor states in different stages of recovery.

He outlined that all restaurants and entertainment venues will have reduced seating reduced offerings, and they will be working through rescheduling and cancellations. Mr. Freedman noted that there are new supply chain challenges relating to food product availability. While menu offerings may be limited initially, the quality will not be affected by the quantity of options. Mr. Freedman also provided a capital outlook, noting that long-term capital projects may be put on hold, that the buffet restaurants will have to be reimagined, and that there may be a permanent shift to keyless room entry, hotel check-in kiosks, online check-in and a move to touchless beverage stations.

Nathan Peak followed Mr. Freedman's comments about the importance to transform hospitality design. In this particular period, it's extremely open to have a collaborative, open and continuous feedback between designers and venues. There is a recognition that cash reserves are low, and design has to be approached from a "less is more" perspective. Design has to find a careful balance between escape and entertainment and safety. He noted that sanitation measures will be much more upfront and transparent for guest reassurance—the optics to the guest will be important.

Mr. Peak noted they will strive to achieve separation of spaces while maintaining a sense of connectivity and openness. Future projects will utilize anti-microbial, non-porous and easily cleaned materials, and will weave design and facility planning principles with emerging technologies. With respect to food and beverage venues, the goal is to design in strategic separation so that guests perceive intimation instead of separation. There will ongoing challenges with buffets, bars and lounges. With respect to the guest rooms, they will have to rethink material selections, with the elimination of most soft goods and the integration of technology to change service touchpoints to touchless.

He offered some examples of design ideas, that include larger communal lounge seating to accommodate social distancing, having Yin-Yang booths with divider panels, utilizing private and semi-private lounge areas, private dining rooms, screens between tables, tall planters and table planters in between bar seats. With respect to the food and beverage, venues could utilize phone apps to order food, and use touchless door openers, touchless faucets and touchless water closets.

Robert Gdowski rounded out the panel, noting that the attitude needs to be that this is not a recovery but rather an opportunity to reset back to the core values of the guest experience and to purge the layers of noise that have collected over time. It begins with a focus on the highest and best use of available space. Venues should seek

to remove the nonessential layers of "design" that have accumulated. We should play the long game by focusing on initiatives such as sustainability/wellness, utilizing natural light and flexibility/adaptability of space to create meaningful realities. People have become much more acutely aware over the last few months of the importance of health and wellness and the resorts should reflect this importance, noting that connectiveness to nature is a primary focus. Spaces should be designed to allow people to be alone, but together. Touchless touchpoints will become the baseline moving forward.

The first webinar, entitled "Beyond CARES: How the Relief Bill Helps the Industry and Employees and Where it May Fall Short," was moderated by Robert Russell, Gaming Analyst at Regulatory Management Counselors, P.C. and featured perspectives from casino operations, the financial market and impacts, and human resources, including Matt Sodi, Anthony Sanfilippo and Jennifer Martinez offering their thoughts and commentary. A summary of the webinar was previously reported in [Volume 26, Issue 16 of the Michigan Gaming Newsletter](#). The second webinar, entitled "Taking Care of Business: Difficult Decisions Ahead," was moderated by Michael Soll, President of The Innovation Group, featured comments by Ellen Whittemore, Executive VP & General Counsel of Wynn Resorts, Bobby Soper, President & CEO of Sun Gaming & Hospitality and Josh Swissman, former CMO for Stations Casinos, currently Founder of The Strategic Organization. A summary of the webinar was previously reported in [Volume 26, Issue 17 of the Michigan Gaming Newsletter](#). The third, entitled "Tribal Troubles: How Indian Gaming Will Rebound," was moderated by Roger Gros, publisher of Global Gaming Business Magazine, and featured insights from John J. James, former President and CEO of Foxwoods Resort Casino, Ray Pineault, President and General Manager of Mohegan Sun, and Matthew Wesaw, Tribal Council Chairman, Pokagon Band of Potawatomi Indians. A detailed summary of the webinar was previously reported in [Volume 26, Issue 19 of the Michigan Gaming Newsletter](#).

All previous webinars were recorded and are available at www.casinowebinar.com, along with information regarding upcoming webinars and registration details. The next webinar is scheduled for Thursday, June 11, 2020 at 2:00 p.m. EST and will be entitled **Reopening Realities: Cautious Celebration & Planning for the Future**. Now that American casinos have started to reopen or have dates for reopening, it's time to get a reality check. While some local and tribal casinos have experienced great business and long lines, questions still remain about the long-term recovery and the related tourism amenities that often drive a casino resort. At this session, operators who have already reopened explain how they prepared and what they experienced, along with how they plan to retain and build new business going forward. Interested persons can register for the webinar at www.casinowebinar.com.

DOJ FILES RESPONSE BRIEF IN ONGOING WIRE ACT CASE

While the COVID-19 crisis has pushed it to the back of mind, the lawsuit between the Department of Justice ("DOJ"), the New Hampshire Lottery and their primary vendor NeoPollard has continued to inch forward. While the DOJ's response brief was previously due by April 22, the court provided an extension and the DOJ filed its brief late last week. As a brief recap, the DOJ issued a new interpretation of the Wire Act in late 2018, revoking its prior determination that the Wire Act only applied to sports wagering and opining that it applied to all forms of online wagering, including potential iLottery. As a result, New Hampshire filed a lawsuit seeking declaratory relief that the opinion should be reversed or set aside. The District Court judge agreed, entering summary judgment in favor of New Hampshire and setting aside the opinion, with the DOJ appealing to the 1st Circuit Court of Appeals.

In its most recent filing, the DOJ echoed much of its previous arguments, focusing more on legal procedure than on the substance of the Wire Act language. The DOJ's primary argument continues

to be that since there has been no enforcement action taken against the New Hampshire Lottery, any challenge to the opinion is premature and not ripe for adjudication. It also argued that the opinion was not "final action" by the DOJ and therefore judicial review is not permitted under the Administrative Procedures Act. The brief also outlined the grammatical construction argument that the Wire Act applies to all forms of online gambling and not simply sports wagering.

With briefing now complete, the 1st Circuit will likely schedule oral arguments sometime this summer.

ILLINOIS LEGISLATURE PASSES AMENDMENTS TO GAMING BILL LOWERING CHICAGO TAX RATE

On May 23, 2020, shortly before adjournment, the Illinois Legislature passed amendments to the Illinois Gambling Act, Sports Wagering Act and Video Gaming Act providing a variety of tax restructures. Governor Pritzker is expected to sign the legislation into law.

Perhaps the most visible change is the reduction for the gaming privilege tax rate for a Chicago casino. Previously, in addition to the state tax, a Chicago casino would have to pay a 33.3% privilege tax to the city. Under the revised legislation, the city tax is graduated, beginning at 6.9% for the first \$25 million in revenue and rising to a cap of 16.1% for revenue exceeding \$375 million for table games and beginning at 10.5% for the first \$25 million and rising to a cap of 34.7% for revenue exceeding \$1,000,000,000 for all other games.

Among other changes, the bill also permits the casinos to delay the payment date for purchasing additional gaming positions and for a master sports wagering license fee from July 1, 2020 to July 1, 2021. Finally, the Illinois Gaming Control Board is now permitted to rebid casino licenses if there are no applications pending for six cities or townships (Chicago, Danville, Waukegan, any township in Cook County, Rockford and Williamson County adjacent to Big Muddy River).

REPRESENTATIVE BRANDT IDEN RECEIVES GOLDEN EAGLE AWARD

Gambling.com awarded Michigan Representative Brandt Iden a Golden Eagle Award which recognizes exceptional leaders and innovators. Commenting on his receipt of the award, Representative Iden stated:

“It is truly a fantastic honor to be the recipient of this year’s honorary Golden Eagle Award and have Michigan’s iGaming policy recognized by Gambling.com. I would like to thank my staff, colleagues, the Governor of our great state of Michigan and the industry advocates who spent thousands of hours and over four years of hard work helping me to make this policy a reality.”

In an interview posted on the Gambling.com website and Youtube <https://www.youtube.com/watch?v=ve28RLx39wA#action=share>, Representative Iden gave advice to other policy makers.

“In the era of the pandemic and of COVID, my colleagues need to be looking at new revenue sources, and I recognize that sports betting part of that and is taking shape across the country, . . . but it is not just about sports betting but it is also about regulated online casino gaming as well. . . . It is also about making sure that it is regulated to protect consumers. We need to protect folks that are already playing ... All of our state budgets are going to be hurting and we need new revenue opportunities and this one is one that I believe is easy to capitalize on.”

Representative Iden noted that the effort to get online gaming in Michigan was over a four year effort with many twists and turns including getting bills passed on a bipartisan basis in 2018, only to have the Governor veto them. He noted that he learned lessons from this and ultimately the process likely resulted in better legislation. “What I always come back to, the driving force for this four years ago is that I am a

player myself. I’m a gambler inherently. . . . But I just enjoy it and I think it should be regulated, I think people should have the opportunity to play, and play safely.”

In closing remarks, Representative Iden noted that Michigan will likely be a model for other places to follow. “Michigan is really a leader out there. Whether it is working with these tribal entities, the commercial entities, whether it is the tax rate, we have set great public policy and it is an honor to be recognized.”

MGCB PUBLIC MEETING SCHEDULED FOR MONDAY, JUNE 8

The Michigan Gaming Control Board will hold a regular public meeting on Monday, June 8, 2020. The meeting will begin at 9:30 AM with the staff briefing, followed immediately by the regular agenda items. April’s meeting will consider recommendations for occupational licenses, supplier application and renewal requests, transfers of interest, violations of occupational licensees, and proposals for decision of occupational licensees. The meeting will be conducted in accordance with Gov. Gretchen Whitmer’s and the Michigan Department of Health and Human Services’ recommendations designed to help prevent the spread of Coronavirus Disease 2019 (COVID-19). Executive Order 2020-75 declares public bodies subject to the Open Meetings Act may use telephone or video conferencing technology to meet and conduct business.

The meeting will be accessible online for the first time using the Microsoft Teams platform. The meeting can be accessed at this [link](#). The meeting is open to the public, and questions, comments, and suggestions from the public regarding MGCB business, licensing regulation, and conduct of casino gaming in Detroit are welcomed and encouraged during the public comment portion of the meeting. Given the unique nature of the format of the meeting, the MGCB requests that parties wanting to address the MGCB fill out this [form](#) to MGCBweb@michigan.gov by 9:30 a.m. Monday, June 8. The MGCB will release the

the agenda in advance of the meeting and it will be reported in The Michigan Gaming Newsletter at that time.