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The _____ MICHIGAN GAMING _____ Newsletter



Gun Lake Celebrates Expansion with Grand Opening Celebration

On September 17, Gun Lake Casino celebrated the completion of its recent \$100 million expansion with a grand opening celebration. The Gun Lake Tribal Council and casino executives attended a ribbon cutting ceremony earlier this morning.

The expansion includes 72,000 square feet of space, including additional gaming space, seating for live concerts and sporting events, a new outdoor fire-lit entertainment area, and three new restaurants: SHKODE Chophouse, Craft Bar Kitchen (CBK), and 131 Sportsbar & Lounge.

“This expansion reinforces Gun Lake Casino’s position as a premier entertainment and gaming destination in the Midwest. Each of these new venues blends the highest quality of dining with a unique entertainment experience that will resonate deeply with each guest,” said Sal Semola, president and chief operating officer of Gun Lake Casino. “We are very grateful of the Gun Lake Tribe’s continued commitment to the property and the team members that make Gun Lake Casino a true standard of excellence in service, hospitality and entertainment.”

The SHKODE Chophouse, the Pottawatomi word for fire, will offer locally-sourced ingredients, while the new CBK will offer over 100 beer options and farm-to-table dining. The 131 Sportsbar and Lounge will experience floor to ceiling video walls and 180 degree views while being able to place their favorite sports wagers.

The grand opening of the new facilities will be followed with promotions and several performances from musicians, aerialists, and cirque-style performers on the nights of September 17 and September 18.

“As a Tribal Citizen and a member of this community, I am proud to watch the growth of Gun Lake Casino,” said Gun Lake Tribe Chairman Bob Peters. “With each new amenity and expansion, we increase our ability to contribute to the wellbeing of the community and our Tribal Citizens.”

Detroit Casinos Reported \$113.82 Million in August Aggregate Revenue

According to a [press release](#) issued by the Michigan Gaming Control Board the three Detroit casinos reported \$113.82 million in monthly aggregate revenue in July. Table games and slots generated \$112.17 million in revenue, and retail sports betting produced \$1.65 million in revenue.

The August market shares were:

- MGM, 47 percent
- MotorCity, 32 percent
- Greektown, 21 percent

During August, table games and slot revenue was 61.7% higher than August 2020 revenue. The casinos reopened early August 2020 at 15 percent capacity following a 4 ½ month closure due to Covid-19 health concerns.

Year to date gaming revenue for table games and slots for the three Detroit casinos rose 126 percent compared with the first eight months of 2020.

Gaming revenue by casino in August was:

- MGM, \$52.24 million, 82.4 percent increase from August 2020
- MotorCity, \$36.52 million, 45.9 percent increase from August 2020
- Greektown, \$23.41 million, 49.2 percent increase from August 2020

The three Detroit casinos paid \$9.1 million in gaming taxes to the State of Michigan in August 2021 compared to \$5.6 million in August 2020.

The casinos also reported submitting \$13.8 million in wagering taxes and development agreement payments to the City of Detroit in August.

The Detroit casinos reported a total gross sports betting receipts of \$1,648,581, and total handle was \$16,288,170. Retail sports betting qualified adjusted gross receipts (QAGR) for August fell 16.5 percent compared with the same month last year. QAGR was up 36.2 percent compared with July 2021. For the month of August 2021 QAGR's, MGM led the way with \$851,920, followed by Greektown with \$565,432 and MotorCity with \$232,675.

The State of Michigan received \$62,371 in retail sports betting taxes from all three Detroit casinos. The City of Detroit received \$76,231 in retail sports betting from the three Detroit casinos.

For the month of July, fantasy contest operators reported total adjusted revenues of \$1,124,275 million and paid \$94,439 in taxes. Through July 31, fantasy contest operators reported total aggregate adjusted revenues of \$9.4 million and paid \$792,242 in taxes.

Michigan Operators Report \$113.1 Million in August Gross Internet Gaming and Sports Betting Receipts

According to a [press release](#), Michigan internet gaming operators reported \$97.2 million in internet gaming gross receipts for August, producing the highest monthly total since the January launch by surpassing March's \$95.1 million total. Internet sports betting operators received \$15.9 million in total gross sport betting receipts and reported a total handle of \$192.3 million for the month for a 2.3 percent increase from July results.

Taxes and payments are based on adjusted gross receipts, which were \$87.6 million for internet gaming and \$7.5 million for internet sports betting during August. The operators delivered more than \$18.4 million in taxes and payments to

the State of Michigan for July, with internet gaming contributing \$17.9 million and internet sports betting contributing \$540,706.

During August, internet gaming adjusted gross receipts increased 5.4% month-over-month.

For internet gaming, the state receives 70% of the total tax from the commercial operators and 80% of the total payment from tribal operators. The tax and payment rate ranges from 20% to 28% based on yearly adjusted gross receipts.

For internet sports betting, commercial operators pay 70% of the 8.4% tax to the state and 30% to the city of Detroit. Tribal operators make an 8.4% payment on adjusted gross receipts to the State of Michigan.

The three Detroit Casinos – MotorCity Casino, MGM Grand Detroit, and Greektown Casino – reported city wagering taxes and municipal service fees of \$5.1 million for:

- Internet gaming taxes and fees: \$4.9 million
- Internet sports betting taxes and fees: \$216,699

Tribal operators reported making total payments of \$2 million of wagering payment to the tribes' governing bodies according to the MGCB.

From the Jan. 22 launch through August 31, aggregate internet gaming adjusted gross receipts totaled \$606.3 million and aggregate internet sports betting adjusted gross sports betting receipts were \$60.5 million.

In August, DraftKings overtook FanDuel with the highest total handle for sports wagering of any platform provider.

An online gaming and sports betting revenue distribution [table](#) is available on the agency's website.

During August, 14 operators were authorized for one or both forms of online wagering. Details for each operator's internet gaming and internet

sports betting results are available in [tables](#) published on the MGCB website.

City of Detroit Estimates Increasing Revenue in FY2022-2026

According to a [press release](#) issued September 15, the City of Detroit held its biannual Revenue Estimating Conference to update the Detroit Economic Outlook for 2020-2026. Utilizing the Detroit Economic Outlook, a report composed by the City of Detroit University Economic Analysis Partnership, the City discussed the outlook for 2020 through 2026. The report indicated that that the recovery from COVID-19 relating to employment is exceeding expectations. At the conference, the City approved revised economic and revenue forecasts for the remainder of FY2022 as well as FY2023 to FY2026.

“As we implement our plan to invest federal pandemic recovery funds to bolster Detroit’s future and as we maintain financial responsibility for our budget,” said City of Detroit Chief Financial Officer Jay Rising, “the City will strengthen its structurally balanced four-year financial plan.”

With the two previous fiscal years marked by pandemic-driven revenue losses, the City’s revenue outlook is improving. Despite the expected continuation of the reduction of city income tax revenue, as nonresidents continue to work remotely, revenue is expected to increase as a result of the introduction of internet gaming and sports betting taxes. While the effects of the pandemic continue to pose a threat to the economic recovery of Detroit, the City remains committed to attracting new residents with good-paying jobs.

Estimated FY2022 General Fund revenues were reported at \$1.106 billion for the current fiscal year ending June 30. This amount reflects an increase of nearly 11.2% (\$111 million) from the

previous estimate, but only 1.0% from pre-pandemic estimates.

Estimated FY2023 General Fund revenues, which begin July 1, 2022, are projected at \$1.118 billion, up 1.1% (\$11.7 million) from the revised FY2022 estimates. Consistent with this year-over-year growth, conservative General Fund revenue forecasts for FY2024 through FY2026 reflect continued growth of approximately 1.3% each year.

The revenue estimates presented at the conference will serve as the benchmark for the City's FY2023 budget and its upcoming FY2023-FY2026 Four-Year Financial Plan. As state law requires, the City will hold another revenue conference in February 2022 to approve revised revenue estimates.

You can view past Revenue Estimating Conference reports for the City of Detroit [here](#) and the September 2021 Revenue Conference presentation [here](#).