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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MARCH 2008

The Michigan Gaming Control Board (MGCB) has recently released the March, 2008 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

Month in 2008	Total Adjusted Revenue 2008		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
January	\$46,637,248.81	\$39,366,692.84	\$27,534,937.58
February	\$47,021,788.41	\$38,326,971.88	\$26,999,351.20
March	\$50,217,833.17	\$41,307,354.29	\$32,230,050.35
Total	\$143,876,870.39	\$119,001,019.01	\$86,767,339.13

The figures released by the MGCB are the gross receipts less winnings paid to wagerers. 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 has historically applied to all three Detroit casinos.

MGM Grand Detroit and MotorCity Casino have 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.

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MGM GRAND DETROIT ENDS EMPLOYEE LAYOFFS

Last week, MGM Grand Detroit announced that it was concluding its employee layoffs which began last month.

The *Detroit Free Press* reported that casino officials declined to state the exact number of employees laid off, though casino officials have confirmed that the number was less than 100.

After opening its permanent facilities in October 2007, MGM Detroit hired over 1,000 additional workers. The recent layoffs, which were described as a “fine-tuning” of staffing levels to meet business volumes, were comprised of both salaried and hourly workers, most of which were hired during the past six months. Most of the layoffs were limited to food and beverage operations and hotel staff, while casino operations were largely untouched. The casino still employs almost 3,000 workers.

According to the *Las Vegas Review Journal*, layoffs are reportedly due to a corporate “belt-tightening” effort by MGM Grand Detroit’s parent company MGM MIRAGE, the Las Vegas Strip’s largest casino operator. According to MGM MIRAGE President and COO Jim Murren, the nationwide reduction of an estimated 440 employees is part of an overall process which will save MGM MIRAGE about \$75 million annually. MGM MIRAGE employs approximately 66,000 workers nation wide.

According to news reports, salaried workers will receive severance packages as well as additional funds for health care, based on tenure.

MICHIGAN TOURISM UPDATE

On Monday, a report issued by Michigan State University researchers concluded that Michigan’s tourism industry is expected to decline throughout 2008. Estimates show that the number of travelers to Michigan is likely to drop by 2% this year, coupled with an estimated 3 to 4% increase in travel prices.

According to economist and assistant professor at

Michigan State University, Robert Richardson, it “... is possibly the most pessimistic outlook since the late 1970s.”

On April 16, 2008, Michigan Legislature approved a set of bills which makes more money available to promote business and tourism in the state. The set of bills provide \$60 million for business and tourism over the next two years. Appropriations will be funded from the 21st Century Jobs Trust Fund by refinancing bonds previously issued by the Tobacco Settlement Finance Authority.

OFFICE OF RACING COMMISSIONER: 2007 ANNUAL REPORT

On Tuesday, Michigan’s Office of Racing Commissioner (ORC) released its 2007 Annual Report. Among other items, the 35-page report includes comments from Racing Commissioner Christine White, a summary of 2007 revenues, a history of Michigan’s pari-mutuel horse racing, and summaries of each of Michigan’s race tracks.

According to the report, Michigan’s race tracks showed a combined 1,935 days of live and simulcast pari-mutuel racing in 2007. An estimated one million fans came to the tracks last year and wagered \$265 million in revenue, generating more than \$8.4 million in state tax revenue.

In addition, the ORC licensed approximately 4,500 individuals, of which 3,500 permanently reside in Michigan. To read the full annual report, visit the ORC’s website at <http://www.michigan.gov/horseracing>.

NATIONAL INDIAN GAMING ASSOCIATION TO HOST “INDIAN GAMING ‘08”

The National Indian Gaming Association (NIGA) is scheduled to host its 17th annual “Indian Gaming ‘08” meeting and trade show in San Diego, California from April 20-23. The four-day event will bring together thousands of American tribal and industry leaders from all

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across the nation.

According to NIGA Chairman Ernie Stevens, Jr., “[s]ince the passage of the Indian Gaming Regulatory Act 20 years ago, Indian gaming has grown to a more than \$26 billion annual industry. NIGA brings together over \$26 billion in purchasing power under one roof.”

The event will include special events such as a golf tournament, musical entertainment and complementary Native American and Alaska Native food samplings.

In addition, the event will also feature a celebrity appearance by famed wrestler, actor and media personality Hulk Hogan. Host of NBC’s “*American Gladiators*,” Hogan is scheduled to announce a new “DREAMSEEKERS” partnership with NIGA in an effort to raise money for American Indian groups, specifically focusing on efforts to improve healthcare and educational opportunities. Future funding for the project will come from the national launch of “The Hulkamania Experience,” a game designed for Native American Casinos by I.D. Interactive.

The NIGA is a non-profit trade association comprised of 184 American Indian Nations. For more information about the National Indian Gaming Association or “Indian Gaming ‘08” feel free to visit www.indiangaming.org.