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The MICHIGAN GAMING Newsletter



MGM GRAND DETROIT CASINO UNVEILED ON OCTOBER 2, 2007

At 12:01 a.m. on Wednesday, October 3rd, 2007 the MGM Grand Detroit Casino is scheduled to open its \$800 million hotel and entertainment destination in Detroit, Michigan to the Midwest gaming market. The opening of the permanent casino comes eight years after MGM Grand Detroit opened its temporary casino, which closed its doors Sunday in advance of the grand opening of the permanent facility. MGM Grand Detroit will be one of three permanent casinos to operate in the City of Detroit once the MotorCity Casino and Greektown Casino permanent complexes open later this year, and next year, respectively.

At 11:00 a.m. this morning, MGM Grand Detroit Casino held its grand opening press conference. Jim Murren, President, COO, MGM Mirage, which is the parent company of MGM Grand Detroit Casino, stated that his company has created 3,000 permanent jobs, invested \$800 million into its permanent casino and previously spent \$200 million on its temporary casino for a total capital investment of over \$1 billion in Detroit. He stated that it has been his company's goal to broaden the awareness of Detroit to the people of Cleveland, Chicago, and across the Midwest and East Coast. He thanked the thousands of construction workers, hundreds of businesses that worked on the construction of the MGM Grand Detroit, and the dedicated MGM Grand Team Members for bringing the permanent complex to fruition.

Following the opening remarks made by Mr. Murren, U.S. Congressman from the 14th District, John Conyers, Jr., addressed the press conference attendees and commended MGM Grand Detroit for embracing non-gaming amenities in the design of the new MGM Grand Detroit.

Wayne County Chief Executive Officer, Robert A. Ficano, reminded the attendees that the efforts of former Detroit Mayor Coleman Young need to be remembered as MGM Grand Detroit unveils its new permanent casino complex. County Executive Ficano also personally thanked MGM Mirage for its significant financial

commitment to the project and for building a first class facility in the City of Detroit.

Detroit Mayor Kwame Kilpatrick echoed County Executive Ficano's comments concerning former Mayor Coleman Young's vision, and added that former Detroit Mayor Dennis Archer's dedication to the casino selection process also needed to be acknowledged as the opening of the permanent MGM Grand Detroit is celebrated. The Mayor thanked the MGM executives for their investment of \$800 million into its permanent casino. He noted that MGM's capital commitment was well above what the City and MGM originally agreed to in its casino development agreement. Mayor Kilpatrick stated that the new MGM Grand is the "icing on the cake and the cherry on top."

At the conclusion of the press conference, MGM Grand Detroit's President, George Boyer, addressed the audience and received a very supportive round of applause. Mr. Boyer noted that the opening of the new MGM Grand Detroit is "introducing a new Detroit." He thanked his 3,000 employees, local investment partners, and parent company executives for providing the financial commitment to build the new MGM Grand Detroit. Mr. Boyer stated that "it has been a 20-year adventure, but the opening of the MGM Grand Detroit illustrates that there can be a 'one Detroit, one Michigan and one community,' and we can put aside our differences and build something great."

In a press release, Mr. Boyer further stated, "[w]ith the opening of MGM Grand Detroit, we're proud to introduce a new level of amenities and offerings to the Midwest. The destination will be a draw for many audiences from the business traveler and international visitor, to regional guests and our community with a location that is convenient during the week, and both exciting and accessible for weekend getaways."

Some of the key features of the new MGM Grand Detroit include: 400 guest rooms, including nine rooftop VIP suites and 56 corner suites; 30,000 square feet meeting and event center; five full scale restaurants including the first Wolfgang Puck sponsored restaurant in Michigan; five diverse and unique lounges and bars; over 90 table games, 4,500 slots and video poker machines, and a poker room. MGM's permanent casino has 25,000 additional square feet of casino floor space than the temporary facility was permitted to have, bringing the total at the new casino to 100,000 square feet. According to statements from the company, MGM's goal is to be a five-star luxury hotel with a gaming portion, not a casino hotel.

Persons interested in learning more about the new MGM Grand Detroit can visit: www.mgmgranddetroit.com

MICHIGAN LEGISLATURE REACHES BUDGET DEAL

At approximately 4:00 a.m. Monday morning, the Michigan Legislature and Governor Jennifer Granholm reached a state budget agreement for Fiscal Year (FY) 2008. The terms of the deal will address most of the anticipated FY 2008 budget deficit of \$1.75 billion, and ended a partial state government shutdown, which lasted a little more than four hours.

The budget deal was reached through a combination of tax increases, \$440 million worth of spending cuts, and structural reforms of public school teacher and public employee benefit arrangements. The Legislature agreed to raise Michigan's income tax from 3.9% to 4.35%, and expand the 6% sales tax to certain services, including ski tickets, consulting services, commercial landscaping and janitorial services, among others. These tax increases are expected to raise an additional \$765 million and \$614 million in revenue, respectively, for the remainder of the fiscal year.

The tax increase proposals, which have been the subject of intense debate, narrowly passed each chamber of the Legislature. The income tax measure passing the Democratically-controlled House of Representatives by a vote of 57-52, while the income tax hike and services tax measure were respectively split 19-19 in the Republican-controlled Senate, with Lieutenant Governor John Cherry casting the tie-breaking vote in favor of each proposal.