

July 27, 2012

Volume 18, Issue 23

For more information on Michigan's gaming industry, please visit www.michigangaming.com

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 and Associate Editor

Dustin M. Ford

Phone: 517.999.5414

dford@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

A publication of

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



OPPOSITION GROUP FILES LAWSUIT AGAINST GAMING BALLOT INITIATIVE

On Wednesday, July 25, 2012, the group Protect MI Vote filed a lawsuit in the Michigan Court of Appeals alleging that the ballot proposal submitted by Citizens for More Michigan Jobs (“CMMJ”) is unconstitutional and should not be placed on the November 2012 ballot. The proposal seeks to authorize the operation of eight additional commercial casinos throughout the state.

The lawsuit follows the CMMJ’s submission of signatures to the State Board of Canvassers in support of the ballot proposal. Protect MI Vote asserts that the proposal language violates Michigan law by seeking to directly amend voter-initiated legislation as well as to amend the state constitution. In a press release on the matter, Protect MI Vote has taken the position that the petition must be submitted as two separate questions, one that amends the state constitution to allow for expanded gaming activity and one that amends the Michigan Gaming Control and Revenue Act (“Act”), in order to be constitutional. Furthermore, Protect MI Vote has argued that the proposed amendments to the Act do not meet the proper technical requirements to be placed on the November 2012 ballot.

In response, CMMJ has contended that the proposal was carefully drafted to comply with all ballot initiative requirements under Michigan law.

PROPOSED LANSING CASINO PROPONENTS EXTEND LAND DEAL DEADLINE

On Wednesday, July 25, 2012, the Sault Ste. Marie Tribe of Chippewa Indians (“Tribe”), Lansing Future Development LLC and Lansing officials announced that they have extended the deadline for completing the sale of land in connection with a proposed tribal casino in the city. The 90-day extension will allow developers to complete “necessary pre-

development work” before the land transfer will take place. The original deadline was set for August 1, 2012.

According to the developers of the project, some details that are still being completed include a full parking analysis, project aesthetics, consideration of building a permanent structure versus a temporary building on the site of the corner parcel, and more detailed civil engineering work that includes a detailed utility plan.

According to developers, the original project investors, Lansing Future LLC, have restructured and the development entity renamed itself Lansing Future Development LLC. This was done to allow investor Robert G. Liggett Jr. a larger role in the project. Mr. Liggett Jr. is owner of Big Boy restaurants across Michigan. All of the original investors remain partners in the reorganized entity, with Bill Martines remaining as CEO.

The Tribe plans to build a 125,000 square-foot gaming facility in downtown Lansing that would house an estimated 3,000 slot machines and 48 table games.

Once the land deal is finalized, the Tribe must seek approval from the federal government in order to move forward with the project. The Tribe must file the necessary documentation and applications for an off-reservation gaming expansion with the Department of the Interior. The Secretary of the Interior would then need to take the land in downtown Lansing into trust for the benefit of the tribe after determining that the Tribe would be eligible to open a casino at the location.

Typically, prior to federal approval of off-reservation casino land deals, both the state and local support is required. On February 7, 2012, Governor Snyder and state Attorney General Bill Schuette issued a joint letter stating their opposition to the project, in part, because the Governor has taken the position that the project would conflict with other tribal compacts in the state, as well as with federal law.

REVENUE SHARING BOARD DISTRIBUTES GUN LAKE CASINO FUNDS

On Wednesday, July 18, 2012, the Gun Lake Casino Local Revenue Sharing Board (LRSB) distributed \$1.6 million to ten municipalities and schools near the Gun Lake Casino. The revenue sharing payments are distributed semi-annually according to the terms of the tribal-state gaming compact and are calculated on electronic gaming revenues. The Match-E-Be-Nash-She-Wish Band of Pottawatomie Indians (Gun Lake Tribe) is the owner of the Gun Lake Casino located in Wayland Township, Michigan.

“The Tribe has made tremendous contributions to the history and culture of Allegan County,” said State Rep. Bob Genetski (R-Saugatuck). “It’s very rewarding to see it develop economically into one of the region’s top job providers. I thank the Tribe for delivering on promises it made to our community.”

The compact prescribes mandatory funding to local municipalities for costs incurred due to the operation of the casino, public safety services, and replacement of tax revenue. Other possible uses for local revenue sharing money include funding for schools and civic organizations.

“We continue to enjoy strong operating results thanks to the dedication of our team members and the leadership of our management team,” said D.K. Sprague, chairman of the Gun Lake Tribe. “We are thankful for the benefits our gaming enterprise has brought to the Tribe and our neighbors in West Michigan.”

The LRSB consists of the following individuals:

- Lorraine “Punkin” Shananaquet (Gun Lake Tribe, Tribal Council)
- Phyllis Davis (Gun Lake Tribe, Tribal Council)
- Rebecca Baker (Gun Lake Tribe, Tribal Council)
- Roger VanVolkinburg (Wayland Township, supervisor and LRSB chairman)
- Mark DeYoung (Allegan County Board of Commissioners, chairman)

(Continued on page 3)

- Linden Anderson (former mayor, City of Wayland)

Additionally, the State of Michigan received almost \$6.5 million as a result of the tribal-state gaming compact. According to a report in *The Allegan County News*, since the opening of the casino in 2011, the Gun Lake Tribe has shared almost \$18.5 million with state and local governments.

MGM GRAND DETROIT TO ADD “TAP” PUB

On Monday, July 23, 2012, MGM Grand Detroit announced its plans to open a new and unique pub, “TAP,” this fall. The new restaurant will be situated between the property’s hotel and casino and will offer handcrafted beers and food prepared by notable chefs.

“TAP promises to be unlike any other sports pub,” said Steve Zanella, general manager of the MGM Grand Detroit. “It will be a comfortable place to enjoy inspired menu offerings and high-quality beer, and capture the passion of a great sports town where people love and support their teams. TAP will remind metro Detroiters of the city’s early days, yet still have 21st century appeal.”

The new 9,500 square foot restaurant will be themed after the city of Detroit’s industrial age with concrete, wood and steel interiors. It will be divided into three main areas including a large bar, main dining room with seating for 292 people, and a private dining room that can accompany up to 100 guests. The design was created by architect Rainey Hamilton with interior designer Richard McCormick of design firm Hamilton Anderson.

“TAP will feel like a collage of favorite places and experiences for guests, and help them create fond memories of the time they spend there,” said Mr. Hamilton. “TAP will be a rare blend of cool and comfortable.”