

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

SPECIAL PUBLIC MEETING
Cadillac Place
3062 W. Grand Blvd., Suite L-700
Detroit, Michigan

Wednesday, March 12, 2014
9:30 a.m.

MINUTES

On Wednesday, March 12, 2014, the Michigan Gaming Control Board held a public meeting at the Board office in the Cadillac Place, 3062 W. Grand Boulevard, Suite L-700, Detroit, Michigan.

Present: In attendance were the following Board members:

Mr. Robert Anthony, Chairperson
Mr. Dennis Beagen
Mr. Patrick McQueen

Also attending was:

Richard Kalm, Executive Director
Melinda Leonard, Assistant Attorney General
Diane Brown, Board Secretary

Absent: Mr. Andrew Palms
Mr. Michael Watza

Business:

Mr. Anthony called the public meeting to order at 9:36 a.m. It was noted for the record, there was a quorum to proceed. There was no preliminary business for discussion.

Mr. Anthony stated the first order of business was to approve the minutes from the Board's last public meeting held February 26, 2014. Mr. Anthony noted all Board members previously received copies of the minutes and asked if there were any questions, concerns, or corrections.

There being none, a motion was made by Mr. Beagen which was supported by Mr. McQueen that the Board accept and approve the minutes of the February 26, 2014, public meeting. A voice vote was taken.

Motion carried.

In regard to the Board's budget, Mr. Kalm reported as of the close of February 2014, total expenditures were \$7,595,760 which leaves an unexpended balance of \$18,873,540 in appropriated funding for fiscal year 2014.

Mr. Kalm next reported aggregate revenue for the month ending February 28, 2014, was down .6% compared to February 2013. Revenue was up 15.2% compared to January 2014. Year-to-date through February 28, 2014, aggregate revenue was down 5% for the three Detroit casinos compared to the same period last year.

Revenue for MGM was up 2.4% to \$47.6 million, MotorCity was down 2.7% to \$37.2 million, and Greektown was down 2.9% to \$25.8 million, when compared with February 2013.

The market shares for February 2014 were 43% for MGM, 34% for MotorCity, and 23% for Greektown.

For the three months ending February 28, 2014, aggregate revenue was down 6.5% compared to the same period last year. Gaming revenue for the three months ending February 28, 2014, was MGM \$133.8 million, MotorCity \$105.8 million, and Greektown \$74.3 million.

Revenue for the three months ending February 28, 2014, was down 5.9% for MGM, 6.9% for MotorCity, and 7.1% for Greektown compared to the same period last year.

In regard to the number of vendor exemptions for supplier licensing and vendor registrations, Mr. Kalm advised the Board there were 1,205. There were 409 casino supplier companies who were granted exemptions and 12 active temporary non-gaming supplier licenses and 3 temporary gaming-related supplier licenses in effect as of February 28, 2014. A total of 120 annual supplier licenses were granted by the Board and remain in effect.

Next, the Board considered the Licensing and Regulation Division's recommendation regarding Greektown Casino LLC's request for approval of a debt transaction and related requests. Mr. Anthony noted all Board members previously received copies of the report for review prior to today's meeting.

Mr. Matt Cullen, President/CEO of Rock Gaming and Vice-Chair of Greektown Superholdings, was invited to the podium to make a statement relative to the financing package. Mr. Cullen made a request for approval from the Board for a financing package that includes \$425 million of new bonds at a rate of 8.875%. This package includes a \$20 million revolver. Greektown is going to contribute \$50 million of capital into the project; \$25 million of direct equity, and \$25 million from the sale of parking decks to a related entity. Mr. Cullen stated with the Board's approval today, they would expect to close on Friday, March 14, 2014. Mr. Anthony then asked if there were any questions for Mr. Cullen. There being no questions, a motion was put forth by Mr. Beagen and supported by Mr. McQueen that the Board grant Greektown Casino's request for debt transaction approval and the related requests subject to certain conditions outlined in the Executive Director's report and the Licensing & Regulation Division's and staff's recommendation.

A voice vote was taken.

Motion carried.

There were no requests for public comment.

Mr. Anthony then stated the Board's next regular public meeting is scheduled for Tuesday, April 8, 2014, at 9:30 a.m.

Mr. Anthony asked for a motion to approve the closed session minutes from the February 26, 2014, meeting. Mr. Beagen made a motion which Mr. McQueen supported. A voice vote was taken.

Motion carried.

Mr. Anthony then asked for a motion to adjourn the public meeting. It was moved by Mr. McQueen and supported by Mr. Beagen to adjourn the meeting. A voice vote was taken.

Motion carried.

Meeting adjourned at 9:45 a.m.

/s/

Diane Brown, Board Secretary