

# 3 casinos, combined, show gain

Detroit – It was no royal flush for Detroit's three casinos in 2008, but year-end revenue numbers released Monday showed a slight gain from 2007. Experts said the gain was a positive sign for Michigan's young gaming industry, often heralded as an integral part of diversifying the region's ailing economy.

Total revenue for the three properties – MGM Grand Detroit, MotorCity and Greektown Casinos – was up 1.84 percent in 2008, to USD 1.36 billion from USD 1.34 billion in 2007. In 2006, the three casinos took in USD 1.30 billion.

Caesars Windsor, the region's fourth major casino, doesn't disclose financial details and isn't included in the totals released Monday by the Michigan Gaming Control Board.

The gain for Detroit's casinos – now entering their 10th year of operation – came entirely from MGM Mirage's namesake MGM Grand Detroit property, where 2008 revenue was up 12.62 percent from 2007; the casino took in USD 578 million last year versus USD 513 million in 2007.

Much of MGM Grand's success followed the opening of its USD 800 million permanent casino in downtown Detroit. MGM debuted the new property, complete with 400 luxury hotel rooms, a collection of high-end boutiques and celebrity-chef restaurants, to great fanfare and lots of public attention in late 2007.

MotorCity Casino, which opened its own resort-hotel complex shortly after MGM, took in 3.17 percent less last year than in 2007, according to the gaming board. Greektown Casino saw its revenue decline by 7.33 percent compared with 2007. It is the city's smallest casino, and entered bankruptcy last year; Greektown plans to open its hotel next month.

The city and state took in a total of USD 126.4 million in wagering taxes, down 21 percent from the USD 160.1 million collected in 2007. The tax rate on casino revenue was lowered for MGM during 2007 and for MotorCity in 2008, when those operations completed their permanent casino hotels.

Detroit's casino gains come as the nation's gaming industry was shaken by one of its toughest years on record. Revenue in Las Vegas, the nation's largest market, had fallen 9.3 percent through November, the most recent month with numbers on record.

Similar declines happened in other big gaming markets, including Atlantic City, N.J., where casino growth has been stymied by the recession and increased competition from Indian-run casinos.

William Thompson, an industry expert and professor at the University of Nevada Las Vegas, said Detroit's casinos have been somewhat shielded from the tumult hitting tourist towns such as Las Vegas because they draw most of their gamblers from around Metro Detroit.

„Some people in Detroit are saying, ‚Let's make a night of it downtown,‘ instead of ‚Let's fly to Vegas,‘ “ Thompson said. „It'll still be a rough 2009, but not nearly as rough as the markets depending on people taking expensive vacations.“

Another analyst, Bill Lerner of Deutsche Bank AG, said gaming revenues across the nation will continue to decline as consumers continue to rein in discretionary spending amid widespread economic jitters.