

AGENDA

KANSAS LOTTERY GAMING FACILITY REVIEW BOARD

9 am, Tuesday, September 2, 2008 and
9 am, Wednesday, September 3, 2008

Topeka Ramada Inn
420 SE 6th Street
Topeka, Kansas

A. CALL TO ORDER

B. APPROVAL OF THE AGENDA

C. BOARD ITEMS

1. Kansas Lottery Gaming Facility Review Board consultant information and presentations regarding the southwest gaming zone
 - a. William Eadington, Ph.D., University of Nevada-Reno, on economic principles and perspectives
 - b. Will Cummings, Cummings Associates, on revenue projections
 - c. Richard Wells, Wells Gaming Research, on revenue projections
 - d. John Mills, Ph.D., University of Nevada-Reno, on the financial status of the applicant
 - e. Chris Brogan and John Marz, Probe Strategic Solutions, on analysis of nongaming amenities
 - f. Matt Cunningham and Dan Houston, Civic Economics, on economic impacts
 - g. Candace Evart, Meridan Business Advisors, on fiscal impacts
2. Applicant response:
 - a. Dodge City Resort and Gaming, LLC (45 minutes)
 - b. Butler National Service Corporation (45 minutes)
3. Kansas Lottery Gaming Facility Review Board consultant information and presentations regarding the northeast gaming zone
 - a. William Eadington, Ph.D., University of Nevada-Reno, on economic principles and perspectives
 - b. Will Cummings, Cummings Associates, on revenue projections
 - c. Richard Wells, Wells Gaming Research, on revenue projections
 - d. John Mills, Ph.D., University of Nevada-Reno, on the financial status of the applicant

- e. Chris Brogan and John Marz, Probe Strategic Solutions, on analysis of nongaming amenities
 - f. Matt Cunningham and Dan Houston, Civic Economics, on economic impacts
 - g. Candace Evert, Meridan Business Advisors, on fiscal impacts
4. Applicant response:
- a. Kansas Entertainment, LLC (45 minutes)
 - b. PNK (Kansas) LLC (45 minutes)
 - c. Golden Heartland, Inc (45 minutes)
 - d. Leg Sun, LLC (45 minutes)

D. OTHER MOTIONS

E. STAFF REPORTS

- 1. Executive Director
- 2. Chief Gaming Officer

F. ADJOURNMENT

AGENDA PACKET CONTENTS

Southwest and Northeast

1. Cummings Associates – Report on Projections for Southwest and Northeast Zones (p. 5)

Southwest

2. Cummings Associates – Draft Presentation for the SW Gaming Zone (p. 194)
3. Wells Gaming Research – Report – Gaming Revenue Projections for SW Kansas (p. 224)
4. Wells Gaming Research – Presentation of SW Kansas Specific Gaming Projections (p. 288)
5. John Mills – Financial Evaluation of Ford County Proposals (p. 308)
6. Probe Strategic Solutions – Nongaming Amenities Analysis for SW Zone (p. 317)
7. Civic Economics – Economic Impact Study (Southwest Zone) (p. 350)
8. Civic Economics – Presentation of Economic Impact Study (Southwest Zone) (p. 384)
9. Meridian Business Advisors – Fiscal Impacts - DC Gaming Resorts (SW Zone) (p. 416)
10. Meridian Business Advisors – Fiscal Impacts – Butler National (SW Zone) (p. 439)

Northeast Gaming Zone

11. Cummings Associates – Draft Presentation for the NE Gaming Zone (p. 461)
12. Wells Gaming Research – Report – Gaming Revenue Projections for NE Kansas (p. 509)
13. Wells Gaming Research – Presentation of NE Kansas Specific Gaming Projections (p. 610)
14. John Mills – Financial Evaluation of Wyandotte County Proposals (p. 633)
15. Probe Strategic Solutions – Nongaming Amenities Analysis for NE Zone (p. 652)
16. Civic Economics – Economic Impact Study (Northeast Zone) (p. 705)
17. Civic Economics – Presentation of Economic Impact Study (Northeast Zone) (p. 754)

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18. Meridian Business Advisors – Fiscal Impacts – Kansas Entertainment (NE Zone) (p. 787)
19. Meridian Business Advisors – Fiscal Impacts – Pinnacle (NE Zone) (p. 808)
20. Meridian Business Advisors – Fiscal Impacts – Golden Heartland (NE Zone) (p. 829)
21. Meridian Business Advisors – Fiscal Impacts – Legends Sun (NE Zone) (p. 851)
22. Public Comments
 - Nebraska Furniture Mart (p. 872)
 - Roberts (p. 873)

Cummings Associates

**Projections for the
Likely Gaming Revenues of
New Casinos in the Northeast
and Southwest Gaming Zones**

DRAFT

August 24, 2008

Projections for Likely Gaming Revenues

Exhibit A presents a summary of my projections for the likely gaming revenues of new Kansas Lottery Gaming Facilities in the Northeast and Southwest Gaming Zones of Kansas under what I consider to be the most likely scenario(s) regarding performance and competition. Note that these now include poker revenues, as well as slots and (banked) table games.

As in my previous reports, these projections are presented as of “maturity,” a.k.a. “stabilized operations,” and, in the top portion of the exhibit, in terms of 2007 dollars. To get to then-year dollars in the bottom portion of this exhibit (and in all the other summaries), I assume escalation of 2.5% per year. This reflects nominal income growth / inflation at two percent per annum plus adult population growth averaging 0.5% per year.

As I have stated in previous reports, there are very few markets in the Midwest where total gaming receipts increased at a greater rate in the *good* years prior to 2007 without substantial additions to capacity or major renovations that improved quality. If everything else remained equal, most markets in the Midwest grew 2-3% per year in the early 00s. I therefore believe that similar rates are most reasonable for the future – *after* we recover from the current recession.

Exhibit 1 recapitulates the “power ratings” that I used in my projections for the Southeast and South-Central zones. I continue to use these ratings for those zones in these projections, as well as for the Dodge City area, but have updated those for the applicants in the Northeast Zone.

Those updated ratings are presented in **Exhibit 2**. Since the four applicants in this zone propose levels of capital expenditures and casino floor areas that are more similar than their numbers of slot machines, table games, and hotel rooms, I have given some credit by means of these power ratings to the ones that are spending more per casino gaming position, or giving their customers more space or a higher ratio of hotel rooms. The resulting power ratings do not vary much, but do rise somewhat for the applicants which promote what is likely to be somewhat greater “glitz” rather than size alone.

These power rating assumptions range from 103.7 for the Hard Rock/Speedway/Cordish proposal to 105.7 for Legends Sun. In comparison, the highest slot rating my analyses indicate for the existing facilities in Kansas City, Missouri, in 2007 is 103.5 for Harrah’s.

In this report, the Section B exhibits are presented next because those provide detail for these baseline projections. These include detail for the geographic sources of casino spending and visitation for each casino.

Section A provides detail regarding my analyses and projections “as was” in 2007, i.e., with no change in competition from that year – aside from a representative selection of gaming facilities elsewhere in Kansas. I think most of the proponents would have assumed some such competition.

Comparisons of various types are presented in **Section C**. These include (in C-1) projections for each facility assuming a standard size and power rating. These therefore reflect the impact of site location *alone* (access and travel time). As the facilities proposed for each zone are relatively close to each other, there is not much variance among these projections.

Section C-2 presents projections in which I have adjusted the power ratings of each applicant so as to match their own projections. Golden Gaming has presented the most conservative projections among the applicants in the Northeast Zone. I must raise my slot power rating only from 104 to 106 to match their projections (and my table power rating from 104 to 108). The others all require power ratings of 115 to 119 for my models to match their (slot) projections (the variance in tables is a little wider, though only Pinnacle exceeds my models by any substantial margin).

In the Southwest Zone, my models require a slot power rating of 131 to match the projections of Butler National. Dodge City Resort, like Golden Gaming, is rather conservative, as my slot power rating must rise only very slightly to match their projections.

Section D presents my “low” projections, and **Section E** my “high” (formerly “downside” and “upside,” respectively. I changed the names so as to reduce impressions that they may represent either a floor or ceiling.).

The final sections of this report present corresponding detail for slot and table revenues separately.

Cummings Associates

**Projections for the
Likely Gaming Revenues of
New Casinos in the Northeast
and Southwest Gaming Zones
Exhibits**

DRAFT

August 24, 2008

List of Exhibits

Exhibit

- A Summary of (Baseline) Projections (2007\$ & 2013\$)
- 1 Power Ratings Used in Previous Projections
- 2 Power Ratings Updated for Northeast Contenders

Section B: Baseline (Likely Future) Projections (2007\$) *

- B-1 Likely Future / Baseline -- with New Facilities Elsewhere
- B-2-NE Likely Future / Baseline -- with New Facilities Elsewhere AND KS
- B-3-1 Speedway/Cordish Baseline
- B-3-2 PNK Kansas (Pinnacle) Baseline
- B-3-3 Golden Heartland Baseline
- B-3-4 Legends Sun Baseline
- B-2-SW Likely Future / Baseline -- with New Facilities Elsewhere AND KS
- B-3-5 Butler National Baseline
- B-3-6 Dodge City Resort Baseline

Addenda (for each applicant):

- B-3A Detail for Sources of Consumer Spending
- B-3B Detail for Visitation by Source

Section A: "As Was" Projections *

Section C: Comparative Projections (2007\$) *

Section D: "Low" Projections *

Section E: "High" Projections (2007\$) *

* Similar sets of exhibits attached at end for slots and tables.

NOTE: Total gaming revenues now include poker.
(spending and visitor detail by source, however, do not)

Exhibit A: Summary of (Baseline) Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	103.7	\$192.4	\$176	\$234.2
Golden Heartland	2,500	104.0	\$182.0	\$199	\$223.2
Pinnacle	2,300	104.5	\$170.8	\$204	\$206.3
Legends Sun	2,000	105.7	\$149.0	\$204	\$182.8
Southwest Zone:					
Butler National	875	112	\$35.7	\$112	\$40.7
Dodge City Resort	800	112	\$35.2	\$121	\$40.1

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	103.7	\$223.1	\$204	\$271.6
Golden Heartland	2,500	104.0	\$211.1	\$231	\$258.8
Pinnacle	2,300	104.5	\$198.1	\$236	\$239.2
Legends Sun	2,000	105.7	\$172.8	\$237	\$212.0
Southwest Zone:					
Butler National	875	112	\$41.5	\$130	\$47.2
Dodge City Resort	800	112	\$40.8	\$140	\$46.5

Exhibit 1: Power Ratings Used in Previous Projections

	Kansas City *	Harrah's Mulvane	Marvel Wellington	Penn Wellington	Penn Cherokee	Dodge City
Slot Performance						
High	107.0	110.0	116.0	116.0	107.0	117.0
Baseline	102.0	104.0	110.0	110.0	102.0	112.0
Low	97.0	98.0	104.0	104.0	97.0	107.0
Table Performance						
High	107.0	106.0	108.0	103.0	95.0	105.0
Baseline	102.0	98.0	100.0	95.0	90.0	100.0
Total Power Rating	97.0	90.0	92.0	87.0	85.0	95.0

* Power Ratings for Northeast-Zone Applicants updated for this report in Exhibit 2. All others remain unchanged.

Note: 100 = "Midwest Standard." Higher slot baselines here typical of new facilities.

Exhibit 2: Power Ratings Updated for Northeast Applicants

	Speedway/ Cordish	Golden Gaming	PNK Kansas	Legends Sun
Gaming Positions (not inc. poker):	3,840	2,980	2,660	2,360
Baselines for Slots and Tables:				
Midwest Standard	100.00	100.00	100.00	100.00
Synergy with Area Attractions	1.00	1.00	1.00	1.00
Bricks & Mortar \$ / Gaming Position (in \$100ks)	1.84	1.96	2.34	3.25
Casino Square Footage / Gaming Position (x .02)	0.66	0.88	0.74	1.12
Hotel Rooms / Gaming Position (x 2)	0.16	0.20	0.38	0.30
	-----	-----	-----	-----
Total Power Rating	103.66	104.04	104.46	105.67

Note: 100 = "Midwest Standard." Latest facilities in Iowa (smaller & less expensive) range from 99 to 104.
 "High" and "Low" projections remain 5 points above and below these figures, respectively.

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Exhibit B-1: Gaming Revenue Projections (\$mn / 2007\$) Likely Future / Baseline -- with New Facilities Elsewhere

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands					
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown					
Penn Cherokee					
Harrahs Mulvane					
Butler National					
Dodge City Resort					
	-----		-----		-----
Subtotal Kansas Taxable	0		\$0.0		\$0.0
KCK 7th Street					
4 Northeast KS Natives	3,293	116.9	\$174.0	\$145	\$200.4
	-----		-----		-----
Total Kansas	3,293		\$174.0	\$145	\$200.4
memo: Northeast Zone					
memo: Southeast Zone					
memo: South Central Zone					
Argosy Riverside	1,969	97.2	\$162.2	\$226	\$179.8
IOC KC	1,330	80.9	\$75.1	\$155	\$81.6
Harrahs NKC	1,783	103.5	\$172.9	\$266	\$199.3
Ameristar KC	3,012	98.6	\$219.4	\$200	\$249.0
Sugar Creek					
	-----		-----		-----
Subtotal KCMO	8,094		\$629.5	\$213	\$709.7
Greater KC Total	8,094		\$629.5	\$213	\$709.7
Greater Joplin Total	7,963		\$177.3	\$61	\$186.8
Greater Wichita Total	4,632		\$114.1	\$67	\$118.5
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$145.4	\$381.0	\$526.5	Net Inflow
from Others (")		\$55.0			(\$326.1)

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Exhibit B-2-NE: Gaming Revenue Projections (\$mn / 2007\$) Likely Future / Baseline -- with New Facilities Elsewhere AND KS

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$44.2	\$151	\$44.2
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.8	\$113	\$24.8
Penn Cherokee	900	102.0	\$26.5	\$81	\$32.7
Harrahs Mulvane	2,000	104.0	\$152.4	\$209	\$177.1
Butler National	875	112.0	\$36.0	\$113	\$41.0
Dodge City Resort					
Subtotal Kansas Taxable	5,175		\$283.9	\$150	\$319.9
KCK 7th Street	450	78.2	\$18.6	\$113	\$18.6
4 Northeast KS Natives	3,293	116.9	\$164.6	\$137	\$186.3
Total Kansas	8,918		\$467.1	\$144	\$524.8
memo: Northeast Zone	800		\$44.2	\$151	\$44.2
memo: Southeast Zone	1,500		\$51.4	\$94	\$57.5
memo: South Central Zone	2,000		\$152.4	\$209	\$177.1
Argosy Riverside	1,969	97.2	\$149.7	\$208	\$166.7
IOC KC	1,330	80.9	\$69.8	\$144	\$76.2
Harrahs NKC	1,783	103.5	\$161.7	\$249	\$187.0
Ameristar KC	3,012	98.6	\$206.8	\$188	\$235.3
Sugar Creek					
Subtotal KCMO	8,094		\$588.1	\$199	\$665.1
Greater KC Total	9,344		\$650.9	\$191	\$727.9
Greater Joplin Total	9,463		\$199.5	\$58	\$214.6
Greater Wichita Total	6,632		\$232.7	\$96	\$259.0
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$403.5	\$288.1	\$691.6	Net Inflow
from Others (")		\$119.6			(\$168.5)

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**Exhibit B-3-1: Projection in Brief (\$mn / 2007\$)
Speedway/Cordish Gaming Revenues**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$192.4	\$176	\$234.2
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.0	\$207	\$175.4
Butler National	875	112.0	\$35.7	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$454.8	\$152	\$531.8
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120	\$162.5
Total Kansas	11,918		\$613.3	\$141	\$708.1
memo: Northeast Zone	3,800		\$217.8	\$157	\$259.7
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.0	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$114.2	\$159	\$125.2
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.2	\$202	\$149.3
Ameristar KC	3,012	98.6	\$172.5	\$157	\$194.0
Sugar Creek					
Subtotal KCMO	8,094		\$474.2	\$161	\$529.3
Greater KC Total	12,344		\$705.8	\$157	\$802.8
Greater Joplin Total	9,463		\$195.8	\$57	\$210.4
Greater Wichita Total	6,632		\$231.0	\$95	\$256.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$514.4	\$197.0	\$711.4	Net Inflow
from Others (")		\$190.1			(\$6.9)

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**Exhibit B-3-2: Projection in Brief (\$mn / 2007\$)
PNK Kansas Gaming Revenues**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$27.0	\$93	\$27.0
Speedway/Cordish					
Pinnacle	2,300	104.5	\$170.8	\$204	\$206.3
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.2	\$110	\$24.2
Penn Cherokee	900	102.0	\$26.1	\$80	\$32.1
Harrahs Mulvane	2,000	104.0	\$151.3	\$207	\$175.8
Butler National	875	112.0	\$35.8	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	7,475		\$435.3	\$160	\$506.1
KCK 7th Street	450	78.2	\$14.4	\$87	\$14.4
4 Northeast KS Natives	3,293	116.9	\$148.0	\$123	\$166.7
Total Kansas	11,218		\$597.6	\$146	\$687.2
memo: Northeast Zone	3,100		\$197.9	\$175	\$233.3
memo: Southeast Zone	1,500		\$50.3	\$92	\$56.3
memo: South Central Zone	2,000		\$151.3	\$207	\$175.8
Argosy Riverside	1,969	97.2	\$117.9	\$164	\$129.8
IOC KC	1,330	80.9	\$57.9	\$119	\$62.8
Harrahs NKC	1,783	103.5	\$134.9	\$207	\$154.4
Ameristar KC	3,012	98.6	\$176.9	\$161	\$199.7
Sugar Creek					
Subtotal KCMO	8,094		\$487.7	\$165	\$546.7
Greater KC Total	11,644		\$699.9	\$165	\$794.3
Greater Joplin Total	9,463		\$196.3	\$57	\$211.0
Greater Wichita Total	6,632		\$231.3	\$96	\$257.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$503.3	\$208.1	\$711.4	Net Inflow
from Others (")		\$180.6			(\$27.6)

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**Exhibit B-3-3: Projection in Brief (\$mn / 2007\$)
Golden Gaming Revenues**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$26.7	\$91	\$26.7
Speedway/Cordish					
Pinnacle					
Golden Heartland	2,500	104.0	\$182.0	\$199	\$223.2
Legends Sun					
Camptown	600	102.0	\$24.2	\$110	\$24.2
Penn Cherokee	900	102.0	\$26.1	\$79	\$32.1
Harrahs Mulvane	2,000	104.0	\$151.2	\$207	\$175.6
Butler National	875	112.0	\$35.8	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	7,675		\$446.0	\$159	\$522.3
KCK 7th Street	450	78.2	\$14.2	\$87	\$14.2
4 Northeast KS Natives	3,293	116.9	\$146.5	\$122	\$164.4
Total Kansas	11,418		\$606.6	\$146	\$701.0
memo: Northeast Zone	3,300		\$208.7	\$173	\$249.9
memo: Southeast Zone	1,500		\$50.3	\$92	\$56.2
memo: South Central Zone	2,000		\$151.2	\$207	\$175.6
Argosy Riverside	1,969	97.2	\$117.3	\$163	\$128.6
IOC KC	1,330	80.9	\$57.5	\$118	\$62.1
Harrahs NKC	1,783	103.5	\$133.9	\$206	\$152.4
Ameristar KC	3,012	98.6	\$175.8	\$160	\$197.6
Sugar Creek					
Subtotal KCMO	8,094		\$484.5	\$164	\$540.6
Greater KC Total	11,844		\$707.5	\$164	\$804.7
Greater Joplin Total	9,463		\$196.1	\$57	\$210.8
Greater Wichita Total	6,632		\$231.2	\$96	\$257.0
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$514.2	\$203.7	\$717.9	Net Inflow
from Others (")		\$183.3			(\$20.4)

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**Exhibit B-3-4: Projection in Brief (\$mn / 2007\$)
Legends Sun Gaming Revenues**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$28.5	\$98	\$28.5
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun	2,000	105.7	\$149.0	\$204	\$182.8
Camptown	600	102.0	\$24.3	\$111	\$24.3
Penn Cherokee	900	102.0	\$26.2	\$80	\$32.2
Harrahs Mulvane	2,000	104.0	\$151.3	\$207	\$175.8
Butler National	875	112.0	\$35.8	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	7,175		\$415.0	\$158	\$484.3
KCK 7th Street	450	78.2	\$15.1	\$92	\$15.1
4 Northeast KS Natives	3,293	116.9	\$149.2	\$124	\$167.9
Total Kansas	10,918		\$579.3	\$145	\$667.2
memo: Northeast Zone	2,800		\$177.4	\$174	\$211.3
memo: Southeast Zone	1,500		\$50.4	\$92	\$56.4
memo: South Central Zone	2,000		\$151.3	\$207	\$175.8
Argosy Riverside	1,969	97.2	\$122.8	\$171	\$135.0
IOC KC	1,330	80.9	\$59.9	\$123	\$64.9
Harrahs NKC	1,783	103.5	\$138.9	\$214	\$158.5
Ameristar KC	3,012	98.6	\$181.3	\$165	\$204.2
Sugar Creek					
Subtotal KCMO	8,094		\$503.0	\$170	\$562.5
Greater KC Total	11,344		\$695.5	\$168	\$788.9
Greater Joplin Total	9,463		\$196.6	\$57	\$211.3
Greater Wichita Total	6,632		\$231.4	\$96	\$257.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$491.5	\$218.1	\$709.6	Net Inflow
from Others (")		\$172.6			(\$45.5)

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Exhibit B-2-SW: Gaming Revenue Projections (\$mn / 2007\$) Likely Future / Baseline -- with New Facilities Elsewhere AND KS

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.5	\$87	\$25.5
Speedway/Cordish	3,000	103.7	\$192.6	\$176	\$234.5
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.1	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$154.3	\$211	\$179.3
Butler National					
Dodge City Resort					
Subtotal Kansas Taxable	7,300		\$422.5	\$159	\$495.4
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$145.5	\$121	\$163.5
Total Kansas	11,043		\$581.9	\$144	\$672.7
memo: Northeast Zone	3,800		\$218.1	\$157	\$260.0
memo: Southeast Zone	1,500		\$50.2	\$92	\$56.1
memo: South Central Zone	2,000		\$154.3	\$211	\$179.3
Argosy Riverside	1,969	97.2	\$114.3	\$159	\$125.3
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.3	\$202	\$149.4
Ameristar KC	3,012	98.6	\$172.7	\$157	\$194.2
Sugar Creek					
Subtotal KCMO	8,094		\$474.5	\$161	\$529.7
Greater KC Total	12,344		\$706.4	\$157	\$803.5
Greater Joplin Total	9,463		\$196.0	\$57	\$210.6
Greater Wichita Total	6,632		\$235.2	\$97	\$261.6
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$482.7	\$201.2	\$683.9	Net Inflow
from Others (")		\$186.7			(\$14.5)

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**Exhibit B-3-5: Projection in Brief (\$mn / 2007\$)
Butler National Gaming Revenues**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$192.4	\$176	\$234.2
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.0	\$207	\$175.4
Butler National	875	112.0	\$35.7	\$112	\$40.7
Dodge City Resort	-----		-----		-----
Subtotal Kansas Taxable	8,175		\$454.8	\$152	\$531.8
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120	\$162.5
	-----		-----		-----
Total Kansas	11,918		\$613.3	\$141	\$708.1
memo: Northeast Zone	3,800		\$217.8	\$157	\$259.7
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.0	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$114.2	\$159	\$125.2
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.2	\$202	\$149.3
Ameristar KC	3,012	98.6	\$172.5	\$157	\$194.0
Sugar Creek	-----		-----		-----
Subtotal KCMO	8,094		\$474.2	\$161	\$529.3
Greater KC Total	12,344		\$705.8	\$157	\$802.8
Greater Joplin Total	9,463		\$195.8	\$57	\$210.4
Greater Wichita Total	6,632		\$231.0	\$95	\$256.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$514.4	\$197.0	\$711.4	Net Inflow
from Others (")		\$190.1			(\$6.9)

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**Exhibit B-3-6: Projection in Brief (\$mn / 2007\$)
Dodge City Resort Gaming Revenues**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$192.4	\$176	\$234.2
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.1	\$207	\$175.4
Butler National					
Dodge City Resort	800	112.0	\$35.2	\$121	\$40.1
Subtotal Kansas Taxable	8,100		\$454.3	\$154	\$531.3
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120	\$162.5
Total Kansas	11,843		\$612.8	\$142	\$707.6
memo: Northeast Zone	3,800		\$217.8	\$157	\$259.7
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.1	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$114.2	\$159	\$125.2
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.2	\$202	\$149.3
Ameristar KC	3,012	98.6	\$172.6	\$157	\$194.0
Sugar Creek					
Subtotal KCMO	8,094		\$474.2	\$161	\$529.3
Greater KC Total	12,344		\$705.8	\$157	\$802.8
Greater Joplin Total	9,463		\$195.8	\$57	\$210.4
Greater Wichita Total	6,632		\$231.2	\$95	\$256.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$514.3	\$197.2	\$711.5	Net Inflow
from Others (")		\$190.0			(\$7.1)

Addenda - Sources of Spending
Northeast & Southwest Zones

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August 24, 2008

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Exhibit B-3-1A: Detail for Sources of Consumer Spending (\$000)
Speedway/Cordish Baseline

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		8,175	800	3,000				600	900	2,000	875	
Power Rating			95	103.7				102	102	104	112	
Win/Slot/Day			\$87	\$176				\$110	\$79	\$203	\$112	
Kansas	Tourists	\$16,043	\$373	\$4,956				\$591	\$754	\$5,582	\$3,786	
Kansas	Locals	379,494	16,011	150,009				16,641	4,520	159,591	32,721	
Kansas	Total	\$395,536	\$16,384	\$154,964	\$0	\$0	\$0	\$17,233	\$5,275	\$165,173	\$36,507	\$0
Missouri	Tourists	\$13,313	\$661	\$8,752				\$1,137	\$1,616	\$1,085	\$61	
Missouri	Locals	93,516	8,170	62,934				4,844	17,568	0	0	
Missouri	Total	\$106,828	\$8,832	\$71,686	\$0	\$0	\$0	\$5,981	\$19,184	\$1,085	\$61	\$0
Okla + Ark	Tourists	\$7,050	\$25	\$996				\$473	\$1,260	\$2,730	\$1,567	
Okla + Ark	Locals	5,890	0	0				360	3,790	1,232	508	
Okla + Ark	Total	\$12,940	\$25	\$996	\$0	\$0	\$0	\$833	\$5,050	\$3,962	\$2,074	\$0
Iowa		\$1,956	\$93	\$1,798	\$0	\$0	\$0	\$8	\$14	\$36	\$8	\$0
Nebraska		\$3,884	\$88	\$2,034	\$0	\$0	\$0	\$9	\$15	\$665	\$1,074	\$0
Other Near		\$1,768	\$28	\$901	\$0	\$0	\$0	\$20	\$54	\$148	\$617	\$0
Frontage Traffic		\$5,352							\$2,421	\$2,931	\$0	
Total All Sources		\$528,253	\$25,449	\$232,369	\$0	\$0	\$0	\$24,083	\$32,013	\$173,998	\$40,341	\$0
total	Tourists	\$49,354	\$1,268	\$19,426				\$2,239	\$6,135	\$13,174	\$7,112	
total	locals	\$478,899	\$24,181	\$212,943				\$21,845	\$25,878	\$160,823	\$33,229	

Note: Totals may not add due to rounding.

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Exhibit B-3-2A: Detail for Sources of Consumer Spending (\$000)
Pinnacle Baseline

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		7,475	800		2,300			600	900	2,000	875	
Power Rating			95		104.5			102	102	104	112	
Win/Slot/Day			\$93		\$204			\$110	\$80	\$204	\$112	
Kansas	Tourists	\$15,279	\$379		\$3,977			\$616	\$787	\$5,699	\$3,820	
Kansas	Locals	364,933	17,460		133,685			16,683	4,538	159,818	32,750	
Kansas	Total	\$380,213	\$17,839	\$0	\$137,662	\$0	\$0	\$17,299	\$5,325	\$165,517	\$36,571	\$0
Missouri	Tourists	\$11,745	\$667		\$7,128			\$1,151	\$1,640	\$1,098	\$61	
Missouri	Locals	85,912	8,280		55,142			4,872	17,618	0	0	
Missouri	Total	\$97,658	\$8,948	\$0	\$62,270	\$0	\$0	\$6,023	\$19,258	\$1,098	\$61	\$0
Okla + Ark	Tourists	\$6,849	\$25		\$791			\$474	\$1,260	\$2,732	\$1,568	
Okla + Ark	Locals	5,895	0		0			360	3,794	1,233	508	
Okla + Ark	Total	\$12,744	\$25	\$0	\$791	\$0	\$0	\$834	\$5,054	\$3,965	\$2,076	\$0
Iowa		\$1,686	\$94	\$0	\$1,527	\$0	\$0	\$8	\$14	\$36	\$8	\$0
Nebraska		\$3,515	\$88	\$0	\$1,656	\$0	\$0	\$9	\$16	\$669	\$1,079	\$0
Other Near		\$1,627	\$28	\$0	\$760	\$0	\$0	\$20	\$54	\$148	\$618	\$0
Frontage Traffic		\$5,352							\$2,421	\$2,931		
Total All Sources		\$502,786	\$27,021	\$0	\$204,657	\$0	\$0	\$24,193	\$32,142	\$174,361	\$40,412	\$0
total	Tourists	\$46,045	\$1,281		\$15,830			\$2,278	\$6,191	\$13,311	\$7,154	
total	locals	\$456,741	\$25,740		\$188,826			\$21,915	\$25,950	\$161,051	\$33,259	

Note: Totals may not add due to rounding.

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Exhibit B-3-3A: Detail for Sources of Consumer Spending (\$000)
Golden Heartland Baseline

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		7,675	800			2,500		600	900	2,000	875	
Power Rating			95			104.0		102	102	104	112	
Win/Slot/Day			\$91			\$199		\$110	\$79	\$203	\$112	
Kansas	Tourists	\$15,652	\$377			\$4,459		\$605	\$771	\$5,636	\$3,803	
Kansas	Locals	377,816	17,103			147,088		16,668	4,527	159,695	32,735	
Kansas	Total	\$393,468	\$17,480	\$0	\$0	\$151,547	\$0	\$17,273	\$5,298	\$165,331	\$36,538	\$0
Missouri	Tourists	\$12,449	\$666			\$7,852		\$1,148	\$1,630	\$1,092	\$61	
Missouri	Locals	87,671	8,319			56,897		4,863	17,591	0	0	
Missouri	Total	\$100,120	\$8,985	\$0	\$0	\$64,749	\$0	\$6,011	\$19,222	\$1,092	\$61	\$0
Okla + Ark	Tourists	\$6,958	\$25			\$902		\$474	\$1,260	\$2,730	\$1,567	
Okla + Ark	Locals	5,892	0			0		360	3,791	1,232	508	
Okla + Ark	Total	\$12,850	\$25	\$0	\$0	\$902	\$0	\$833	\$5,051	\$3,963	\$2,075	\$0
Iowa		\$1,752	\$94	\$0	\$0	\$1,593	\$0	\$8	\$14	\$36	\$8	\$0
Nebraska		\$3,662	\$88	\$0	\$0	\$1,806	\$0	\$9	\$15	\$667	\$1,076	\$0
Other Near		\$1,667	\$28	\$0	\$0	\$800	\$0	\$20	\$54	\$148	\$617	\$0
Frontage Traffic		\$5,352							\$2,421	\$2,931		
Total All Sources		\$518,861	\$26,700	\$0	\$0	\$221,389	\$0	\$24,154	\$32,076	\$174,166	\$40,376	\$0
total	Tourists	\$47,482	\$1,277			\$17,404		\$2,263	\$6,166	\$13,239	\$7,133	
total	locals	\$471,378	\$25,423			\$203,985		\$21,891	\$25,909	\$160,927	\$33,243	

Note: Totals may not add due to rounding.

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Exhibit B-3-4A: Detail of Sources of Consumer Spending (\$000)
Legends Sun Baseline

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		7,175	800				2,000	600	900	2,000	875	
Power Rating			95				105.7	102	102	104	112	
Win/Slot/Day			\$98				\$204	\$111	\$80	\$204	\$112	
Kansas	Tourists	\$15,300	\$380				\$3,945	\$634	\$804	\$5,715	\$3,822	
Kansas	Locals	351,659	18,713				119,135	16,700	4,538	159,823	32,751	
Kansas	Total	\$366,959	\$19,093	\$0	\$0	\$0	\$123,080	\$17,334	\$5,342	\$165,538	\$36,573	\$0
Missouri	Tourists	\$11,602	\$670				\$6,955	\$1,161	\$1,650	\$1,103	\$62	
Missouri	Locals	77,714	8,484				46,719	4,886	17,625	0	0	
Missouri	Total	\$89,317	\$9,155	\$0	\$0	\$0	\$53,675	\$6,047	\$19,275	\$1,103	\$62	\$0
Okla + Ark	Tourists	\$6,836	\$25				\$778	\$474	\$1,260	\$2,731	\$1,568	
Okla + Ark	Locals	5,895	0				0	360	3,794	1,233	508	
Okla + Ark	Total	\$12,731	\$25	\$0	\$0	\$0	\$778	\$834	\$5,055	\$3,964	\$2,076	\$0
Iowa		\$1,632	\$94	\$0	\$0	\$0	\$1,473	\$8	\$14	\$36	\$8	\$0
Nebraska		\$3,518	\$88	\$0	\$0	\$0	\$1,659	\$9	\$16	\$669	\$1,079	\$0
Other Near		\$1,946	\$28	\$0	\$0	\$0	\$1,079	\$20	\$54	\$148	\$618	\$0
Frontage Traffic		\$5,352							\$2,421	\$2,931		
Total All Sources		\$481,095	\$28,482	\$0	\$0	\$0	\$181,384	\$24,251	\$32,177	\$174,387	\$40,414	\$0
total	Tourists	\$45,826	\$1,285				\$15,530	\$2,305	\$6,219	\$13,331	\$7,156	
total	locals	\$435,269	\$27,197				\$165,855	\$21,946	\$25,957	\$161,056	\$33,259	

Note: Totals may not add due to rounding.

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Exhibit B-3-5A: Detail for Sources of Consumer Spending (\$000)
Butler National Baseline

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		8,175	800	3,000				600	900	2,000	875	
Power Rating			95	103.7				102	102	104	112	
Win/Slot/Day			\$87	\$176				\$110	\$79	\$203	\$112	
Kansas	Tourists	\$16,043	\$373	\$4,956				\$591	\$754	\$5,582	\$3,786	
Kansas	Locals	379,494	16,011	150,009				16,641	4,520	159,591	32,721	
Kansas	Total	\$395,536	\$16,384	\$154,964	\$0	\$0	\$0	\$17,233	\$5,275	\$165,173	\$36,507	\$0
Missouri	Tourists	\$13,313	\$661	\$8,752				\$1,137	\$1,616	\$1,085	\$61	
Missouri	Locals	93,516	8,170	62,934				4,844	17,568	0	0	
Missouri	Total	\$106,828	\$8,832	\$71,686	\$0	\$0	\$0	\$5,981	\$19,184	\$1,085	\$61	\$0
Okla + Ark	Tourists	\$7,050	\$25	\$996				\$473	\$1,260	\$2,730	\$1,567	
Okla + Ark	Locals	5,890	0	0				360	3,790	1,232	508	
Okla + Ark	Total	\$12,940	\$25	\$996	\$0	\$0	\$0	\$833	\$5,050	\$3,962	\$2,074	\$0
Iowa		\$1,956	\$93	\$1,798	\$0	\$0	\$0	\$8	\$14	\$36	\$8	\$0
Nebraska		\$3,884	\$88	\$2,034	\$0	\$0	\$0	\$9	\$15	\$665	\$1,074	\$0
Other Near		\$1,768	\$28	\$901	\$0	\$0	\$0	\$20	\$54	\$148	\$617	\$0
Frontage Traffic		\$5,352							\$2,421	\$2,931		
Total All Sources		\$528,253	\$25,449	\$232,369	\$0	\$0	\$0	\$24,083	\$32,013	\$173,998	\$40,341	\$0
total	Tourists	\$49,354	\$1,268	\$19,426				\$2,239	\$6,135	\$13,174	\$7,112	
total	locals	\$478,899	\$24,181	\$212,943				\$21,845	\$25,878	\$160,823	\$33,229	

Note: Totals may not add due to rounding.

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Exhibit B-3-6A: Detail for Sources of Consumer Spending (\$000)
Dodge City Resort Baseline

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		8,100	800	3,000				600	900	2,000		800
Power Rating			95	103.7				102	102	104		112
Win/Slot/Day			\$87	\$176				\$110	\$79	\$203		\$121
Kansas	Tourists	\$16,468	\$373	\$4,946				\$592	\$754	\$5,604		\$4,200
Kansas	Locals	378,910	16,011	150,008				16,641	4,520	159,562		32,168
Kansas	Total	\$395,379	\$16,384	\$154,954	\$0	\$0	\$0	\$17,233	\$5,275	\$165,166	\$0	\$36,367
Missouri	Tourists	\$13,313	\$661	\$8,752				\$1,137	\$1,616	\$1,085		\$61
Missouri	Locals	93,515	8,170	62,934				4,844	17,568	0		0
Missouri	Total	\$106,828	\$8,832	\$71,686	\$0	\$0	\$0	\$5,981	\$19,184	\$1,085	\$0	\$61
Okla + Ark	Tourists	\$6,993	\$25	\$996				\$474	\$1,260	\$2,729		\$1,510
Okla + Ark	Locals	5,856	0	0				360	3,790	1,230		476
Okla + Ark	Total	\$12,849	\$25	\$996	\$0	\$0	\$0	\$833	\$5,049	\$3,959	\$0	\$1,986
Iowa		\$1,956	\$93	\$1,798	\$0	\$0	\$0	\$8	\$14	\$36	\$0	\$8
Nebraska		\$3,888	\$88	\$2,032	\$0	\$0	\$0	\$9	\$15	\$664	\$0	\$1,080
Other Near		\$1,803	\$28	\$900	\$0	\$0	\$0	\$20	\$54	\$147	\$0	\$654
Frontage Traffic		\$5,352							\$2,421	\$2,931		
Total All Sources		\$528,022	\$25,450	\$232,356	\$0	\$0	\$0	\$24,084	\$32,013	\$173,985	\$0	\$40,135
total	Tourists	\$49,740	\$1,268	\$19,414				\$2,239	\$6,135	\$13,193		\$7,491
total	locals	\$478,282	\$24,181	\$212,942				\$21,845	\$25,878	\$160,792		\$32,644

Note: Totals may not add due to rounding.

Addenda - Sources of Visitation
Northeast & Southwest Zones

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August 24, 2008

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**Exhibit B-3-1B: Detail for Visitation by Source
Speedway/Cordish Baseline**

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		8,175	800	3,000				600	900	2,000	875	
Power Rating			95	103.7				102	102	104	112	
Win/Slot/Day			\$87	\$176				\$110	\$79	\$203	\$112	
Kansas	Tourists	191,568	4,936	54,016				7,950	10,245	64,903	49,518	
Kansas	Locals	5,037,317	235,655	1,783,003	0	0	0	285,411	78,904	2,136,764	517,580	0
Kansas	Total	5,228,885	240,591	1,837,019	0	0	0	293,361	89,149	2,201,667	567,098	0
Missouri	Tourists	158,273	8,915	97,615				15,583	22,467	12,874	818	
Missouri	Locals	1,274,653	125,374	783,754	0	0	0	78,545	286,980	0	0	0
Missouri	Total	1,432,925	134,289	881,369	0	0	0	94,128	309,447	12,874	818	0
Okla + Ark	Tourists	91,480	350	11,459				6,754	17,965	33,246	21,707	
Okla + Ark	Locals	88,072	0	0	0	0	0	5,412	58,814	16,088	7,758	0
Oklahoma	Total	179,552	350	11,459	0	0	0	12,166	76,779	49,334	29,465	0
Iowa		21,821	1,242	19,760	0	0	0	102	192	419	105	0
Nebraska		45,363	1,162	22,136	0	0	0	115	208	7,723	14,018	0
Other Near		18,670	341	9,171	0	0	0	253	678	1,512	6,714	0
Frontage Traffic		60,612							29,391	31,221		
Total All Sources		6,987,828	377,975	2,780,915	0	0	0	400,126	505,844	2,304,751	618,217	0
total	Tourists	587,786	16,946	214,158				30,758	81,147	151,898	92,879	
total	locals	6,400,042	361,029	2,566,757				369,368	424,697	2,152,853	525,338	
Spending Per Visitor		\$76	\$67	\$84				\$60	\$63	\$75	\$65	

Note: Totals may not add due to rounding.

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Exhibit B-3-2B: Detail for Visitation by Source
Pinnacle Baseline

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		7,475	800		2,300			600	900	2,000	875	
Power Rating			95		104			102	102	104	112	
Win/Slot/Day			\$93		\$204			\$110	\$80	\$204	\$112	
Kansas	Tourists	181,801	4,969		41,749			8,281	10,669	66,196	49,936	
Kansas	Locals	4,796,461	254,081	0	1,520,868	0	0	285,833	79,136	2,138,685	517,858	0
Kansas	Total	4,978,261	259,050	0	1,562,617	0	0	294,114	89,805	2,204,881	567,794	0
Missouri	Tourists	137,751	8,906		76,468			15,761	22,771	13,019	826	
Missouri	Locals	1,149,640	125,634	0	657,463	0	0	78,942	287,600	0	0	0
Missouri	Total	1,287,391	134,540	0	733,932	0	0	94,702	310,371	13,019	826	0
Okla + Ark	Tourists	88,788	346		8,748			6,752	17,970	33,256	21,715	
Okla + Ark	Locals	88,111	0	0	0	0	0	5,410	58,846	16,094	7,761	0
Oklahoma	Total	176,899	346	0	8,748	0	0	12,163	76,816	49,350	29,476	0
Iowa		18,219	1,234	0	16,166	0	0	102	192	420	105	0
Nebraska		40,688	1,155	0	17,365	0	0	115	209	7,767	14,077	0
Other Near		16,974	338	0	7,474	0	0	253	678	1,513	6,718	0
Frontage Traffic		60,592							29,383	31,209		
Total All Sources		6,579,025	396,663	0	2,346,302	0	0	401,450	507,454	2,308,159	618,996	0
total	Tourists	544,814	16,948		167,971			31,265	81,872	153,381	93,377	
total	locals	6,034,211	379,715		2,178,331			370,185	425,582	2,154,779	525,619	
Spending Per Visitor		\$76	\$68		\$87			\$60	\$63	\$76	\$65	

Note: Totals may not add due to rounding.

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**Exhibit B-3-3B: Detail for Visitation by Source
Golden Heartland Baseline**

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		7,675	800			2,500		600	900	2,000	875	
Power Rating			95			104		102	102	104	112	
Win/Slot/Day			\$91			\$199		\$110	\$79	\$203	\$112	
Kansas	Tourists	185,789	4,944			46,982		8,132	10,478	65,518	49,735	
Kansas	Locals	4,950,804	249,801	0	0	1,681,047	0	285,677	78,982	2,137,592	517,705	0
Kansas	Total	5,136,593	254,745	0	0	1,728,029	0	293,809	89,460	2,203,110	567,440	0
Missouri	Tourists	145,671	8,906			84,608		15,717	22,657	12,960	824	
Missouri	Locals	1,174,655	126,487	0	0	682,076	0	78,815	287,275	0	0	0
Missouri	Total	1,320,326	135,394	0	0	766,684	0	94,533	309,932	12,960	824	0
Okla + Ark	Tourists	90,070	347			10,046		6,753	17,967	33,247	21,710	
Okla + Ark	Locals	88,079	0	0	0	0	0	5,411	58,821	16,088	7,759	0
Oklahoma	Total	178,149	347	0	0	10,046	0	12,164	76,788	49,335	29,469	0
Iowa		18,977	1,236	0	0	16,922	0	102	192	420	105	0
Nebraska		42,288	1,156	0	0	19,006	0	115	209	7,748	14,054	0
Other Near		17,388	338	0	0	7,891	0	253	678	1,512	6,715	0
Frontage Traffic		60,601							29,386	31,215		
Total All Sources		6,774,322	393,216	0	0	2,548,578	0	400,976	506,645	2,306,300	618,606	0
total	Tourists	560,783	16,927			185,455		31,073	81,567	152,619	93,142	
total	locals	6,213,538	376,288			2,363,123		369,903	425,078	2,153,681	525,464	
Spending Per Visitor		\$77	\$68			\$87		\$60	\$63	\$76	\$65	

Note: Totals may not add due to rounding.

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Exhibit B-3-4B: Detail for Visitation by Source
Legends Sun Baseline

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		7,175	800				2,000	600	900	2,000	875	
Power Rating			95				106	102	102	104	112	
Win/Slot/Day			\$98				\$204	\$111	\$80	\$204	\$112	
Kansas	Tourists	185,216	4,935				44,503	8,511	10,906	66,396	49,966	
Kansas	Locals	4,646,765	269,178	0	0	0	1,356,021	285,961	79,127	2,138,626	517,853	0
Kansas	Total	4,831,981	274,113	0	0	0	1,400,523	294,471	90,033	2,205,021	567,820	0
Missouri	Tourists	141,986	8,864				80,393	15,895	22,922	13,082	831	
Missouri	Locals	1,049,226	127,359	0	0	0	555,073	79,119	287,676	0	0	0
Missouri	Total	1,191,213	136,223	0	0	0	635,466	95,013	310,598	13,082	831	0
Okla + Ark	Tourists	89,240	343				9,210	6,751	17,969	33,252	21,714	
Okla + Ark	Locals	88,099	0	0	0	0	0	5,409	58,839	16,091	7,761	0
Oklahoma	Total	177,340	343	0	0	0	9,210	12,160	76,808	49,344	29,475	0
Iowa		18,825	1,224	0	0	0	16,781	103	192	420	105	0
Nebraska		41,994	1,145	0	0	0	18,679	115	209	7,767	14,078	0
Other Near		21,052	335	0	0	0	11,556	253	678	1,513	6,717	0
Frontage Traffic		60,587							29,379	31,208		
Total All Sources		6,342,991	413,383	0	0	0	2,092,216	402,115	507,898	2,308,353	619,026	0
total Tourists		558,900	16,846				181,123	31,627	82,256	153,637	93,412	
total locals		5,784,091	396,537				1,911,093	370,488	425,642	2,154,717	525,614	
Spending Per Visitor		\$76	\$69				\$87	\$60	\$63	\$76	\$65	

Note: Totals may not add due to rounding.

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**Exhibit B-3-5B: Detail for Visitation by Source
Butler National Baseline**

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		8,175	800	3,000				600	900	2,000	875	
Power Rating			95	103.7				102	102	104	112	
Win/Slot/Day			\$87	\$176				\$110	\$79	\$203	\$112	
Kansas	Tourists	191,568	4,936	54,016				7,950	10,245	64,903	49,518	
Kansas	Locals	5,037,317	235,655	1,783,003	0	0	0	285,411	78,904	2,136,764	517,580	0
Kansas	Total	5,228,885	240,591	1,837,019	0	0	0	293,361	89,149	2,201,667	567,098	0
Missouri	Tourists	158,273	8,915	97,615				15,583	22,467	12,874	818	
Missouri	Locals	1,274,653	125,374	783,754	0	0	0	78,545	286,980	0	0	0
Missouri	Total	1,432,925	134,289	881,369	0	0	0	94,128	309,447	12,874	818	0
Okla + Ark	Tourists	91,480	350	11,459				6,754	17,965	33,246	21,707	
Okla + Ark	Locals	88,072	0	0	0	0	0	5,412	58,814	16,088	7,758	0
Oklahoma	Total	179,552	350	11,459	0	0	0	12,166	76,779	49,334	29,465	0
Iowa		21,821	1,242	19,760	0	0	0	102	192	419	105	0
Nebraska		45,363	1,162	22,136	0	0	0	115	208	7,723	14,018	0
Other Near		18,670	341	9,171	0	0	0	253	678	1,512	6,714	0
Frontage Traffic		60,612							29,391	31,221		
Total All Sources		6,987,828	377,975	2,780,915	0	0	0	400,126	505,844	2,304,751	618,217	0
total	Tourists	587,786	16,946	214,158				30,758	81,147	151,898	92,879	
total	locals	6,400,042	361,029	2,566,757				369,368	424,697	2,152,853	525,338	
Spending Per Visitor		\$76	\$67	\$84				\$60	\$63	\$75	\$65	

Note: Totals may not add due to rounding.

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**Exhibit B-3-6B: Detail for Visitation by Source
Dodge City Resort Baseline**

		Total	WoodInds	Spdway	PNK	Golden	Leg Sun	Camptown	Penn Cher	Harrhs Mul	Butler N	DodgeCR
Number of Slots		8,100	800	3,000				600	900	2,000		800
Power Rating			95	103.7				102	102	104		112
Win/Slot/Day			\$87	\$176				\$110	\$79	\$203		\$121
Kansas	Tourists	196,375	4,940	53,941				7,954	10,248	65,260		54,031
Kansas	Locals	5,022,216	235,655	1,782,992	0	0	0	285,411	78,902	2,136,189	0	503,067
Kansas	Total	5,218,590	240,594	1,836,933	0	0	0	293,365	89,151	2,201,449	0	557,098
Missouri	Tourists	158,258	8,915	97,615				15,583	22,467	12,873		805
Missouri	Locals	1,274,649	125,374	783,752	0	0	0	78,545	286,978	0	0	0
Missouri	Total	1,432,907	134,289	881,367	0	0	0	94,128	309,445	12,873	0	805
Okla + Ark	Tourists	90,370	350	11,457				6,755	17,965	33,248		20,595
Okla + Ark	Locals	87,451	0	0	0	0	0	5,412	58,813	16,064	0	7,162
Oklahoma	Total	177,821	350	11,457	0	0	0	12,167	76,778	49,312	0	27,757
Iowa		21,818	1,242	19,760	0	0	0	102	192	419	0	102
Nebraska		45,182	1,162	22,121	0	0	0	115	208	7,716	0	13,860
Other Near		18,919	341	9,168	0	0	0	253	678	1,504	0	6,975
Frontage Traffic		60,609							29,391	31,218		
Total All Sources		6,975,846	377,979	2,780,806	0	0	0	400,130	505,844	2,304,490	0	606,596
total	Tourists	591,530	16,950	214,062				30,763	81,150	152,237		96,368
total	locals	6,384,316	361,029	2,566,744				369,368	424,694	2,152,253		510,229
Spending Per Visitor		\$76	\$67	\$84				\$60	\$63	\$75		\$66

Note: Totals may not add due to rounding.

A. "As Was" Projections
Northeast & Southwest Zones

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August 24, 2008

List of Exhibits

Exhibit

A-A Summary of "As Was" Projections (2007\$ & 2013\$)

Section A: "As Was" Projections (2007\$) *

A-1 "As Was" 2007 -- Before Any New Casinos Anywhere

A-2-NE "As Was" 2007 -- with New Facilities Elsewhere in Kansas

A-3-1 Speedway/Cordish "As Was"

A-3-2 PNK Kansas (Pinnacle) "As Was"

A-3-3 Golden Gaming "As Was"

A-3-4 Legends Sun "As Was"

A-2-SW "As Was" 2007 -- with New Facilities Elsewhere in Kansas

A-3-5 Butler National "As Was"

A-3-6 Dodge City Resort "As Was"

* Similar sets of exhibits attached at end for slots and tables.

NOTE: Total gaming revenues now include poker.

Exhibit A: Summary of "As Was" Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	103.7	\$199.5	\$182	\$241.9
Golden Heartland	2,500	104.0	\$188.8	\$207	\$230.5
Pinnacle	2,300	104.5	\$177.4	\$211	\$213.2
Legends Sun	2,000	105.7	\$155.0	\$212	\$189.3
Southwest Zone:					
Butler National	875	112	\$36.4	\$114	\$41.3
Dodge City Resort	800	112	\$35.8	\$123	\$40.8

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	103.7	\$231.4	\$211	\$280.5
Golden Heartland	2,500	104.0	\$219.0	\$240	\$267.3
Pinnacle	2,300	104.5	\$205.7	\$245	\$247.3
Legends Sun	2,000	105.7	\$179.7	\$246	\$219.5
Southwest Zone:					
Butler National	875	112	\$42.2	\$132	\$47.9
Dodge City Resort	800	112	\$41.5	\$142	\$47.3

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Exhibit A-1: Analysis in Brief (\$mn / 2007\$) "As Was" 2007 -- Before Any New Casinos Anywhere

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands					
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown					
Penn Cherokee					
Harrahs Mulvane					
Butler National					
Dodge City Resort					
	-----		-----		-----
Subtotal Kansas Taxable	0		\$0.0		\$0.0
KCK 7th Street					
4 Northeast KS Natives	2,693	116.9	\$167.8	\$171	\$195.1
	-----		-----		-----
Total Kansas	2,693		\$167.8	\$171	\$195.1
memo: Northeast Zone					
memo: Southeast Zone					
memo: South Central Zone					
Argosy Riverside	1,969	97.2	\$164.2	\$228	\$182.0
IOC KC	1,523	78.9	\$77.3	\$139	\$83.8
Harrahs NKC	1,783	103.5	\$175.4	\$270	\$202.3
Ameristar KC	3,012	98.6	\$222.5	\$202	\$252.6
Sugar Creek					
	-----		-----		-----
Subtotal KCMO	8,287		\$639.4	\$211	\$720.7
Greater KC Total	8,287		\$639.4	\$211	\$720.7
Greater Joplin Total	4,242		\$138.8	\$90	\$145.6
Greater Wichita Total	3,632		\$112.3	\$85	\$116.2
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$145.1	\$377.4	\$522.5	Net Inflow
from Others (")		\$50.0			(\$327.4)

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Exhibit A-2-NE: Gaming Revenue Projections (\$mn / 2007\$) "As Was" 2007 -- with New Facilities Elsewhere in Kansas

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$46.4	\$159	\$46.4
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$28.9	\$132	\$28.9
Penn Cherokee	900	102.0	\$42.0	\$128	\$50.9
Harrahs Mulvane	2,000	104.0	\$159.3	\$218	\$185.0
Butler National	875	112.0	\$36.7	\$115	\$41.7
Dodge City Resort					
Subtotal Kansas Taxable	5,175		\$313.3	\$166	\$352.9
KCK 7th Street					\$0.0
4 Northeast KS Natives	2,693	116.9	\$157.3	\$160	\$179.3
Total Kansas	7,868		\$470.6	\$164	\$532.2
memo: Northeast Zone	800		\$46.4	\$159	\$46.4
memo: Southeast Zone	1,500		\$71.0	\$130	\$79.9
memo: South Central Zone	2,000		\$159.3	\$218	\$185.0
Argosy Riverside	1,969	97.2	\$156.7	\$218	\$173.8
IOC KC	1,523	78.9	\$74.7	\$134	\$81.1
Harrahs NKC	1,783	103.5	\$168.6	\$259	\$194.0
Ameristar KC	3,012	98.6	\$214.5	\$195	\$243.2
Sugar Creek					
Subtotal KCMO	8,287		\$614.5	\$203	\$692.2
Greater KC Total	9,087		\$660.9	\$199	\$738.6
Greater Joplin Total	5,742		\$183.8	\$88	\$198.8
Greater Wichita Total	5,632		\$236.0	\$115	\$262.7
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$404.5	\$288.4	\$692.8	Net Inflow
from Others (")		\$125.9			(\$162.5)

**Exhibit A-3-1: Gaming Revenue Projections (\$mn / 2007\$)
Speedway/Cordish "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$26.3	\$90	\$26.3
Speedway/Cordish	3,000	103.7	\$199.5	\$182	\$241.9
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$28.0	\$128	\$28.0
Penn Cherokee	900	102.0	\$41.3	\$126	\$49.9
Harrahs Mulvane	2,000	104.0	\$157.8	\$216	\$182.9
Butler National	875	112.0	\$36.4	\$114	\$41.3
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$489.2	\$164	\$570.3
KCK 7th Street					\$0.0
4 Northeast KS Natives	2,693	116.9	\$137.4	\$140	\$155.4
Total Kansas	10,868		\$626.6	\$158	\$725.7
memo: Northeast Zone	3,800		\$225.8	\$163	\$268.2
memo: Southeast Zone	1,500		\$69.3	\$127	\$77.8
memo: South Central Zone	2,000		\$157.8	\$216	\$182.9
Argosy Riverside	1,969	97.2	\$118.2	\$164	\$129.2
IOC KC	1,523	78.9	\$59.6	\$107	\$64.2
Harrahs NKC	1,783	103.5	\$135.5	\$208	\$153.8
Ameristar KC	3,012	98.6	\$177.7	\$162	\$199.3
Sugar Creek					
Subtotal KCMO	8,287		\$491.0	\$162	\$546.6
Greater KC Total	12,087		\$716.8	\$162	\$814.8
Greater Joplin Total	5,742		\$180.3	\$86	\$194.8
Greater Wichita Total	5,632		\$234.1	\$114	\$260.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$521.9	\$190.6	\$712.5	Net Inflow
from Others (")		\$200.1			\$9.5

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**Exhibit A-3-2: Gaming Revenue Projections (\$mn / 2007\$)
PNK Kansas "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$28.0	\$96	\$28.0
Speedway/Cordish					
Pinnacle	2,300	104.5	\$177.4	\$211	\$213.2
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$28.1	\$128	\$28.1
Penn Cherokee	900	102.0	\$41.4	\$126	\$50.1
Harrahs Mulvane	2,000	104.0	\$158.0	\$216	\$183.3
Butler National	875	112.0	\$36.4	\$114	\$41.4
Dodge City Resort					
Subtotal Kansas Taxable	7,475		\$469.4	\$172	\$544.2
KCK 7th Street					\$0.0
4 Northeast KS Natives	2,693	116.9	\$140.7	\$143	\$159.6
Total Kansas	10,168		\$610.0	\$164	\$703.8
memo: Northeast Zone	3,100		\$205.4	\$182	\$241.2
memo: Southeast Zone	1,500		\$69.5	\$127	\$78.2
memo: South Central Zone	2,000		\$158.0	\$216	\$183.3
Argosy Riverside	1,969	97.2	\$122.1	\$170	\$134.1
IOC KC	1,523	78.9	\$61.5	\$111	\$66.4
Harrahs NKC	1,783	103.5	\$139.5	\$214	\$159.1
Ameristar KC	3,012	98.6	\$182.3	\$166	\$205.3
Sugar Creek					
Subtotal KCMO	8,287		\$505.4	\$167	\$564.9
Greater KC Total	11,387		\$710.8	\$171	\$806.1
Greater Joplin Total	5,742		\$180.9	\$86	\$195.5
Greater Wichita Total	5,632		\$234.4	\$114	\$260.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$510.2	\$202.3	\$712.5	Net Inflow
from Others (")		\$190.1			(\$12.2)

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Exhibit A-3-3: Gaming Revenue Projections (\$mn / 2007\$) Golden Gaming "As Was"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$27.6	\$95	\$27.6
Speedway/Cordish					
Pinnacle					
Golden Heartland	2,500	104.0	\$188.8	\$207	\$230.5
Legends Sun					
Camptown	600	102.0	\$28.1	\$128	\$28.1
Penn Cherokee	900	102.0	\$41.4	\$126	\$50.0
Harrahs Mulvane	2,000	104.0	\$157.9	\$216	\$183.1
Butler National	875	112.0	\$36.4	\$114	\$41.4
Dodge City Resort					
Subtotal Kansas Taxable	7,675		\$480.2	\$171	\$560.6
KCK 7th Street					\$0.0
4 Northeast KS Natives	2,693	116.9	\$139.1	\$142	\$157.3
Total Kansas	10,368		\$619.4	\$164	\$717.9
memo: Northeast Zone	3,300		\$216.5	\$180	\$258.1
memo: Southeast Zone	1,500		\$69.4	\$127	\$78.0
memo: South Central Zone	2,000		\$157.9	\$216	\$183.1
Argosy Riverside	1,969	97.2	\$121.5	\$169	\$132.8
IOC KC	1,523	78.9	\$61.0	\$110	\$65.6
Harrahs NKC	1,783	103.5	\$138.4	\$213	\$157.1
Ameristar KC	3,012	98.6	\$181.1	\$165	\$203.1
Sugar Creek					
Subtotal KCMO	8,287		\$502.0	\$166	\$558.6
Greater KC Total	11,587		\$718.5	\$170	\$816.6
Greater Joplin Total	5,742		\$180.7	\$86	\$195.2
Greater Wichita Total	5,632		\$234.3	\$114	\$260.5
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$521.4	\$197.6	\$719.0	Net Inflow
from Others (")		\$192.9			(\$4.7)

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**Exhibit A-3-4: Gaming Revenue Projections (\$mn / 2007\$)
Legends Sun "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$29.5	\$101	\$29.5
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun	2,000	105.7	\$155.0	\$212	\$189.3
Camptown	600	102.0	\$28.2	\$129	\$28.2
Penn Cherokee	900	102.0	\$41.5	\$126	\$50.1
Harrahs Mulvane	2,000	104.0	\$158.1	\$217	\$183.4
Butler National	875	112.0	\$36.4	\$114	\$41.4
Dodge City Resort					
Subtotal Kansas Taxable	7,175		\$448.7	\$171	\$521.9
KCK 7th Street					\$0.0
4 Northeast KS Natives	2,693	116.9	\$141.9	\$144	\$160.8
Total Kansas	9,868		\$590.6	\$164	\$682.7
memo: Northeast Zone	2,800		\$184.5	\$181	\$218.8
memo: Southeast Zone	1,500		\$69.7	\$127	\$78.3
memo: South Central Zone	2,000		\$158.1	\$217	\$183.4
Argosy Riverside	1,969	97.2	\$127.4	\$177	\$139.7
IOC KC	1,523	78.9	\$63.7	\$115	\$68.7
Harrahs NKC	1,783	103.5	\$143.8	\$221	\$163.5
Ameristar KC	3,012	98.6	\$187.1	\$170	\$210.1
Sugar Creek					
Subtotal KCMO	8,287		\$522.0	\$173	\$582.0
Greater KC Total	11,087		\$706.5	\$175	\$800.8
Greater Joplin Total	5,742		\$181.1	\$86	\$195.7
Greater Wichita Total	5,632		\$234.5	\$114	\$260.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$497.7	\$213.1	\$710.8	Net Inflow
from Others (")		\$181.7			(\$31.4)

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Exhibit A-2-SW: Gaming Revenue Projections (\$mn / 2007\$) "As Was" 2007 -- with New Facilities Elsewhere in Kansas

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$26.3	\$90	\$26.3
Speedway/Cordish	3,000	103.7	\$199.8	\$182	\$242.3
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$28.0	\$128	\$28.0
Penn Cherokee	900	102.0	\$41.3	\$126	\$49.9
Harrahs Mulvane	2,000	104.0	\$161.4	\$221	\$187.3
Butler National					
Dodge City Resort					
Subtotal Kansas Taxable	7,300		\$456.9	\$171	\$533.8
KCK 7th Street					\$0.0
4 Northeast KS Natives	2,693	116.9	\$138.3	\$141	\$156.4
Total Kansas	9,993		\$595.1	\$163	\$690.2
memo: Northeast Zone	3,800		\$226.1	\$163	\$268.6
memo: Southeast Zone	1,500		\$69.3	\$127	\$77.9
memo: South Central Zone	2,000		\$161.4	\$221	\$187.3
Argosy Riverside	1,969	97.2	\$118.3	\$165	\$129.4
IOC KC	1,523	78.9	\$59.6	\$107	\$64.2
Harrahs NKC	1,783	103.5	\$135.6	\$208	\$154.0
Ameristar KC	3,012	98.6	\$177.8	\$162	\$199.5
Sugar Creek					
Subtotal KCMO	8,287		\$491.4	\$162	\$547.0
Greater KC Total	12,087		\$717.5	\$163	\$815.6
Greater Joplin Total	5,742		\$180.5	\$86	\$195.0
Greater Wichita Total	5,632		\$238.6	\$116	\$265.4
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$490.2	\$194.7	\$684.9	Net Inflow
from Others (")		\$196.6			\$1.8

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**Exhibit A-3-5: Gaming Revenue Projections (\$mn / 2007\$)
Butler National "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$26.3	\$90	\$26.3
Speedway/Cordish	3,000	103.7	\$199.5	\$182	\$241.9
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$28.0	\$128	\$28.0
Penn Cherokee	900	102.0	\$41.3	\$126	\$49.9
Harrahs Mulvane	2,000	104.0	\$157.8	\$216	\$182.9
Butler National	875	112.0	\$36.4	\$114	\$41.3
Dodge City Resort	-----		-----		-----
Subtotal Kansas Taxable	8,175		\$489.2	\$164	\$570.3
KCK 7th Street					\$0.0
4 Northeast KS Natives	2,693	116.9	\$137.4	\$140	\$155.4
	-----		-----		-----
Total Kansas	10,868		\$626.6	\$158	\$725.7
memo: Northeast Zone	3,800		\$225.8	\$163	\$268.2
memo: Southeast Zone	1,500		\$69.3	\$127	\$77.8
memo: South Central Zone	2,000		\$157.8	\$216	\$182.9
Argosy Riverside	1,969	97.2	\$118.2	\$164	\$129.2
IOC KC	1,523	78.9	\$59.6	\$107	\$64.2
Harrahs NKC	1,783	103.5	\$135.5	\$208	\$153.8
Ameristar KC	3,012	98.6	\$177.7	\$162	\$199.3
Sugar Creek	-----		-----		-----
Subtotal KCMO	8,287		\$491.0	\$162	\$546.6
Greater KC Total	12,087		\$716.8	\$162	\$814.8
Greater Joplin Total	5,742		\$180.3	\$86	\$194.8
Greater Wichita Total	5,632		\$234.1	\$114	\$260.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$521.9	\$190.6	\$712.5	Net Inflow
from Others (")		\$200.1			\$9.5

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Exhibit A-3-6: Gaming Revenue Projections (\$mn / 2007\$) Dodge City Resort "As Was"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$26.3	\$90	\$26.3
Speedway/Cordish	3,000	103.7	\$199.5	\$182	\$241.9
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$28.0	\$128	\$28.0
Penn Cherokee	900	102.0	\$41.3	\$126	\$49.9
Harrahs Mulvane	2,000	104.0	\$157.9	\$216	\$182.9
Butler National					
Dodge City Resort	800	112.0	\$35.8	\$123	\$40.8
Subtotal Kansas Taxable	8,100		\$488.8	\$165	\$569.7
KCK 7th Street					\$0.0
4 Northeast KS Natives	2,693	116.9	\$137.4	\$140	\$155.4
Total Kansas	10,793		\$626.2	\$159	\$725.1
memo: Northeast Zone	3,800		\$225.9	\$163	\$268.2
memo: Southeast Zone	1,500		\$69.3	\$127	\$77.8
memo: South Central Zone	2,000		\$157.9	\$216	\$182.9
Argosy Riverside	1,969	97.2	\$118.2	\$164	\$129.2
IOC KC	1,523	78.9	\$59.6	\$107	\$64.2
Harrahs NKC	1,783	103.5	\$135.5	\$208	\$153.8
Ameristar KC	3,012	98.6	\$177.7	\$162	\$199.3
Sugar Creek					
Subtotal KCMO	8,287		\$491.0	\$162	\$546.6
Greater KC Total	12,087		\$716.8	\$162	\$814.8
Greater Joplin Total	5,742		\$180.3	\$86	\$194.8
Greater Wichita Total	5,632		\$234.2	\$114	\$260.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$521.7	\$190.8	\$712.5	Net Inflow
from Others (")		\$200.0			\$9.3

C-1. Comparative Projections I

Northeast & Southwest Zones

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August 24, 2008

List of Exhibits

Exhibit

C-1-A Summary of Projections (2007\$ & 2013\$)

Section C-1: Comparative Projections I (2007\$) *

- C-1-1 Speedway/Cordish at Standard Size & Power
- C-1-2 PNK Kansas (Pinnacle) at Standard Size & Power
- C-1-3 Golden Gaming at Standard Size & Power
- C-1-4 Legends Sun at Standard Size & Power
- C-1-5 Butler National at Standard Size & Power
- C-1-6 Dodge City Resort at Standard Size & Power

* Similar sets of exhibits attached at end for slots and tables.

NOTE: Total gaming revenues now include poker.

Exhibit C-1-A: Summary of Standard-Size Projections**In 2007 Dollars**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Golden Heartland	3,000	104.0	\$202.2	\$185	\$243.4
PNK Kansas	3,000	104.0	\$197.2	\$180	\$237.8
Speedway/Cordish	3,000	104.0	\$194.7	\$178	\$234.7
Legends Sun	3,000	104.0	\$180.4	\$165	\$217.8
Southwest Zone:					
Dodge City Resort	800	112.0	\$35.2	\$121	\$40.1
Butler National	800	112.0	\$35.0	\$120	\$40.0

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Golden Heartland	3,000	104.0	\$234.5	\$214	\$282.3
PNK Kansas	3,000	104.0	\$228.7	\$209	\$275.8
Speedway/Cordish	3,000	104.0	\$225.8	\$206	\$272.2
Legends Sun	3,000	104.0	\$209.2	\$191	\$252.6
Southwest Zone:					
Dodge City Resort	800	112	\$40.8	\$140	\$46.5
Butler National	800	112	\$40.6	\$139	\$46.4

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**Exhibit C-1-1: Gaming Revenue Projections (\$mn / 2007\$)
Speedway/Cordish at Standard Size & Power**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.3	\$87	\$25.3
Speedway/Cordish	3,000	104.0	\$194.7	\$178	\$234.7
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.0	\$207	\$175.4
Butler National	875	112.0	\$35.7	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$456.9	\$153	\$532.2
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$144.5	\$120	\$162.5
Total Kansas	11,918		\$615.2	\$141	\$708.5
memo: Northeast Zone	3,800		\$220.0	\$159	\$260.0
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.0	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$113.9	\$159	\$125.2
IOC KC	1,330	80.9	\$56.1	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$130.9	\$201	\$149.4
Ameristar KC	3,012	98.6	\$172.2	\$157	\$194.1
Sugar Creek					
Subtotal KCMO	8,094		\$473.2	\$160	\$529.6
Greater KC Total	12,344		\$707.0	\$157	\$803.4
Greater Joplin Total	9,463		\$195.7	\$57	\$210.3
Greater Wichita Total	6,632		\$231.0	\$95	\$256.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$514.8	\$197.1	\$711.9	Net Inflow
from Others (")		\$190.1			(\$7.0)

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Exhibit C-1-2: Gaming Revenue Projections (\$mn / 2007\$)
PNK Kansas at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.1	\$86	\$25.1
Speedway/Cordish					
Pinnacle	3,000	104.0	\$197.2	\$180	\$237.8
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.1	\$207	\$175.4
Butler National	875	112.0	\$35.7	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$459.3	\$154	\$535.1
KCK 7th Street	450	78.2	\$13.7	\$83	\$13.7
4 Northeast KS Natives	3,293	116.9	\$145.0	\$121	\$163.1
Total Kansas	11,918		\$618.0	\$142	\$711.9
memo: Northeast Zone	3,800		\$222.3	\$160	\$262.9
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.1	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$112.9	\$157	\$124.1
IOC KC	1,330	80.9	\$55.9	\$115	\$60.5
Harrahs NKC	1,783	103.5	\$130.4	\$200	\$148.9
Ameristar KC	3,012	98.6	\$171.6	\$156	\$193.4
Sugar Creek					
Subtotal KCMO	8,094		\$470.9	\$159	\$526.9
Greater KC Total	12,344		\$707.0	\$157	\$803.5
Greater Joplin Total	9,463		\$195.7	\$57	\$210.3
Greater Wichita Total	6,632		\$231.0	\$95	\$256.9
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$515.0	\$196.9	\$711.8	Net Inflow
from Others (")		\$193.4			(\$3.5)

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Exhibit C-1-3: Gaming Revenue Projections (\$mn / 2007\$) Golden Gaming at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.3	\$87	\$25.3
Speedway/Cordish					
Pinnacle					
Golden Heartland	3,000	104.0	\$202.2	\$185	\$243.4
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.0	\$207	\$175.4
Butler National	875	112.0	\$35.7	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$464.3	\$156	\$540.8
KCK 7th Street	450	78.2	\$13.7	\$84	\$13.7
4 Northeast KS Natives	3,293	116.9	\$144.1	\$120	\$162.1
Total Kansas	11,918		\$622.2	\$143	\$716.6
memo: Northeast Zone	3,800		\$227.5	\$164	\$268.7
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.0	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$113.7	\$158	\$124.9
IOC KC	1,330	80.9	\$56.0	\$115	\$60.6
Harrahs NKC	1,783	103.5	\$130.6	\$201	\$149.1
Ameristar KC	3,012	98.6	\$171.9	\$156	\$193.7
Sugar Creek					
Subtotal KCMO	8,094		\$472.2	\$160	\$528.3
Greater KC Total	12,344		\$713.4	\$158	\$810.7
Greater Joplin Total	9,463		\$195.6	\$57	\$210.3
Greater Wichita Total	6,632		\$231.0	\$95	\$256.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$521.9	\$196.5	\$718.4	Net Inflow
from Others (")		\$191.1			(\$5.4)

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Exhibit C-1-4: Gaming Revenue Projections (\$mn / 2007\$) Legends Sun at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.9	\$89	\$25.9
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun	3,000	104.0	\$180.4	\$165	\$217.8
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.1	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.0	\$207	\$175.4
Butler National	875	112.0	\$35.7	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$443.3	\$149	\$516.0
KCK 7th Street	450	78.2	\$14.2	\$87	\$14.2
4 Northeast KS Natives	3,293	116.9	\$145.4	\$121	\$163.6
Total Kansas	11,918		\$602.9	\$139	\$693.9
memo: Northeast Zone	3,800		\$206.3	\$149	\$243.8
memo: Southeast Zone	1,500		\$50.2	\$92	\$56.1
memo: South Central Zone	2,000		\$151.0	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$116.7	\$162	\$128.2
IOC KC	1,330	80.9	\$57.5	\$118	\$62.2
Harrahs NKC	1,783	103.5	\$133.4	\$205	\$152.2
Ameristar KC	3,012	98.6	\$174.9	\$159	\$197.0
Sugar Creek					
Subtotal KCMO	8,094		\$482.5	\$163	\$539.6
Greater KC Total	12,344		\$703.1	\$156	\$797.7
Greater Joplin Total	9,463		\$195.8	\$57	\$210.5
Greater Wichita Total	6,632		\$231.0	\$95	\$256.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$504.3	\$204.5	\$708.8	Net Inflow
from Others (")		\$186.2			(\$18.4)

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**Exhibit C-1-5: Gaming Revenue Projections (\$mn / 2007\$)
Butler National at Standard Size & Power**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.5	\$87	\$25.5
Speedway/Cordish	3,000	103.7	\$192.4	\$176	\$234.2
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.1	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.2	\$207	\$175.5
Butler National	800	112.0	\$35.0	\$120	\$40.0
Dodge City Resort	-----		-----		-----
Subtotal Kansas Taxable	8,100		\$454.3	\$154	\$531.2
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$144.8	\$120	\$162.5
	-----		-----		-----
Total Kansas	11,843		\$612.8	\$142	\$707.5
memo: Northeast Zone	3,800		\$217.9	\$157	\$259.7
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.2	\$207	\$175.5
Argosy Riverside	1,969	97.2	\$114.2	\$159	\$125.2
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.2	\$202	\$149.3
Ameristar KC	3,012	98.6	\$172.6	\$157	\$194.0
Sugar Creek	-----		-----		-----
Subtotal KCMO	8,094		\$474.2	\$161	\$529.4
Greater KC Total	12,344		\$705.9	\$157	\$802.8
Greater Joplin Total	9,463		\$195.8	\$57	\$210.4
Greater Wichita Total	6,632		\$231.3	\$96	\$256.9
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$514.2	\$197.2	\$711.4	Net Inflow
from Others (")		\$190.1			(\$7.1)

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Exhibit C-1-6: Gaming Revenue Projections (\$mn / 2007\$)
Dodge City Resort at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$192.4	\$176	\$234.2
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.1	\$207	\$175.4
Butler National					
Dodge City Resort	800	112.0	\$35.2	\$121	\$40.1
Subtotal Kansas Taxable	8,100		\$454.3	\$154	\$531.3
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120	\$162.5
Total Kansas	11,843		\$612.8	\$142	\$707.6
memo: Northeast Zone	3,800		\$217.8	\$157	\$259.7
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.1	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$114.2	\$159	\$125.2
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.2	\$202	\$149.3
Ameristar KC	3,012	98.6	\$172.6	\$157	\$194.0
Sugar Creek					
Subtotal KCMO	8,094		\$474.2	\$161	\$529.3
Greater KC Total	12,344		\$705.8	\$157	\$802.8
Greater Joplin Total	9,463		\$195.8	\$57	\$210.4
Greater Wichita Total	6,632		\$231.2	\$95	\$256.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$514.3	\$197.2	\$711.5	Net Inflow
from Others (")		\$190.0			(\$7.1)

Exhibit C-1-7: Summary / Projections at Standard Size & Power

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Golden Heartland	3,000	104.0	\$202.2	\$185	\$243.4
PNK Kansas	3,000	104.0	\$197.2	\$180	\$237.8
Speedway/Cordish	3,000	104.0	\$194.7	\$178	\$234.7
Legends Sun	3,000	104.0	\$180.4	\$165	\$217.8
Southwest Zone:					
Dodge City Resort	800	112	\$35.2	\$121	\$40.1
Butler National	800	112	\$35.0	\$120	\$40.0

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Golden Heartland	3,000	104.0	\$234.5	\$214	\$282.3
PNK Kansas	3,000	104.0	\$228.7	\$209	\$275.8
Speedway/Cordish	3,000	104.0	\$225.8	\$206	\$272.2
Legends Sun	3,000	104.0	\$209.2	\$191	\$252.6
Southwest Zone:					
Dodge City Resort	800	112	\$40.8	\$140	\$46.5
Butler National	800	112	\$40.6	\$139	\$46.4

C-2. Comparative Projections II

Northeast & Southwest Zones

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August 24, 2008

List of Exhibits

Exhibit

C-2-A Summary of Projections (2007\$ & 2013\$)

Section C-2: Comparative Projections II (2007\$) *

- C-2-1 Speedway/Cordish Power Rating Yields Their Projections
- C-2-2 PNK Kansas (Pinnacle) Power Rating Yields Their Projections
- C-2-3 Golden Gaming Power Rating Yields Their Projections
- C-2-4 Legends Sun Power Rating Yields Their Projections
- C-2-5 Butler National Power Rating Yields Their Projections
- C-2-6 Dodge City Resort Power Rating Yields Their Projections

* Similar sets of exhibits attached at end for slots and tables.

NOTE: Total gaming revenues now include poker.

Exhibit C-2-A: Summary / Power Ratings Yield Applicants' Projections:

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Pinnacle	2,300	119.6	\$284.6	\$339	\$367.3
Speedway/Cordish	3,000	114.9	\$279.1	\$255	\$316.5
Legends Sun	2,000	116.3	\$216.5	\$297	\$254.9
Golden Heartland	2,500	106.0	\$194.4	\$213	\$245.5
Southwest Zone:					
Butler National	875	131.1	\$53.7	\$168	\$61.1
Dodge City Resort	800	112.4	\$35.5	\$122	\$41.2

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Pinnacle	2,300	119.6	\$330.1	\$393	\$425.9
Speedway/Cordish	3,000	114.9	\$323.7	\$296	\$367.0
Legends Sun	2,000	116.3	\$251.1	\$344	\$295.6
Golden Heartland	2,500	106.0	\$225.4	\$247	\$284.7
Southwest Zone:					
Butler National	875	131.1	\$62.3	\$195	\$70.9
Dodge City Resort	800	112.4	\$41.1	\$141	\$47.7

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Exhibit C-2-1: Gaming Revenue Projections (\$mn / 2007\$)
Speedway/Cordish Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$22.2	\$76	\$22.2
Speedway/Cordish	3,000	114.9	\$279.1	\$255	\$316.5
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$23.7	\$108	\$23.7
Penn Cherokee	900	102.0	\$25.8	\$79	\$31.8
Harrahs Mulvane	2,000	104.0	\$150.2	\$206	\$174.6
Butler National	875	112.0	\$35.5	\$111	\$40.5
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$536.6	\$180	\$609.3
KCK 7th Street	450	78.2	\$12.6	\$76	\$12.6
4 Northeast KS Natives	3,293	116.9	\$137.2	\$114	\$155.6
Total Kansas	11,918		\$686.3	\$158	\$777.5
memo: Northeast Zone	3,800		\$301.3	\$217	\$338.7
memo: Southeast Zone	1,500		\$49.5	\$90	\$55.5
memo: South Central Zone	2,000		\$150.2	\$206	\$174.6
Argosy Riverside	1,969	97.2	\$104.9	\$146	\$116.4
IOC KC	1,330	80.9	\$52.3	\$108	\$57.0
Harrahs NKC	1,783	103.5	\$122.0	\$187	\$140.9
Ameristar KC	3,012	98.6	\$161.5	\$147	\$183.7
Sugar Creek					
Subtotal KCMO	8,094		\$440.6	\$149	\$498.0
Greater KC Total	12,344		\$754.5	\$167	\$849.2
Greater Joplin Total	9,463		\$193.8	\$56	\$208.5
Greater Wichita Total	6,632		\$229.9	\$95	\$255.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$547.5	\$180.7	\$728.2	Net Inflow
from Others (")		\$224.1			\$43.4

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Exhibit C-2-2: Gaming Revenue Projections (\$mn / 2007\$)
PNK Kansas Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$22.6	\$78	\$22.6
Speedway/Cordish					
Pinnacle	2,300	119.6	\$284.6	\$339	\$367.3
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$23.8	\$108	\$23.8
Penn Cherokee	900	102.0	\$25.8	\$79	\$31.5
Harrahs Mulvane	2,000	104.0	\$150.2	\$206	\$173.9
Butler National	875	112.0	\$35.6	\$111	\$40.3
Dodge City Resort					
Subtotal Kansas Taxable	7,475		\$542.6	\$199	\$659.3
KCK 7th Street	450	78.2	\$12.7	\$78	\$12.7
4 Northeast KS Natives	3,293	116.9	\$138.6	\$115	\$153.7
Total Kansas	11,218		\$693.9	\$169	\$825.8
memo: Northeast Zone	3,100		\$307.2	\$272	\$389.9
memo: Southeast Zone	1,500		\$49.6	\$91	\$55.2
memo: South Central Zone	2,000		\$150.2	\$206	\$173.9
Argosy Riverside	1,969	97.2	\$105.5	\$147	\$114.2
IOC KC	1,330	80.9	\$52.8	\$109	\$56.5
Harrahs NKC	1,783	103.5	\$123.0	\$189	\$137.7
Ameristar KC	3,012	98.6	\$162.6	\$148	\$180.2
Sugar Creek					
Subtotal KCMO	8,094		\$443.9	\$150	\$488.5
Greater KC Total	11,644		\$763.8	\$180	\$891.1
Greater Joplin Total	9,463		\$193.8	\$56	\$207.8
Greater Wichita Total	6,632		\$230.0	\$95	\$255.0
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$567.3	\$178.4	\$745.7	Net Inflow
from Others (")		\$254.3			\$75.8

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Exhibit C-2-3: Gaming Revenue Projections (\$mn / 2007\$)
Golden Gaming Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$26.1	\$90	\$26.1
Speedway/Cordish					
Pinnacle					
Golden Heartland	2,500	106.0	\$194.4	\$213	\$245.5
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.1	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.1	\$207	\$175.4
Butler National	875	112.0	\$35.8	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	7,675		\$457.5	\$163	\$543.7
KCK 7th Street	450	78.2	\$14.0	\$85	\$14.0
4 Northeast KS Natives	3,293	116.9	\$145.4	\$121	\$162.8
Total Kansas	11,418		\$616.9	\$148	\$720.6
memo: Northeast Zone	3,300		\$220.5	\$183	\$271.6
memo: Southeast Zone	1,500		\$50.2	\$92	\$56.1
memo: South Central Zone	2,000		\$151.1	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$115.9	\$161	\$126.6
IOC KC	1,330	80.9	\$56.9	\$117	\$61.3
Harrahs NKC	1,783	103.5	\$132.5	\$204	\$150.3
Ameristar KC	3,012	98.6	\$174.1	\$158	\$195.2
Sugar Creek					
Subtotal KCMO	8,094		\$479.4	\$162	\$533.4
Greater KC Total	11,844		\$714.0	\$165	\$819.0
Greater Joplin Total	9,463		\$195.9	\$57	\$210.4
Greater Wichita Total	6,632		\$231.1	\$95	\$256.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$522.2	\$199.8	\$721.9	Net Inflow
from Others (")		\$190.9			(\$8.8)

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Exhibit C-2-4: Gaming Revenue Projections (\$mn / 2007\$) Legends Sun Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.5	\$87	\$25.5
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun	2,000	116.3	\$216.5	\$297	\$254.9
Camptown	600	102.0	\$24.0	\$110	\$24.0
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$150.7	\$206	\$175.1
Butler National	875	112.0	\$35.7	\$112	\$40.6
Dodge City Resort					
Subtotal Kansas Taxable	7,175		\$478.4	\$183	\$552.1
KCK 7th Street	450	78.2	\$14.1	\$86	\$14.1
4 Northeast KS Natives	3,293	116.9	\$143.4	\$119	\$161.8
Total Kansas	10,918		\$635.8	\$160	\$728.0
memo: Northeast Zone	2,800		\$242.1	\$237	\$280.5
memo: Southeast Zone	1,500		\$50.0	\$91	\$56.0
memo: South Central Zone	2,000		\$150.7	\$206	\$175.1
Argosy Riverside	1,969	97.2	\$115.2	\$160	\$127.2
IOC KC	1,330	80.9	\$56.8	\$117	\$61.7
Harrahs NKC	1,783	103.5	\$131.7	\$202	\$151.0
Ameristar KC	3,012	98.6	\$172.8	\$157	\$195.3
Sugar Creek					
Subtotal KCMO	8,094		\$476.6	\$161	\$535.2
Greater KC Total	11,344		\$732.7	\$177	\$829.7
Greater Joplin Total	9,463		\$195.1	\$56	\$209.8
Greater Wichita Total	6,632		\$230.6	\$95	\$256.4
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$521.8	\$202.5	\$724.3	Net Inflow
from Others (")		\$200.7			(\$1.8)

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Exhibit C-2-5: Gaming Revenue Projections (\$mn / 2007\$) Butler National Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$192.1	\$175	\$233.9
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$148.6	\$204	\$172.6
Butler National	875	131.1	\$53.7	\$168	\$61.1
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$469.9	\$157	\$549.1
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$143.6	\$119	\$161.3
Total Kansas	11,918		\$627.4	\$144	\$724.2
memo: Northeast Zone	3,800		\$217.5	\$157	\$259.3
memo: Southeast Zone	1,500		\$50.1	\$91	\$56.1
memo: South Central Zone	2,000		\$148.6	\$204	\$172.6
Argosy Riverside	1,969	97.2	\$114.1	\$159	\$125.1
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.0	\$201	\$149.2
Ameristar KC	3,012	98.6	\$172.4	\$157	\$193.9
Sugar Creek					
Subtotal KCMO	8,094		\$473.8	\$160	\$528.9
Greater KC Total	12,344		\$705.1	\$157	\$802.1
Greater Joplin Total	9,463		\$195.6	\$57	\$210.1
Greater Wichita Total	6,632		\$227.8	\$94	\$253.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$525.2	\$194.1	\$719.3	Net Inflow
from Others (")		\$194.9			\$0.8

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Exhibit C-2-6: Gaming Revenue Projections (\$mn / 2007\$)
Dodge City Resort Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$192.4	\$176	\$234.2
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.1	\$207	\$175.2
Butler National					
Dodge City Resort	800	112.4	\$35.5	\$122	\$41.2
Subtotal Kansas Taxable	8,100		\$454.6	\$154	\$532.1
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120	\$162.4
Total Kansas	11,843		\$613.1	\$142	\$708.3
memo: Northeast Zone	3,800		\$217.8	\$157	\$259.6
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.1	\$207	\$175.2
Argosy Riverside	1,969	97.2	\$114.2	\$159	\$125.2
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.2	\$202	\$149.3
Ameristar KC	3,012	98.6	\$172.6	\$157	\$194.0
Sugar Creek					
Subtotal KCMO	8,094		\$474.2	\$161	\$529.3
Greater KC Total	12,344		\$705.8	\$157	\$802.8
Greater Joplin Total	9,463		\$195.8	\$57	\$210.4
Greater Wichita Total	6,632		\$231.1	\$95	\$256.6
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$514.8	\$197.1	\$711.8	Net Inflow
from Others (")		\$190.3			(\$6.7)

Exhibit C-2-7: Summary / Power Ratings Yield Applicants' Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Pinnacle	2,300	119.6	\$284.6	\$339	\$367.3
Speedway/Cordish	3,000	114.9	\$279.1	\$255	\$316.5
Legends Sun	2,000	116.3	\$216.5	\$297	\$254.9
Golden Heartland	2,500	106.0	\$194.4	\$213	\$245.5
Southwest Zone:					
Butler National	875	131.1	\$53.7	\$168	\$61.1
Dodge City Resort	800	112.4	\$35.5	\$122	\$41.2

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Pinnacle	2,300	119.6	\$330.1	\$393	\$425.9
Speedway/Cordish	3,000	114.9	\$323.7	\$296	\$367.0
Legends Sun	2,000	116.3	\$251.1	\$344	\$295.6
Golden Heartland	2,500	106.0	\$225.4	\$247	\$284.7
Southwest Zone:					
Butler National	875	131.1	\$62.3	\$195	\$70.9
Dodge City Resort	800	112.4	\$41.1	\$141	\$47.7

D. "Low" Projections
Northeast & Southwest Zones

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August 24, 2008

List of Exhibits

Exhibit

D-A Summary of "Low" Projections (2007\$ & 2013\$)

Section D: "Low" Projections (2007\$) *

- D-1 Speedway/Cordish "Low"
- D-2 PNK Kansas (Pinnacle) "Low"
- D-3 Golden Gaming "Low"
- D-4 Legends Sun "Low"
- D-5 Butler National "Low"
- D-6 Dodge City Resort "Low"

* Similar sets of exhibits attached at end for slots and tables.

NOTE: Total gaming revenues now include poker.

Exhibit D-A: Summary of "Low" Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	98.7	\$161.1	\$147	\$196.6
Golden Heartland	2,500	99.0	\$152.5	\$167	\$187.4
Pinnacle	2,300	99.5	\$142.5	\$170	\$172.5
Legends Sun	2,000	100.7	\$123.6	\$169	\$152.1
Southwest Zone:					
Butler National	875	107.0	\$31.7	\$99	\$36.1
Dodge City Resort	800	107.0	\$31.2	\$107	\$35.5

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	98.7	\$186.8	\$171	\$228.0
Golden Heartland	2,500	99.0	\$176.8	\$194	\$217.4
Pinnacle	2,300	99.5	\$165.3	\$197	\$200.1
Legends Sun	2,000	100.7	\$143.3	\$196	\$176.4
Southwest Zone:					
Butler National	875	107.0	\$36.8	\$115	\$41.8
Dodge City Resort	800	107.0	\$36.2	\$124	\$41.2

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Exhibit D-1: Gaming Revenue Projections (\$mn / 2007\$)
Speedway/Cordish "Low"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$26.8	\$92	\$26.8
Speedway/Cordish	3,000	98.7	\$161.1	\$147	\$196.6
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$23.1	\$105	\$23.1
Penn Cherokee	900	102.0	\$23.2	\$71	\$28.5
Harrahs Mulvane	2,000	104.0	\$144.4	\$198	\$168.1
Butler National	875	112.0	\$35.2	\$110	\$40.1
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$413.8	\$139	\$483.1
KCK 7th Street	450	78.2	\$14.3	\$87	\$14.3
4 Northeast KS Natives	3,293	116.9	\$146.2	\$122	\$164.5
Total Kansas	11,918		\$574.3	\$132	\$661.8
memo: Northeast Zone	3,800		\$187.9	\$135	\$223.4
memo: Southeast Zone	1,500		\$46.3	\$84	\$51.5
memo: South Central Zone	2,000		\$144.4	\$198	\$168.1
Argosy Riverside	1,969	97.2	\$117.6	\$164	\$129.1
IOC KC	1,330	80.9	\$57.7	\$119	\$62.4
Harrahs NKC	1,783	103.5	\$134.3	\$206	\$153.0
Ameristar KC	3,012	98.6	\$176.2	\$160	\$198.3
Sugar Creek					
Subtotal KCMO	8,094		\$485.8	\$164	\$542.8
Greater KC Total	12,344		\$687.9	\$153	\$780.5
Greater Joplin Total	9,963		\$198.5	\$55	\$213.2
Greater Wichita Total	8,332		\$234.9	\$77	\$260.9
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$488.2	\$215.3	\$703.6	Net Inflow
from Others (")		\$170.4			(\$44.9)

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**Exhibit D-2: Gaming Revenue Projections (\$mn / 2007\$)
PNK Kansas "Low"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$28.3	\$97	\$28.3
Speedway/Cordish					
Pinnacle	2,300	99.5	\$142.5	\$170	\$172.5
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$23.1	\$106	\$23.1
Penn Cherokee	900	102.0	\$23.3	\$71	\$28.6
Harrahs Mulvane	2,000	104.0	\$144.6	\$198	\$168.3
Butler National	875	112.0	\$35.3	\$110	\$40.2
Dodge City Resort					
Subtotal Kansas Taxable	7,475		\$397.1	\$146	\$461.0
KCK 7th Street	450	78.2	\$14.8	\$90	\$14.8
4 Northeast KS Natives	3,293	116.9	\$149.1	\$124	\$168.2
Total Kansas	11,218		\$561.0	\$137	\$644.0
memo: Northeast Zone	3,100		\$170.8	\$151	\$200.8
memo: Southeast Zone	1,500		\$46.4	\$85	\$51.7
memo: South Central Zone	2,000		\$144.6	\$198	\$168.3
Argosy Riverside	1,969	97.2	\$121.1	\$169	\$133.5
IOC KC	1,330	80.9	\$59.3	\$122	\$64.3
Harrahs NKC	1,783	103.5	\$137.7	\$212	\$157.7
Ameristar KC	3,012	98.6	\$180.1	\$164	\$203.5
Sugar Creek					
Subtotal KCMO	8,094		\$498.2	\$169	\$559.0
Greater KC Total	11,644		\$683.8	\$161	\$774.6
Greater Joplin Total	9,963		\$199.0	\$55	\$213.8
Greater Wichita Total	8,332		\$235.2	\$77	\$261.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$478.1	\$226.2	\$704.3	Net Inflow
from Others (")		\$162.9			(\$63.3)

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Exhibit D-3: Gaming Revenue Projections (\$mn / 2007\$)
Golden Gaming "Low"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$28.0	\$96	\$28.0
Speedway/Cordish					
Pinnacle					
Golden Heartland	2,500	99.0	\$152.5	\$167	\$187.4
Legends Sun					
Camptown	600	102.0	\$23.1	\$106	\$23.1
Penn Cherokee	900	102.0	\$23.2	\$71	\$28.5
Harrahs Mulvane	2,000	104.0	\$144.5	\$198	\$168.2
Butler National	875	112.0	\$35.3	\$110	\$40.1
Dodge City Resort					
Subtotal Kansas Taxable	7,675		\$406.6	\$145	\$475.4
KCK 7th Street	450	78.2	\$14.7	\$89	\$14.7
4 Northeast KS Natives	3,293	116.9	\$147.8	\$123	\$166.2
Total Kansas	11,418		\$569.2	\$137	\$656.3
memo: Northeast Zone	3,300		\$180.5	\$150	\$215.4
memo: Southeast Zone	1,500		\$46.3	\$85	\$51.6
memo: South Central Zone	2,000		\$144.5	\$198	\$168.2
Argosy Riverside	1,969	97.2	\$120.6	\$168	\$132.3
IOC KC	1,330	80.9	\$58.9	\$121	\$63.7
Harrahs NKC	1,783	103.5	\$136.8	\$210	\$155.9
Ameristar KC	3,012	98.6	\$179.1	\$163	\$201.6
Sugar Creek					
Subtotal KCMO	8,094		\$495.4	\$168	\$553.4
Greater KC Total	11,844		\$690.6	\$160	\$783.6
Greater Joplin Total	9,963		\$198.9	\$55	\$213.6
Greater Wichita Total	8,332		\$235.1	\$77	\$261.1
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$488.2	\$222.0	\$710.2	Net Inflow
from Others (")		\$164.9			(\$57.0)

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Exhibit D-4: Gaming Revenue Projections (\$mn / 2007\$) Legends Sun "Low"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$29.7	\$102	\$29.7
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun	2,000	100.7	\$123.6	\$169	\$152.1
Camptown	600	102.0	\$23.2	\$106	\$23.2
Penn Cherokee	900	102.0	\$23.3	\$71	\$28.6
Harrahs Mulvane	2,000	104.0	\$144.6	\$198	\$168.3
Butler National	875	112.0	\$35.3	\$110	\$40.2
Dodge City Resorts					
Subtotal Kansas Taxable	7,175		\$379.7	\$145	\$442.1
KCK 7th Street	450	78.2	\$15.4	\$94	\$15.4
4 Northeast KS Natives	3,293	116.9	\$150.3	\$125	\$169.3
Total Kansas	10,918		\$545.4	\$137	\$626.8
memo: Northeast Zone	2,800		\$153.3	\$150	\$181.8
memo: Southeast Zone	1,500		\$46.5	\$85	\$51.8
memo: South Central Zone	2,000		\$144.6	\$198	\$168.3
Argosy Riverside	1,969	97.2	\$125.6	\$175	\$138.2
IOC KC	1,330	80.9	\$61.1	\$126	\$66.2
Harrahs NKC	1,783	103.5	\$141.3	\$217	\$161.4
Ameristar KC	3,012	98.6	\$184.1	\$167	\$207.5
Sugar Creek					
Subtotal KCMO	8,094		\$512.0	\$173	\$573.3
Greater KC Total	11,344		\$680.7	\$164	\$770.6
Greater Joplin Total	9,963		\$199.3	\$55	\$214.1
Greater Wichita Total	8,332		\$235.3	\$77	\$261.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$467.6	\$235.4	\$703.0	Net Inflow
from Others (")		\$156.3			(\$79.1)

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Exhibit D-5: Gaming Revenue Projections (\$mn / 2007\$)
Butler National "Low"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$191.6	\$175	\$233.3
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$22.9	\$105	\$22.9
Penn Cherokee	900	102.0	\$23.1	\$70	\$28.4
Harrahs Mulvane	2,000	104.0	\$144.6	\$198	\$168.2
Butler National	875	107.0	\$31.7	\$99	\$36.1
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$439.4	\$147	\$514.3
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$143.7	\$120	\$161.4
Total Kansas	11,918		\$596.9	\$137	\$689.5
memo: Northeast Zone	3,800		\$217.0	\$156	\$258.7
memo: Southeast Zone	1,500		\$46.1	\$84	\$51.3
memo: South Central Zone	2,000		\$144.6	\$198	\$168.2
Argosy Riverside	1,969	97.2	\$113.9	\$158	\$124.8
IOC KC	1,330	80.9	\$56.1	\$116	\$60.7
Harrahs NKC	1,783	103.5	\$130.7	\$201	\$148.8
Ameristar KC	3,012	98.6	\$172.0	\$156	\$193.4
Sugar Creek					
Subtotal KCMO	8,094		\$472.7	\$160	\$527.7
Greater KC Total	12,344		\$703.5	\$156	\$800.2
Greater Joplin Total	9,963		\$197.9	\$54	\$212.5
Greater Wichita Total	8,332		\$235.2	\$77	\$261.2
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$501.8	\$207.5	\$709.3	Net Inflow
from Others (")		\$184.2			(\$23.3)

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Exhibit D-6: Gaming Revenue Projections (\$mn / 2007\$)
Dodge City Resort "Low"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$191.6	\$175	\$233.3
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$22.9	\$105	\$22.9
Penn Cherokee	900	102.0	\$23.1	\$70	\$28.4
Harrahs Mulvane	2,000	104.0	\$144.7	\$198	\$168.3
Butler National					
Dodge City Resort	800	107.0	\$31.2	\$107	\$35.5
Subtotal Kansas Taxable	8,100		\$439.0	\$148	\$513.7
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$143.7	\$120	\$161.4
Total Kansas	11,843		\$596.5	\$138	\$689.0
memo: Northeast Zone	3,800		\$217.0	\$156	\$258.6
memo: Southeast Zone	1,500		\$46.1	\$84	\$51.3
memo: South Central Zone	2,000		\$144.7	\$198	\$168.3
Argosy Riverside	1,969	97.2	\$113.9	\$158	\$124.8
IOC KC	1,330	80.9	\$56.1	\$116	\$60.7
Harrahs NKC	1,783	103.5	\$130.7	\$201	\$148.8
Ameristar KC	3,012	98.6	\$172.0	\$156	\$193.4
Sugar Creek					
Subtotal KCMO	8,094		\$472.7	\$160	\$527.7
Greater KC Total	12,344		\$703.5	\$156	\$800.2
Greater Joplin Total	9,963		\$197.9	\$54	\$212.5
Greater Wichita Total	8,332		\$235.4	\$77	\$261.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$501.6	\$207.7	\$709.4	Net Inflow
from Others (")		\$184.1			(\$23.6)

Exhibit D-7: Summary of "Low" Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	98.7	\$161.1	\$147	\$196.6
Golden Heartland	2,500	99.0	\$152.5	\$167	\$187.4
Pinnacle	2,300	99.5	\$142.5	\$170	\$172.5
Legends Sun	2,000	100.7	\$123.6	\$169	\$152.1
Southwest Zone:					
Butler National	875	107	\$31.7	\$99	\$36.1
Dodge City Resort	800	107	\$31.2	\$107	\$35.5

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	98.7	\$186.8	\$171	\$228.0
Golden Heartland	2,500	99.0	\$176.8	\$194	\$217.4
Pinnacle	2,300	99.5	\$165.3	\$197	\$200.1
Legends Sun	2,000	100.7	\$143.3	\$196	\$176.4
Southwest Zone:					
Butler National	875	107	\$36.8	\$115	\$41.8
Dodge City Resort	800	107	\$36.2	\$124	\$41.2

E. "High" Projections
Northeast & Southwest Zones

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August 24, 2008

List of Exhibits

Exhibit

E-A Summary of Projections (2007\$ & 2013\$)

Section E: "High" Projections (2007\$) *

- E-1 Speedway/Cordish "High"
- E-2 PNK Kansas (Pinnacle) "High"
- E-3 Golden Gaming "High"
- E-4 Legends Sun "High"
- E-5 Butler National "High"
- E-6 Dodge City Resort "High"

* Similar sets of exhibits attached at end for slots and tables.

NOTE: Total gaming revenues now include poker.

Exhibit E-A: Summary of "High" Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	108.7	\$227.7	\$208	\$276.5
Golden Heartland	2,500	109.0	\$215.5	\$236	\$263.4
Pinnacle	2,300	109.5	\$203.0	\$242	\$244.6
Legends Sun	2,000	110.7	\$178.0	\$244	\$217.9
Southwest Zone:					
Butler National	875	117.0	\$39.7	\$124	\$45.2
Dodge City Resort	800	117.0	\$39.1	\$134	\$44.7

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	108.7	\$264.1	\$241	\$320.7
Golden Heartland	2,500	109.0	\$249.9	\$274	\$305.5
Pinnacle	2,300	109.5	\$235.4	\$280	\$283.6
Legends Sun	2,000	110.7	\$206.5	\$283	\$252.7
Southwest Zone:					
Butler National	875	117.0	\$46.0	\$144	\$52.4
Dodge City Resort	800	117.0	\$45.4	\$155	\$51.8

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Exhibit E-1: Gaming Revenue Projections (\$mn / 2007\$) Speedway/Cordish "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$24.0	\$82	\$24.0
Speedway/Cordish	3,000	108.7	\$227.7	\$208	\$276.5
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$23.9	\$109	\$23.9
Penn Cherokee	900	102.0	\$25.9	\$79	\$31.9
Harrahs Mulvane	2,000	104.0	\$150.7	\$206	\$174.9
Butler National	875	112.0	\$35.7	\$112	\$40.6
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$488.0	\$164	\$571.9
KCK 7th Street	450	78.2	\$13.3	\$81	\$13.3
4 Northeast KS Natives	3,293	116.9	\$141.6	\$118	\$158.8
Total Kansas	11,918		\$642.8	\$148	\$744.0
memo: Northeast Zone	3,800		\$251.7	\$181	\$300.6
memo: Southeast Zone	1,500		\$49.9	\$91	\$55.8
memo: South Central Zone	2,000		\$150.7	\$206	\$174.9
Argosy Riverside	1,969	97.2	\$110.2	\$153	\$120.6
IOC KC	1,330	80.9	\$54.5	\$112	\$58.9
Harrahs NKC	1,783	103.5	\$127.3	\$196	\$144.6
Ameristar KC	3,012	98.6	\$167.9	\$153	\$188.5
Sugar Creek					
Subtotal KCMO	8,094		\$459.9	\$156	\$512.7
Greater KC Total	12,344		\$724.9	\$161	\$826.5
Greater Joplin Total	9,463		\$195.0	\$56	\$209.5
Greater Wichita Total	6,632		\$230.6	\$95	\$256.3
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$532.1	\$188.2	\$720.3	Net Inflow
from Others (")		\$208.0			\$19.8

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Exhibit E-2: Gaming Revenue Projections (\$mn / 2007\$)
PNK Kansas "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.6	\$88	\$25.6
Speedway/Cordish					
Pinnacle	2,300	109.5	\$203.0	\$242	\$244.6
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$151.0	\$207	\$175.4
Butler National	875	112.0	\$35.7	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	7,475		\$465.5	\$171	\$542.3
KCK 7th Street	450	78.2	\$13.9	\$84	\$13.9
4 Northeast KS Natives	3,293	116.9	\$145.2	\$121	\$163.5
Total Kansas	11,218		\$624.6	\$153	\$719.7
memo: Northeast Zone	3,100		\$228.6	\$202	\$270.2
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$151.0	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$114.1	\$159	\$125.5
IOC KC	1,330	80.9	\$56.4	\$116	\$61.1
Harrahs NKC	1,783	103.5	\$131.3	\$202	\$150.0
Ameristar KC	3,012	98.6	\$172.6	\$157	\$194.6
Sugar Creek					
Subtotal KCMO	8,094		\$474.4	\$161	\$531.2
Greater KC Total	11,644		\$716.9	\$169	\$815.2
Greater Joplin Total	9,463		\$195.7	\$57	\$210.3
Greater Wichita Total	6,632		\$231.0	\$95	\$256.8
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$519.8	\$199.6	\$719.4	Net Inflow
from Others (")		\$196.2			(\$3.4)

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Exhibit E-3: Gaming Revenue Projections (\$mn / 2007\$)
Golden Gaming "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.3	\$86	\$25.3
Speedway/Cordish					
Pinnacle					
Golden Heartland	2,500	109.0	\$215.5	\$236	\$263.4
Legends Sun					
Camptown	600	102.0	\$24.0	\$110	\$24.0
Penn Cherokee	900	102.0	\$26.0	\$79	\$31.9
Harrahs Mulvane	2,000	104.0	\$150.9	\$207	\$175.2
Butler National	875	112.0	\$35.7	\$112	\$40.6
Dodge City Resort					
Subtotal Kansas Taxable	7,675		\$477.3	\$170	\$560.4
KCK 7th Street	450	78.2	\$13.7	\$83	\$13.7
4 Northeast KS Natives	3,293	116.9	\$143.5	\$119	\$160.9
Total Kansas	11,418		\$634.6	\$152	\$735.1
memo: Northeast Zone	3,300		\$240.7	\$200	\$288.7
memo: Southeast Zone	1,500		\$50.0	\$91	\$56.0
memo: South Central Zone	2,000		\$150.9	\$207	\$175.2
Argosy Riverside	1,969	97.2	\$113.5	\$158	\$124.1
IOC KC	1,330	80.9	\$55.9	\$115	\$60.3
Harrahs NKC	1,783	103.5	\$130.2	\$200	\$147.9
Ameristar KC	3,012	98.6	\$171.4	\$156	\$192.3
Sugar Creek					
Subtotal KCMO	8,094		\$471.0	\$159	\$524.7
Greater KC Total	11,844		\$725.4	\$168	\$827.1
Greater Joplin Total	9,463		\$195.4	\$57	\$209.9
Greater Wichita Total	6,632		\$230.8	\$95	\$256.5
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$531.7	\$194.9	\$726.6	Net Inflow
from Others (")		\$199.6			\$4.6

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Exhibit E-4: Gaming Revenue Projections (\$mn / 2007\$) Legends Sun "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$27.1	\$93	\$27.1
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun	2,000	110.7	\$178.0	\$244	\$217.9
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.1	\$79	\$32.1
Harrahs Mulvane	2,000	104.0	\$151.1	\$207	\$175.4
Butler National	875	112.0	\$35.7	\$112	\$40.7
Dodge City Resort					
Subtotal Kansas Taxable	7,175		\$442.2	\$169	\$517.3
KCK 7th Street	450	78.2	\$14.6	\$89	\$14.6
4 Northeast KS Natives	3,293	116.9	\$146.7	\$122	\$164.8
Total Kansas	10,918		\$603.5	\$151	\$696.8
memo: Northeast Zone	2,800		\$205.2	\$201	\$245.0
memo: Southeast Zone	1,500		\$50.2	\$92	\$56.2
memo: South Central Zone	2,000		\$151.1	\$207	\$175.4
Argosy Riverside	1,969	97.2	\$119.4	\$166	\$131.0
IOC KC	1,330	80.9	\$58.5	\$121	\$63.3
Harrahs NKC	1,783	103.5	\$135.7	\$209	\$154.6
Ameristar KC	3,012	98.6	\$177.6	\$162	\$199.6
Sugar Creek					
Subtotal KCMO	8,094		\$491.2	\$166	\$548.5
Greater KC Total	11,344		\$711.0	\$172	\$808.2
Greater Joplin Total	9,463		\$196.0	\$57	\$210.6
Greater Wichita Total	6,632		\$231.1	\$95	\$256.9
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$506.8	\$210.1	\$716.9	Net Inflow
from Others (")		\$186.5			(\$23.6)

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Exhibit E-5: Gaming Revenue Projections (\$mn / 2007\$)
Butler National "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$192.3	\$176	\$234.1
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$150.5	\$206	\$174.8
Butler National	875	117.0	\$39.7	\$124	\$45.2
Dodge City Resort					
Subtotal Kansas Taxable	8,175		\$458.1	\$154	\$535.6
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$144.5	\$120	\$162.2
Total Kansas	11,918		\$616.3	\$142	\$711.7
memo: Northeast Zone	3,800		\$217.8	\$157	\$259.6
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$150.5	\$206	\$174.8
Argosy Riverside	1,969	97.2	\$114.2	\$159	\$125.2
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.1	\$202	\$149.3
Ameristar KC	3,012	98.6	\$172.5	\$157	\$194.0
Sugar Creek					
Subtotal KCMO	8,094		\$474.1	\$160	\$529.2
Greater KC Total	12,344		\$705.7	\$157	\$802.6
Greater Joplin Total	9,463		\$195.7	\$57	\$210.3
Greater Wichita Total	6,632		\$230.3	\$95	\$256.0
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$517.0	\$196.3	\$713.3	Net Inflow
from Others (")		\$191.1			(\$5.2)

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Exhibit E-6: Gaming Revenue Projections (\$mn / 2007\$)
Dodge City Resort "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$25.4	\$87	\$25.4
Speedway/Cordish	3,000	103.7	\$192.3	\$176	\$234.1
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown	600	102.0	\$24.1	\$110	\$24.1
Penn Cherokee	900	102.0	\$26.0	\$79	\$32.0
Harrahs Mulvane	2,000	104.0	\$150.6	\$206	\$174.7
Butler National					
Dodge City Resort	800	117.0	\$39.1	\$134	\$44.7
Subtotal Kansas Taxable	8,100		\$457.6	\$155	\$535.1
KCK 7th Street	450	78.2	\$13.8	\$84	\$13.8
4 Northeast KS Natives	3,293	116.9	\$144.5	\$120	\$162.2
Total Kansas	11,843		\$615.9	\$142	\$711.1
memo: Northeast Zone	3,800		\$217.8	\$157	\$259.6
memo: Southeast Zone	1,500		\$50.1	\$92	\$56.1
memo: South Central Zone	2,000		\$150.6	\$206	\$174.7
Argosy Riverside	1,969	97.2	\$114.2	\$159	\$125.2
IOC KC	1,330	80.9	\$56.2	\$116	\$60.8
Harrahs NKC	1,783	103.5	\$131.1	\$202	\$149.3
Ameristar KC	3,012	98.6	\$172.5	\$157	\$194.0
Sugar Creek					
Subtotal KCMO	8,094		\$474.1	\$160	\$529.2
Greater KC Total	12,344		\$705.7	\$157	\$802.6
Greater Joplin Total	9,463		\$195.7	\$57	\$210.3
Greater Wichita Total	6,632		\$230.4	\$95	\$256.0
Casino Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$516.9	\$196.5	\$713.3	Net Inflow
from Others (")		\$191.0			(\$5.5)

Exhibit E-7: Summary of "High" Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	108.7	\$227.7	\$208	\$276.5
Golden Heartland	2,500	109.0	\$215.5	\$236	\$263.4
Pinnacle	2,300	109.5	\$203.0	\$242	\$244.6
Legends Sun	2,000	110.7	\$178.0	\$244	\$217.9
Southwest Zone:					
Butler National	875	117.0	\$39.7	\$124	\$45.2
Dodge City Resort	800	117.0	\$39.1	\$134	\$44.7

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	108.7	\$264.1	\$241	\$320.7
Golden Heartland	2,500	109.0	\$249.9	\$274	\$305.5
Pinnacle	2,300	109.5	\$235.4	\$280	\$283.6
Legends Sun	2,000	110.7	\$206.5	\$283	\$252.7
Southwest Zone:					
Butler National	875	117.0	\$46.0	\$144	\$52.4
Dodge City Resort	800	117.0	\$45.4	\$155	\$51.8

Detail for Slots
Northeast & Southwest Zones

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A. Detail for Slots -- "As Was"
Northeast & Southwest Zones

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Exhibit A-1: Slot Analysis in Brief (\$mn / 2007\$) "As Was" 2007 -- Before Any New Casinos Anywhere

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee				
Harrahs Mulvane				
Butler National				
Dodge City Resort				
Subtotal Kansas Taxable	0		\$0.0	
KCK 7th Street				
4 Northeast KS Natives	2,693	116.9	\$167.8	\$171
Total Kansas	2,693		\$167.8	\$171
memo: Northeast Zone				
memo: Southeast Zone				
memo: South Central Zone				
Argosy Riverside	1,969	97.2	\$164.2	\$228
IOC KC	1,523	78.9	\$77.3	\$139
Harrahs NKC	1,783	103.5	\$175.4	\$270
Ameristar KC	3,012	98.6	\$222.5	\$202
Sugar Creek				
Subtotal KCMO	8,287		\$639.4	\$211
Greater KC Total	8,287		\$639.4	\$211
Greater Joplin Total	4,242		\$138.8	\$90
Greater Wichita Total	3,632		\$112.3	\$85
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$124.5	\$338.8	\$463.3
from Others (")		\$43.3		

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Exhibit A-2-NE: Slot Projections (\$mn / 2007\$) "As Was" 2007 -- w Potential New Kansas Facilities Elsewhere

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$46.4	\$159
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$28.9	\$132
Penn Cherokee	900	102.0	\$42.0	\$128
Harrahs Mulvane	2,000	104.0	\$159.3	\$218
Butler National	875	112.0	\$36.7	\$115
Dodge City Resort				
Subtotal Kansas Taxable	5,175		\$313.3	\$166
KCK 7th Street				
4 Northeast KS Natives	2,693	116.9	\$157.3	\$160
Total Kansas	7,868		\$470.6	\$164
memo: Northeast Zone	800		\$46.4	\$159
memo: Southeast Zone	1,500		\$71.0	\$130
memo: South Central Zone	2,000		\$159.3	\$218
Argosy Riverside	1,969	97.2	\$156.7	\$218
IOC KC	1,523	78.9	\$74.7	\$134
Harrahs NKC	1,783	103.5	\$168.6	\$259
Ameristar KC	3,012	98.6	\$214.5	\$195
Sugar Creek				
Subtotal KCMO	8,287		\$614.5	\$203
Greater KC Total	9,087		\$660.9	\$199
Greater Joplin Total	5,742		\$183.8	\$88
Greater Wichita Total	5,632		\$236.0	\$115
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$361.4	\$258.3	\$619.7
from Others (")		\$109.2		

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**Exhibit A-3-1: Projection in Brief (\$mn / 2007\$)
Speedway/Cordish Slots "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$26.3	\$90
Speedway/Cordish	3,000	103.7	\$199.5	\$182
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$28.0	\$128
Penn Cherokee	900	102.0	\$41.3	\$126
Harrahs Mulvane	2,000	104.0	\$157.8	\$216
Butler National	875	112.0	\$36.4	\$114
Dodge City Resort				
Subtotal Kansas Taxable	8,175		\$489.2	\$164
KCK 7th Street				
4 Northeast KS Natives	2,693	116.9	\$137.4	\$140
Total Kansas	10,868		\$626.6	\$158
memo: Northeast Zone	3,800		\$225.8	\$163
memo: Southeast Zone	1,500		\$69.3	\$127
memo: South Central Zone	2,000		\$157.8	\$216
Argosy Riverside	1,969	97.2	\$118.2	\$164
IOC KC	1,523	78.9	\$59.6	\$107
Harrahs NKC	1,783	103.5	\$135.5	\$208
Ameristar KC	3,012	98.6	\$177.7	\$162
Sugar Creek				
Subtotal KCMO	8,287		\$491.0	\$162
Greater KC Total	12,087		\$716.8	\$162
Greater Joplin Total	5,742		\$180.3	\$86
Greater Wichita Total	5,632		\$234.1	\$114
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$457.4	\$174.9	\$632.3
from Others (")		\$169.2		

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**Exhibit A-3-2: Projection in Brief (\$mn / 2007\$)
PNK Kansas Slots "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$28.0	\$96
Speedway/Cordish				
Pinnacle	2,300	104.5	\$177.4	\$211
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$28.1	\$128
Penn Cherokee	900	102.0	\$41.4	\$126
Harrahs Mulvane	2,000	104.0	\$158.0	\$216
Butler National	875	112.0	\$36.4	\$114
Dodge City Resort				
Subtotal Kansas Taxable	7,475		\$469.4	\$172
KCK 7th Street				
4 Northeast KS Natives	2,693	116.9	\$140.7	\$143
Total Kansas	10,168		\$610.0	\$164
memo: Northeast Zone	3,100		\$205.4	\$182
memo: Southeast Zone	1,500		\$69.5	\$127
memo: South Central Zone	2,000		\$158.0	\$216
Argosy Riverside	1,969	97.2	\$122.1	\$170
IOC KC	1,523	78.9	\$61.5	\$111
Harrahs NKC	1,783	103.5	\$139.5	\$214
Ameristar KC	3,012	98.6	\$182.3	\$166
Sugar Creek				
Subtotal KCMO	8,287		\$505.4	\$167
Greater KC Total	11,387		\$710.8	\$171
Greater Joplin Total	5,742		\$180.9	\$86
Greater Wichita Total	5,632		\$234.4	\$114
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$448.0	\$184.5	\$632.5
from Others (")		\$162.0		

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**Exhibit A-3-3: Projection in Brief (\$mn / 2007\$)
Golden Gaming Slots "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$27.6	\$95
Speedway/Cordish				
Pinnacle				
Golden Heartland	2,500	104.0	\$188.8	\$207
Legends Sun				
Camptown	600	102.0	\$28.1	\$128
Penn Cherokee	900	102.0	\$41.4	\$126
Harrahs Mulvane	2,000	104.0	\$157.9	\$216
Butler National	875	112.0	\$36.4	\$114
Dodge City Resort				
Subtotal Kansas Taxable	7,675		\$480.2	\$171
KCK 7th Street				
4 Northeast KS Natives	2,693	116.9	\$139.1	\$142
Total Kansas	10,368		\$619.4	\$164
memo: Northeast Zone	3,300		\$216.5	\$180
memo: Southeast Zone	1,500		\$69.4	\$127
memo: South Central Zone	2,000		\$157.9	\$216
Argosy Riverside	1,969	97.2	\$121.5	\$169
IOC KC	1,523	78.9	\$61.0	\$110
Harrahs NKC	1,783	103.5	\$138.4	\$213
Ameristar KC	3,012	98.6	\$181.1	\$165
Sugar Creek				
Subtotal KCMO	8,287		\$502.0	\$166
Greater KC Total	11,587		\$718.5	\$170
Greater Joplin Total	5,742		\$180.7	\$86
Greater Wichita Total	5,632		\$234.3	\$114
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$456.6	\$181.5	\$638.1
from Others (")		\$162.8		

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**Exhibit A-3-4: Projection in Brief (\$mn / 2007\$)
Legends Sun Slots "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$29.5	\$101
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	2,000	105.7	\$155.0	\$212
Camptown	600	102.0	\$28.2	\$129
Penn Cherokee	900	102.0	\$41.5	\$126
Harrahs Mulvane	2,000	104.0	\$158.1	\$217
Butler National	875	112.0	\$36.4	\$114
Dodge City Resort				
Subtotal Kansas Taxable	7,175		\$448.7	\$171
KCK 7th Street				
4 Northeast KS Natives	2,693	116.9	\$141.9	\$144
Total Kansas	9,868		\$590.6	\$164
memo: Northeast Zone	2,800		\$184.5	\$181
memo: Southeast Zone	1,500		\$69.7	\$127
memo: South Central Zone	2,000		\$158.1	\$217
Argosy Riverside	1,969	97.2	\$127.4	\$177
IOC KC	1,523	78.9	\$63.7	\$115
Harrahs NKC	1,783	103.5	\$143.8	\$221
Ameristar KC	3,012	98.6	\$187.1	\$170
Sugar Creek				
Subtotal KCMO	8,287		\$522.0	\$173
Greater KC Total	11,087		\$706.5	\$175
Greater Joplin Total	5,742		\$181.1	\$86
Greater Wichita Total	5,632		\$234.5	\$114
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$436.4	\$194.5	\$630.9
from Others (")		\$154.2		

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Exhibit A-2-SW: Slot Projections (\$mn / 2007\$)
"As Was" 2007 -- with New Facilities Elsewhere in KS

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$26.3	\$90
Speedway/Cordish	3,000	103.7	\$199.8	\$182
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$28.0	\$128
Penn Cherokee	900	102.0	\$41.3	\$126
Harrahs Mulvane	2,000	104.0	\$161.4	\$221
Butler National				
Dodge City Resort				
Subtotal Kansas Taxable	7,300		\$456.9	\$171
KCK 7th Street				
4 Northeast KS Natives	2,693	116.9	\$138.3	\$141
Total Kansas	9,993		\$595.1	\$163
memo: Northeast Zone	3,800		\$226.1	\$163
memo: Southeast Zone	1,500		\$69.3	\$127
memo: South Central Zone	2,000		\$161.4	\$221
Argosy Riverside	1,969	97.2	\$118.3	\$165
IOC KC	1,523	78.9	\$59.6	\$107
Harrahs NKC	1,783	103.5	\$135.6	\$208
Ameristar KC	3,012	98.6	\$177.8	\$162
Sugar Creek				
Subtotal KCMO	8,287		\$491.4	\$162
Greater KC Total	12,087		\$717.5	\$163
Greater Joplin Total	5,742		\$180.5	\$86
Greater Wichita Total	5,632		\$238.6	\$116
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$428.9	\$178.8	\$607.7
from Others (")		\$166.2		

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**Exhibit A-3-5: Projection in Brief (\$mn / 2007\$)
Butler National Slots "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$26.3	\$90
Speedway/Cordish	3,000	103.7	\$199.5	\$182
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$28.0	\$128
Penn Cherokee	900	102.0	\$41.3	\$126
Harrahs Mulvane	2,000	104.0	\$157.8	\$216
Butler National	875	112.0	\$36.4	\$114
Dodge City Resort	-----		-----	
Subtotal Kansas Taxable	8,175		\$489.2	\$164
KCK 7th Street				
4 Northeast KS Natives	2,693	116.9	\$137.4	\$140
	-----		-----	
Total Kansas	10,868		\$626.6	\$158
memo: Northeast Zone	3,800		\$225.8	\$163
memo: Southeast Zone	1,500		\$69.3	\$127
memo: South Central Zone	2,000		\$157.8	\$216
Argosy Riverside	1,969	97.2	\$118.2	\$164
IOC KC	1,523	78.9	\$59.6	\$107
Harrahs NKC	1,783	103.5	\$135.5	\$208
Ameristar KC	3,012	98.6	\$177.7	\$162
Sugar Creek	-----		-----	
Subtotal KCMO	8,287		\$491.0	\$162
Greater KC Total	12,087		\$716.8	\$162
Greater Joplin Total	5,742		\$180.3	\$86
Greater Wichita Total	5,632		\$234.1	\$114
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$457.4	\$174.9	\$632.3
from Others (")		\$169.2		

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**Exhibit A-3-6: Projection in Brief (\$mn / 2007\$)
Dodge City Resort Slots "As Was"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$26.3	\$90
Speedway/Cordish	3,000	103.7	\$199.5	\$182
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$28.0	\$128
Penn Cherokee	900	102.0	\$41.3	\$126
Harrahs Mulvane	2,000	104.0	\$157.9	\$216
Butler National				
Dodge City Resort	800	112.0	\$35.8	\$123
Subtotal Kansas Taxable	8,100		\$488.8	\$165
KCK 7th Street				
4 Northeast KS Natives	2,693	116.9	\$137.4	\$140
Total Kansas	10,793		\$626.2	\$159
memo: Northeast Zone	3,800		\$225.9	\$163
memo: Southeast Zone	1,500		\$69.3	\$127
memo: South Central Zone	2,000		\$157.9	\$216
Argosy Riverside	1,969	97.2	\$118.2	\$164
IOC KC	1,523	78.9	\$59.6	\$107
Harrahs NKC	1,783	103.5	\$135.5	\$208
Ameristar KC	3,012	98.6	\$177.7	\$162
Sugar Creek				
Subtotal KCMO	8,287		\$491.0	\$162
Greater KC Total	12,087		\$716.8	\$162
Greater Joplin Total	5,742		\$180.3	\$86
Greater Wichita Total	5,632		\$234.2	\$114
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$457.2	\$175.1	\$632.4
from Others (")		\$169.0		

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**B. Detail for Slots -- Baseline
Northeast & Southwest Zones**

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August 24, 2008

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Exhibit B-1: Slot Projections (\$mn / 2007\$) Likely Future / Baseline -- with New Facilities Elsewhere

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee				
Harrahs Mulvane				
Butler National				
Dodge City Resort				
Subtotal Kansas Taxable	0		\$0.0	
KCK 7th Street				
4 Northeast KS Natives	3,293	116.9	\$174.0	\$145
Total Kansas	3,293		\$174.0	\$145
memo: Northeast Zone				
memo: Southeast Zone				
memo: South Central Zone				
Argosy Riverside	1,969	97.2	\$162.2	\$226
IOC KC	1,330	80.9	\$75.1	\$155
Harrahs NKC	1,783	103.5	\$172.9	\$266
Ameristar KC	3,012	98.6	\$219.4	\$200
Sugar Creek				
Subtotal KCMO	8,094		\$629.5	\$213
Greater KC Total	8,094		\$629.5	\$213
Greater Joplin Total	7,963		\$177.3	\$61
Greater Wichita Total	4,632		\$114.1	\$67
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$125.6	\$341.4	\$467.0
from Others (")		\$48.5		

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Exhibit B-2-NE: Slot Projections (\$mn / 2007\$) Likely Future / Baseline -- with New Facilities Elsewhere AND KS

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$44.2	\$151
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.8	\$113
Penn Cherokee	900	102.0	\$26.5	\$81
Harrahs Mulvane	2,000	104.0	\$152.4	\$209
Butler National	875	112.0	\$36.0	\$113
Dodge City Resort				
Subtotal Kansas Taxable	5,175		\$283.9	\$150
KCK 7th Street	450	78.2	\$18.6	\$113
4 Northeast KS Natives	3,293	116.9	\$164.6	\$137
Total Kansas	8,918		\$467.1	\$144
memo: Northeast Zone	800		\$44.2	\$151
memo: Southeast Zone	1,500		\$51.4	\$94
memo: South Central Zone	2,000		\$152.4	\$209
Argosy Riverside	1,969	97.2	\$149.7	\$208
IOC KC	1,330	80.9	\$69.8	\$144
Harrahs NKC	1,783	103.5	\$161.7	\$249
Ameristar KC	3,012	98.6	\$206.8	\$188
Sugar Creek				
Subtotal KCMO	8,094		\$588.1	\$199
Greater KC Total	9,344		\$650.9	\$191
Greater Joplin Total	9,463		\$199.5	\$58
Greater Wichita Total	6,632		\$232.7	\$96
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$361.3	\$257.0	\$618.3
from Others (")		\$105.8		

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**Exhibit B-3-1: Projection in Brief (\$mn / 2007\$)
Speedway/Cordish Slots Baseline**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$192.4	\$176
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$151.0	\$207
Butler National	875	112.0	\$35.7	\$112
Dodge City Resort				
Subtotal Kansas Taxable	8,175		\$454.8	\$152
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120
Total Kansas	11,918		\$613.3	\$141
memo: Northeast Zone	3,800		\$217.8	\$157
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.0	\$207
Argosy Riverside	1,969	97.2	\$114.2	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.2	\$202
Ameristar KC	3,012	98.6	\$172.5	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$474.2	\$161
Greater KC Total	12,344		\$705.8	\$157
Greater Joplin Total	9,463		\$195.8	\$57
Greater Wichita Total	6,632		\$231.0	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$450.9	\$180.4	\$631.3
from Others (")		\$162.4		

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Exhibit B-3-2: Projection in Brief (\$mn / 2007\$)
PNK Kansas Slots Baseline

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$27.0	\$93
Speedway/Cordish				
Pinnacle	2,300	104.5	\$170.8	\$204
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.2	\$110
Penn Cherokee	900	102.0	\$26.1	\$80
Harrahs Mulvane	2,000	104.0	\$151.3	\$207
Butler National	875	112.0	\$35.8	\$112
Dodge City Resort				
Subtotal Kansas Taxable	7,475		\$435.3	\$160
KCK 7th Street	450	78.2	\$14.4	\$87
4 Northeast KS Natives	3,293	116.9	\$148.0	\$123
Total Kansas	11,218		\$597.6	\$146
memo: Northeast Zone	3,100		\$197.9	\$175
memo: Southeast Zone	1,500		\$50.3	\$92
memo: South Central Zone	2,000		\$151.3	\$207
Argosy Riverside	1,969	97.2	\$117.9	\$164
IOC KC	1,330	80.9	\$57.9	\$119
Harrahs NKC	1,783	103.5	\$134.9	\$207
Ameristar KC	3,012	98.6	\$176.9	\$161
Sugar Creek				
Subtotal KCMO	8,094		\$487.7	\$165
Greater KC Total	11,644		\$699.9	\$165
Greater Joplin Total	9,463		\$196.3	\$57
Greater Wichita Total	6,632		\$231.3	\$96
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$442.0	\$189.4	\$631.4
from Others (")		\$155.6		

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**Exhibit B-3-3: Projection in Brief (\$mn / 2007\$)
Golden Gaming Slots Baseline**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$26.7	\$91
Speedway/Cordish				
Pinnacle				
Golden Heartland	2,500	104.0	\$182.0	\$199
Legends Sun				
Camptown	600	102.0	\$24.2	\$110
Penn Cherokee	900	102.0	\$26.1	\$79
Harrahs Mulvane	2,000	104.0	\$151.2	\$207
Butler National	875	112.0	\$35.8	\$112
Dodge City Resort				
Subtotal Kansas Taxable	7,675		\$446.0	\$159
KCK 7th Street	450	78.2	\$14.2	\$87
4 Northeast KS Natives	3,293	116.9	\$146.5	\$122
Total Kansas	11,418		\$606.6	\$146
memo: Northeast Zone	3,300		\$208.7	\$173
memo: Southeast Zone	1,500		\$50.3	\$92
memo: South Central Zone	2,000		\$151.2	\$207
Argosy Riverside	1,969	97.2	\$117.3	\$163
IOC KC	1,330	80.9	\$57.5	\$118
Harrahs NKC	1,783	103.5	\$133.9	\$206
Ameristar KC	3,012	98.6	\$175.8	\$160
Sugar Creek				
Subtotal KCMO	8,094		\$484.5	\$164
Greater KC Total	11,844		\$707.5	\$164
Greater Joplin Total	9,463		\$196.1	\$57
Greater Wichita Total	6,632		\$231.2	\$96
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$450.4	\$186.6	\$636.9
from Others (")		\$156.3		

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Exhibit B-3-4: Projection in Brief (\$mn / 2007\$)
Legends Sun Slots Baseline

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$28.5	\$98
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	2,000	105.7	\$149.0	\$204
Camptown	600	102.0	\$24.3	\$111
Penn Cherokee	900	102.0	\$26.2	\$80
Harrahs Mulvane	2,000	104.0	\$151.3	\$207
Butler National	875	112.0	\$35.8	\$112
Dodge City Resort				
Subtotal Kansas Taxable	7,175		\$415.0	\$158
KCK 7th Street	450	78.2	\$15.1	\$92
4 Northeast KS Natives	3,293	116.9	\$149.2	\$124
Total Kansas	10,918		\$579.3	\$145
memo: Northeast Zone	2,800		\$177.4	\$174
memo: Southeast Zone	1,500		\$50.4	\$92
memo: South Central Zone	2,000		\$151.3	\$207
Argosy Riverside	1,969	97.2	\$122.8	\$171
IOC KC	1,330	80.9	\$59.9	\$123
Harrahs NKC	1,783	103.5	\$138.9	\$214
Ameristar KC	3,012	98.6	\$181.3	\$165
Sugar Creek				
Subtotal KCMO	8,094		\$503.0	\$170
Greater KC Total	11,344		\$695.5	\$168
Greater Joplin Total	9,463		\$196.6	\$57
Greater Wichita Total	6,632		\$231.4	\$96
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$431.1	\$198.5	\$629.6
from Others (")		\$148.2		

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Exhibit B-2-SW: Slot Projections (\$mn / 2007\$) Likely Future / Baseline -- with New Facilities Elsewhere AND KS

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.5	\$87
Speedway/Cordish	3,000	103.7	\$192.6	\$176
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.1	\$79
Harrahs Mulvane	2,000	104.0	\$154.3	\$211
Butler National				
Dodge City Resort				
Subtotal Kansas Taxable	7,300		\$422.5	\$159
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$145.5	\$121
Total Kansas	11,043		\$581.9	\$144
memo: Northeast Zone	3,800		\$218.1	\$157
memo: Southeast Zone	1,500		\$50.2	\$92
memo: South Central Zone	2,000		\$154.3	\$211
Argosy Riverside	1,969	97.2	\$114.3	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.3	\$202
Ameristar KC	3,012	98.6	\$172.7	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$474.5	\$161
Greater KC Total	12,344		\$706.4	\$157
Greater Joplin Total	9,463		\$196.0	\$57
Greater Wichita Total	6,632		\$235.2	\$97
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$422.4	\$184.3	\$606.7
from Others (")		\$159.5		

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**Exhibit B-3-5: Projection in Brief (\$mn / 2007\$)
Butler National Slots Baseline**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$192.4	\$176
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$151.0	\$207
Butler National	875	112.0	\$35.7	\$112
Dodge City Resort	-----		-----	
Subtotal Kansas Taxable	8,175		\$454.8	\$152
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120
	-----		-----	
Total Kansas	11,918		\$613.3	\$141
memo: Northeast Zone	3,800		\$217.8	\$157
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.0	\$207
Argosy Riverside	1,969	97.2	\$114.2	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.2	\$202
Ameristar KC	3,012	98.6	\$172.5	\$157
Sugar Creek	-----		-----	
Subtotal KCMO	8,094		\$474.2	\$161
Greater KC Total	12,344		\$705.8	\$157
Greater Joplin Total	9,463		\$195.8	\$57
Greater Wichita Total	6,632		\$231.0	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$450.9	\$180.4	\$631.3
from Others (")		\$162.4		

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**Exhibit B-3-6: Projection in Brief (\$mn / 2007\$)
Dodge City Resort Slots Baseline**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$192.4	\$176
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$151.1	\$207
Butler National				
Dodge City Resort	800	112.0	\$35.2	\$121
Subtotal Kansas Taxable	8,100		\$454.3	\$154
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120
Total Kansas	11,843		\$612.8	\$142
memo: Northeast Zone	3,800		\$217.8	\$157
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.1	\$207
Argosy Riverside	1,969	97.2	\$114.2	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.2	\$202
Ameristar KC	3,012	98.6	\$172.6	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$474.2	\$161
Greater KC Total	12,344		\$705.8	\$157
Greater Joplin Total	9,463		\$195.8	\$57
Greater Wichita Total	6,632		\$231.2	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$450.7	\$180.6	\$631.3
from Others (")		\$162.2		

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C: Detail for Slots -- Comparisons I
Northeast & Southwest Zones

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August 24, 2008

Exhibit C-1-1: Slot Projections (\$mn / 2007\$)
Speedway/Cordish at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.3	\$87
Speedway/Cordish	3,000	104.0	\$194.7	\$178
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$151.0	\$207
Butler National	875	112.0	\$35.7	\$112
Dodge City Resorts				
Subtotal Kansas Taxable	8,175		\$456.9	\$153
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$144.5	\$120
Total Kansas	11,918		\$615.2	\$141
memo: Northeast Zone	3,800		\$220.0	\$159
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.0	\$207
Argosy Riverside	1,969	97.2	\$113.9	\$159
IOC KC	1,330	80.9	\$56.1	\$116
Harrahs NKC	1,783	103.5	\$130.9	\$201
Ameristar KC	3,012	98.6	\$172.2	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$473.2	\$160
Greater KC Total	12,344		\$707.0	\$157
Greater Joplin Total	9,463		\$195.7	\$57
Greater Wichita Total	6,632		\$231.0	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$451.9	\$179.8	\$631.7
from Others (")		\$163.3		

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Exhibit C-1-2: Slot Projections (\$mn / 2007\$)
PNK Kansas at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.1	\$86
Speedway/Cordish				
Pinnacle	3,000	104.0	\$197.2	\$180
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$151.1	\$207
Butler National	875	112.0	\$35.7	\$112
Dodge City Resorts				
Subtotal Kansas Taxable	8,175		\$459.3	\$154
KCK 7th Street	450	78.2	\$13.7	\$83
4 Northeast KS Natives	3,293	116.9	\$145.0	\$121
Total Kansas	11,918		\$618.0	\$142
memo: Northeast Zone	3,800		\$222.3	\$160
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.1	\$207
Argosy Riverside	1,969	97.2	\$112.9	\$157
IOC KC	1,330	80.9	\$55.9	\$115
Harrahs NKC	1,783	103.5	\$130.4	\$200
Ameristar KC	3,012	98.6	\$171.6	\$156
Sugar Creek				
Subtotal KCMO	8,094		\$470.9	\$159
Greater KC Total	12,344		\$707.0	\$157
Greater Joplin Total	9,463		\$195.7	\$57
Greater Wichita Total	6,632		\$231.0	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$451.9	\$179.7	\$631.6
from Others (")		\$166.0		

Exhibit C-1-3: Slot Projections (\$mn / 2007\$)
Golden Gaming at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands Speedway/Cordish Pinnacle	800	95.0	\$25.3	\$87
Golden Heartland Legends Sun	3,000	104.0	\$202.2	\$185
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$151.0	\$207
Butler National	875	112.0	\$35.7	\$112
Dodge City Resorts	-----		-----	
Subtotal Kansas Taxable	8,175		\$464.3	\$156
KCK 7th Street	450	78.2	\$13.7	\$84
4 Northeast KS Natives	3,293	116.9	\$144.1	\$120
Total Kansas	11,918		\$622.2	\$143
memo: Northeast Zone	3,800		\$227.5	\$164
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.0	\$207
Argosy Riverside	1,969	97.2	\$113.7	\$158
IOC KC	1,330	80.9	\$56.0	\$115
Harrahs NKC	1,783	103.5	\$130.6	\$201
Ameristar KC	3,012	98.6	\$171.9	\$156
Sugar Creek	-----		-----	
Subtotal KCMO	8,094		\$472.2	\$160
Greater KC Total	12,344		\$713.4	\$158
Greater Joplin Total	9,463		\$195.6	\$57
Greater Wichita Total	6,632		\$231.0	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$458.1	\$179.4	\$637.4
from Others (")		\$164.1		

Exhibit C-1-4: Slot Projections (\$mn / 2007\$)
Legends Sun at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.9	\$89
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	3,000	104.0	\$180.4	\$165
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.1	\$79
Harrahs Mulvane	2,000	104.0	\$151.0	\$207
Butler National	875	112.0	\$35.7	\$112
Dodge City Resorts				
Subtotal Kansas Taxable	8,175		\$443.3	\$149
KCK 7th Street	450	78.2	\$14.2	\$87
4 Northeast KS Natives	3,293	116.9	\$145.4	\$121
Total Kansas	11,918		\$602.9	\$139
memo: Northeast Zone	3,800		\$206.3	\$149
memo: Southeast Zone	1,500		\$50.2	\$92
memo: South Central Zone	2,000		\$151.0	\$207
Argosy Riverside	1,969	97.2	\$116.7	\$162
IOC KC	1,330	80.9	\$57.5	\$118
Harrahs NKC	1,783	103.5	\$133.4	\$205
Ameristar KC	3,012	98.6	\$174.9	\$159
Sugar Creek				
Subtotal KCMO	8,094		\$482.5	\$163
Greater KC Total	12,344		\$703.1	\$156
Greater Joplin Total	9,463		\$195.8	\$57
Greater Wichita Total	6,632		\$231.0	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$442.7	\$186.3	\$629.0
from Others (")		\$160.2		

Exhibit C-1-5: Slot Projections (\$mn / 2007\$)
Butler National at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.5	\$87
Speedway/Cordish	3,000	103.7	\$192.4	\$176
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.1	\$79
Harrahs Mulvane	2,000	104.0	\$151.2	\$207
Butler National	800	112.0	\$35.0	\$120
Dodge City Resorts				
Subtotal Kansas Taxable	8,100		\$454.3	\$154
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$144.8	\$120
Total Kansas	11,843		\$612.8	\$142
memo: Northeast Zone	3,800		\$217.9	\$157
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.2	\$207
Argosy Riverside	1,969	97.2	\$114.2	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.2	\$202
Ameristar KC	3,012	98.6	\$172.6	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$474.2	\$161
Greater KC Total	12,344		\$705.9	\$157
Greater Joplin Total	9,463		\$195.8	\$57
Greater Wichita Total	6,632		\$231.3	\$96
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$450.6	\$180.6	\$631.2
from Others (")		\$162.2		

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Exhibit C-1-6: Slot Projections (\$mn / 2007\$)
Dodge City Resort at Standard Size & Power

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$192.4	\$176
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$151.1	\$207
Butler National				
Dodge City Resorts	800	112.0	\$35.2	\$121
	-----		-----	
Subtotal Kansas Taxable	8,100		\$454.3	\$154
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120
	-----		-----	
Total Kansas	11,843		\$612.8	\$142
memo: Northeast Zone	3,800		\$217.8	\$157
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.1	\$207
Argosy Riverside	1,969	97.2	\$114.2	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.2	\$202
Ameristar KC	3,012	98.6	\$172.6	\$157
Sugar Creek				
	-----		-----	
Subtotal KCMO	8,094		\$474.2	\$161
Greater KC Total	12,344		\$705.8	\$157
Greater Joplin Total	9,463		\$195.8	\$57
Greater Wichita Total	6,632		\$231.2	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$450.7	\$180.6	\$631.3
from Others (")		\$162.2		

Exhibit C-1-7: Slot Projections at Standard Size & Power**In 2007 Dollars**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Northeast Zone:				
Golden Heartland	3,000	104.0	\$202.2	\$185
PNK Kansas	3,000	104.0	\$197.2	\$180
Speedway/Cordish	3,000	104.0	\$194.7	\$178
Legends Sun	3,000	104.0	\$180.4	\$165
Southwest Zone:				
Dodge City Resort	800	112	\$35.2	\$121
Butler National	800	112	\$35.0	\$120

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Northeast Zone:				
Golden Heartland	3,000	104.0	\$234.5	\$214
PNK Kansas	3,000	104.0	\$228.7	\$209
Speedway/Cordish	3,000	104.0	\$225.8	\$206
Legends Sun	3,000	104.0	\$209.2	\$191
Southwest Zone:				
Dodge City Resort	800	112	\$40.8	\$140
Butler National	800	112	\$40.6	\$139

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C: Detail for Slots -- Comparisons II
Northeast & Southwest Zones

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August 24, 2008

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Exhibit C-2-1: Slot Projections (\$mn / 2007\$)
Speedway/Cordish Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$22.2	\$76
Speedway/Cordish	3,000	114.9	\$279.1	\$255
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$23.7	\$108
Penn Cherokee	900	102.0	\$25.8	\$79
Harrahs Mulvane	2,000	104.0	\$150.2	\$206
Butler National	875	112.0	\$35.5	\$111
Dodge City Resorts				
Subtotal Kansas Taxable	8,175		\$536.6	\$180
KCK 7th Street	450	78.2	\$12.6	\$76
4 Northeast KS Natives	3,293	116.9	\$137.2	\$114
Total Kansas	11,918		\$686.3	\$158
memo: Northeast Zone	3,800		\$301.3	\$217
memo: Southeast Zone	1,500		\$49.5	\$90
memo: South Central Zone	2,000		\$150.2	\$206
Argosy Riverside	1,969	97.2	\$104.9	\$146
IOC KC	1,330	80.9	\$52.3	\$108
Harrahs NKC	1,783	103.5	\$122.0	\$187
Ameristar KC	3,012	98.6	\$161.5	\$147
Sugar Creek				
Subtotal KCMO	8,094		\$440.6	\$149
Greater KC Total	12,344		\$754.5	\$167
Greater Joplin Total	9,463		\$193.8	\$56
Greater Wichita Total	6,632		\$229.9	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$486.8	\$162.8	\$649.5
from Others (")		\$199.6		

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Exhibit C-2-2: Slot Projections (\$mn / 2007\$)
PNK Kansas Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$22.6	\$78
Speedway/Cordish				
Pinnacle	2,300	119.6	\$284.6	\$339
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$23.8	\$108
Penn Cherokee	900	102.0	\$25.8	\$79
Harrahs Mulvane	2,000	104.0	\$150.2	\$206
Butler National	875	112.0	\$35.6	\$111
Dodge City Resorts				
Subtotal Kansas Taxable	7,475		\$542.6	\$199
KCK 7th Street	450	78.2	\$12.7	\$78
4 Northeast KS Natives	3,293	116.9	\$138.6	\$115
Total Kansas	11,218		\$693.9	\$169
memo: Northeast Zone	3,100		\$307.2	\$272
memo: Southeast Zone	1,500		\$49.6	\$91
memo: South Central Zone	2,000		\$150.2	\$206
Argosy Riverside	1,969	97.2	\$105.5	\$147
IOC KC	1,330	80.9	\$52.8	\$109
Harrahs NKC	1,783	103.5	\$123.0	\$189
Ameristar KC	3,012	98.6	\$162.6	\$148
Sugar Creek				
Subtotal KCMO	8,094		\$443.9	\$150
Greater KC Total	11,644		\$763.8	\$180
Greater Joplin Total	9,463		\$193.8	\$56
Greater Wichita Total	6,632		\$230.0	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$489.6	\$166.0	\$655.6
from Others (")		\$204.3		

Exhibit C-2-3: Slot Projections (\$mn / 2007\$)
Golden Gaming Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$26.1	\$90
Speedway/Cordish				
Pinnacle				
Golden Heartland	2,500	106.0	\$194.4	\$213
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.1	\$79
Harrahs Mulvane	2,000	104.0	\$151.1	\$207
Butler National	875	112.0	\$35.8	\$112
Dodge City Resorts				
Subtotal Kansas Taxable	7,675		\$457.5	\$163
KCK 7th Street	450	78.2	\$14.0	\$85
4 Northeast KS Natives	3,293	116.9	\$145.4	\$121
Total Kansas	11,418		\$616.9	\$148
memo: Northeast Zone	3,300		\$220.5	\$183
memo: Southeast Zone	1,500		\$50.2	\$92
memo: South Central Zone	2,000		\$151.1	\$207
Argosy Riverside	1,969	97.2	\$115.9	\$161
IOC KC	1,330	80.9	\$56.9	\$117
Harrahs NKC	1,783	103.5	\$132.5	\$204
Ameristar KC	3,012	98.6	\$174.1	\$158
Sugar Creek				
Subtotal KCMO	8,094		\$479.4	\$162
Greater KC Total	11,844		\$714.0	\$165
Greater Joplin Total	9,463		\$195.9	\$57
Greater Wichita Total	6,632		\$231.1	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$455.9	\$183.7	\$639.6
from Others (")		\$161.0		

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Exhibit C-2-4: Slot Projections (\$mn / 2007\$)
Legends Sun Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.5	\$87
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	2,000	116.3	\$216.5	\$297
Camptown	600	102.0	\$24.0	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$150.7	\$206
Butler National	875	112.0	\$35.7	\$112
Dodge City Resorts				
Subtotal Kansas Taxable	7,175		\$478.4	\$183
KCK 7th Street	450	78.2	\$14.1	\$86
4 Northeast KS Natives	3,293	116.9	\$143.4	\$119
Total Kansas	10,918		\$635.8	\$160
memo: Northeast Zone	2,800		\$242.1	\$237
memo: Southeast Zone	1,500		\$50.0	\$91
memo: South Central Zone	2,000		\$150.7	\$206
Argosy Riverside	1,969	97.2	\$115.2	\$160
IOC KC	1,330	80.9	\$56.8	\$117
Harrahs NKC	1,783	103.5	\$131.7	\$202
Ameristar KC	3,012	98.6	\$172.8	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$476.6	\$161
Greater KC Total	11,344		\$732.7	\$177
Greater Joplin Total	9,463		\$195.1	\$56
Greater Wichita Total	6,632		\$230.6	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$460.5	\$183.4	\$643.9
from Others (")		\$175.3		

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Exhibit C-2-5: Slot Projections (\$mn / 2007\$)
Butler National Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$192.1	\$175
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$148.6	\$204
Butler National	875	131.1	\$53.7	\$168
Dodge City Resorts				
Subtotal Kansas Taxable	8,175		\$469.9	\$157
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$143.6	\$119
Total Kansas	11,918		\$627.4	\$144
memo: Northeast Zone	3,800		\$217.5	\$157
memo: Southeast Zone	1,500		\$50.1	\$91
memo: South Central Zone	2,000		\$148.6	\$204
Argosy Riverside	1,969	97.2	\$114.1	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.0	\$201
Ameristar KC	3,012	98.6	\$172.4	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$473.8	\$160
Greater KC Total	12,344		\$705.1	\$157
Greater Joplin Total	9,463		\$195.6	\$57
Greater Wichita Total	6,632		\$227.8	\$94
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$460.9	\$177.6	\$638.5
from Others (")		\$166.5		

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Exhibit C-2-6: Slot Projections (\$mn / 2007\$) Dodge City Resort Power Rating Yields Their Projections

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$192.4	\$176
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$151.1	\$207
Butler National				
Dodge City Resorts	800	112.4	\$35.5	\$122
Subtotal Kansas Taxable	8,100		\$454.6	\$154
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$144.7	\$120
Total Kansas	11,843		\$613.1	\$142
memo: Northeast Zone	3,800		\$217.8	\$157
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.1	\$207
Argosy Riverside	1,969	97.2	\$114.2	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.2	\$202
Ameristar KC	3,012	98.6	\$172.6	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$474.2	\$161
Greater KC Total	12,344		\$705.8	\$157
Greater Joplin Total	9,463		\$195.8	\$57
Greater Wichita Total	6,632		\$231.1	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$450.8	\$180.6	\$631.4
from Others (")		\$162.2		

Exhibit C-2-7: Power Ratings That Yield Applicants' Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Northeast Zone:				
Pinnacle	2,300	119.6	\$284.6	\$339
Speedway/Cordish	3,000	114.9	\$279.1	\$255
Legends Sun	2,000	116.3	\$216.5	\$297
Golden Heartland	2,500	106.0	\$194.4	\$213
Southwest Zone:				
Butler National	875	131.1	\$53.7	\$168
Dodge City Resort	800	112.4	\$35.5	\$122

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Northeast Zone:				
Pinnacle	2,300	119.6	\$330.1	\$393
Speedway/Cordish	3,000	114.9	\$323.7	\$296
Legends Sun	2,000	116.3	\$251.1	\$344
Golden Heartland	2,500	106.0	\$225.4	\$247
Southwest Zone:				
Butler National	875	131.1	\$62.3	\$195
Dodge City Resort	800	112.4	\$41.1	\$141

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**D. Detail for Slots -- "Low" Projections
Northeast & Southwest Zones**

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August 24, 2008

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**Exhibit D-1: Slot Projections (\$mn / 2007\$)
Speedway/Cordish "Low"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$26.8	\$92
Speedway/Cordish	3,000	98.7	\$161.1	\$147
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$23.1	\$105
Penn Cherokee	900	102.0	\$23.2	\$71
Harrahs Mulvane	2,000	104.0	\$144.4	\$198
Butler National	875	112.0	\$35.2	\$110
Dodge City Resorts				
Subtotal Kansas Taxable	8,175		\$413.8	\$139
KCK 7th Street	450	78.2	\$14.3	\$87
4 Northeast KS Natives	3,293	116.9	\$146.2	\$122
Total Kansas	11,918		\$574.3	\$132
memo: Northeast Zone	3,800		\$187.9	\$135
memo: Southeast Zone	1,500		\$46.3	\$84
memo: South Central Zone	2,000		\$144.4	\$198
Argosy Riverside	1,969	97.2	\$117.6	\$164
IOC KC	1,330	80.9	\$57.7	\$119
Harrahs NKC	1,783	103.5	\$134.3	\$206
Ameristar KC	3,012	98.6	\$176.2	\$160
Sugar Creek				
Subtotal KCMO	8,094		\$485.8	\$164
Greater KC Total	12,344		\$687.9	\$153
Greater Joplin Total	9,963		\$198.5	\$55
Greater Wichita Total	8,332		\$234.9	\$77
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$427.9	\$196.8	\$624.7
from Others (")		\$146.4		

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**Exhibit D-2: Slot Projections (\$mn / 2007\$)
PNK Kansas "Low"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$28.3	\$97
Speedway/Cordish				
Pinnacle	2,300	99.5	\$142.5	\$170
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$23.1	\$106
Penn Cherokee	900	102.0	\$23.3	\$71
Harrahs Mulvane	2,000	104.0	\$144.6	\$198
Butler National	875	112.0	\$35.3	\$110
Dodge City Resorts				
Subtotal Kansas Taxable	7,475		\$397.1	\$146
KCK 7th Street	450	78.2	\$14.8	\$90
4 Northeast KS Natives	3,293	116.9	\$149.1	\$124
Total Kansas	11,218		\$561.0	\$137
memo: Northeast Zone	3,100		\$170.8	\$151
memo: Southeast Zone	1,500		\$46.4	\$85
memo: South Central Zone	2,000		\$144.6	\$198
Argosy Riverside	1,969	97.2	\$121.1	\$169
IOC KC	1,330	80.9	\$59.3	\$122
Harrahs NKC	1,783	103.5	\$137.7	\$212
Ameristar KC	3,012	98.6	\$180.1	\$164
Sugar Creek				
Subtotal KCMO	8,094		\$498.2	\$169
Greater KC Total	11,644		\$683.8	\$161
Greater Joplin Total	9,963		\$199.0	\$55
Greater Wichita Total	8,332		\$235.2	\$77
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$419.9	\$205.4	\$625.4
from Others (")		\$141.1		

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**Exhibit D-3: Slot Projections (\$mn / 2007\$)
Golden Gaming "Low"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$28.0	\$96
Speedway/Cordish				
Pinnacle				
Golden Heartland	2,500	99.0	\$152.5	\$167
Legends Sun				
Camptown	600	102.0	\$23.1	\$106
Penn Cherokee	900	102.0	\$23.2	\$71
Harrahs Mulvane	2,000	104.0	\$144.5	\$198
Butler National	875	112.0	\$35.3	\$110
Dodge City Resorts				
Subtotal Kansas Taxable	7,675		\$406.6	\$145
KCK 7th Street	450	78.2	\$14.7	\$89
4 Northeast KS Natives	3,293	116.9	\$147.8	\$123
Total Kansas	11,418		\$569.2	\$137
memo: Northeast Zone	3,300		\$180.5	\$150
memo: Southeast Zone	1,500		\$46.3	\$85
memo: South Central Zone	2,000		\$144.5	\$198
Argosy Riverside	1,969	97.2	\$120.6	\$168
IOC KC	1,330	80.9	\$58.9	\$121
Harrahs NKC	1,783	103.5	\$136.8	\$210
Ameristar KC	3,012	98.6	\$179.1	\$163
Sugar Creek				
Subtotal KCMO	8,094		\$495.4	\$168
Greater KC Total	11,844		\$690.6	\$160
Greater Joplin Total	9,963		\$198.9	\$55
Greater Wichita Total	8,332		\$235.1	\$77
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$427.6	\$202.9	\$630.5
from Others (")		\$141.6		

Exhibit D-4: Slot Projections (\$mn / 2007\$)
Legends Sun "Low"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$29.7	\$102
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	2,000	100.7	\$123.6	\$169
Camptown	600	102.0	\$23.2	\$106
Penn Cherokee	900	102.0	\$23.3	\$71
Harrahs Mulvane	2,000	104.0	\$144.6	\$198
Butler National	875	112.0	\$35.3	\$110
Dodge City Resorts				
Subtotal Kansas Taxable	7,175		\$379.7	\$145
KCK 7th Street	450	78.2	\$15.4	\$94
4 Northeast KS Natives	3,293	116.9	\$150.3	\$125
Total Kansas	10,918		\$545.4	\$137
memo: Northeast Zone	2,800		\$153.3	\$150
memo: Southeast Zone	1,500		\$46.5	\$85
memo: South Central Zone	2,000		\$144.6	\$198
Argosy Riverside	1,969	97.2	\$125.6	\$175
IOC KC	1,330	80.9	\$61.1	\$126
Harrahs NKC	1,783	103.5	\$141.3	\$217
Ameristar KC	3,012	98.6	\$184.1	\$167
Sugar Creek				
Subtotal KCMO	8,094		\$512.0	\$173
Greater KC Total	11,344		\$680.7	\$164
Greater Joplin Total	9,963		\$199.3	\$55
Greater Wichita Total	8,332		\$235.3	\$77
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$410.3	\$213.9	\$624.2
from Others (")		\$135.1		

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**Exhibit D-5: Slot Projections (\$mn / 2007\$)
Butler National "Low"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$191.6	\$175
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$22.9	\$105
Penn Cherokee	900	102.0	\$23.1	\$70
Harrahs Mulvane	2,000	104.0	\$144.6	\$198
Butler National	875	107.0	\$31.7	\$99
Dodge City Resorts				
Subtotal Kansas Taxable	8,175		\$439.4	\$147
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$143.7	\$120
Total Kansas	11,918		\$596.9	\$137
memo: Northeast Zone	3,800		\$217.0	\$156
memo: Southeast Zone	1,500		\$46.1	\$84
memo: South Central Zone	2,000		\$144.6	\$198
Argosy Riverside	1,969	97.2	\$113.9	\$158
IOC KC	1,330	80.9	\$56.1	\$116
Harrahs NKC	1,783	103.5	\$130.7	\$201
Ameristar KC	3,012	98.6	\$172.0	\$156
Sugar Creek				
Subtotal KCMO	8,094		\$472.7	\$160
Greater KC Total	12,344		\$703.5	\$156
Greater Joplin Total	9,963		\$197.9	\$54
Greater Wichita Total	8,332		\$235.2	\$77
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$439.3	\$190.0	\$629.3
from Others (")		\$157.6		

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**Exhibit D-6: Slot Projections (\$mn / 2007\$)
Dodge City Resort "Low"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$191.6	\$175
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$22.9	\$105
Penn Cherokee	900	102.0	\$23.1	\$70
Harrahs Mulvane	2,000	104.0	\$144.7	\$198
Butler National				
Dodge City Resorts	800	107.0	\$31.2	\$107
	-----		-----	
Subtotal Kansas Taxable	8,100		\$439.0	\$148
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$143.7	\$120
	-----		-----	
Total Kansas	11,843		\$596.5	\$138
memo: Northeast Zone	3,800		\$217.0	\$156
memo: Southeast Zone	1,500		\$46.1	\$84
memo: South Central Zone	2,000		\$144.7	\$198
Argosy Riverside	1,969	97.2	\$113.9	\$158
IOC KC	1,330	80.9	\$56.1	\$116
Harrahs NKC	1,783	103.5	\$130.7	\$201
Ameristar KC	3,012	98.6	\$172.0	\$156
Sugar Creek				
	-----		-----	
Subtotal KCMO	8,094		\$472.7	\$160
Greater KC Total	12,344		\$703.5	\$156
Greater Joplin Total	9,963		\$197.9	\$54
Greater Wichita Total	8,332		\$235.4	\$77
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$439.1	\$190.2	\$629.4
from Others (")		\$157.4		

Exhibit D-7: Summary of "Low" Slot Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Northeast Zone:				
Speedway/Cordish	3,000	98.7	\$161.1	\$147
Golden Heartland	2,500	99.0	\$152.5	\$167
Pinnacle	2,300	99.5	\$142.5	\$170
Legends Sun	2,000	100.7	\$123.6	\$169
Southwest Zone:				
Butler National	875	107	\$31.7	\$99
Dodge City Resort	800	107	\$31.2	\$107

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Northeast Zone:				
Speedway/Cordish	3,000	98.7	\$186.8	\$171
Golden Heartland	2,500	99.0	\$176.8	\$194
Pinnacle	2,300	99.5	\$165.3	\$197
Legends Sun	2,000	100.7	\$143.3	\$196
Southwest Zone:				
Butler National	875	107	\$36.8	\$115
Dodge City Resort	800	107	\$36.2	\$124

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**E. Detail for Slots -- "High" Projections
Northeast & Southwest Zones**

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August 24, 2008

Exhibit E-1: Slot Projections (\$mn / 2007\$)
Speedway/Cordish "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$24.0	\$82
Speedway/Cordish	3,000	108.7	\$227.7	\$208
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$23.9	\$109
Penn Cherokee	900	102.0	\$25.9	\$79
Harrahs Mulvane	2,000	104.0	\$150.7	\$206
Butler National	875	112.0	\$35.7	\$112
Dodge City Resorts				
Subtotal Kansas Taxable	8,175		\$488.0	\$164
KCK 7th Street	450	78.2	\$13.3	\$81
4 Northeast KS Natives	3,293	116.9	\$141.6	\$118
Total Kansas	11,918		\$642.8	\$148
memo: Northeast Zone	3,800		\$251.7	\$181
memo: Southeast Zone	1,500		\$49.9	\$91
memo: South Central Zone	2,000		\$150.7	\$206
Argosy Riverside	1,969	97.2	\$110.2	\$153
IOC KC	1,330	80.9	\$54.5	\$112
Harrahs NKC	1,783	103.5	\$127.3	\$196
Ameristar KC	3,012	98.6	\$167.9	\$153
Sugar Creek				
Subtotal KCMO	8,094		\$459.9	\$156
Greater KC Total	12,344		\$724.9	\$161
Greater Joplin Total	9,463		\$195.0	\$56
Greater Wichita Total	6,632		\$230.6	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$465.9	\$172.7	\$638.6
from Others (")		\$176.9		

Exhibit E-2: Slot Projections (\$mn / 2007\$)
PNK Kansas "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.6	\$88
Speedway/Cordish				
Pinnacle	2,300	109.5	\$203.0	\$242
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$151.0	\$207
Butler National	875	112.0	\$35.7	\$112
Dodge City Resorts				
Subtotal Kansas Taxable	7,475		\$465.5	\$171
KCK 7th Street	450	78.2	\$13.9	\$84
4 Northeast KS Natives	3,293	116.9	\$145.2	\$121
Total Kansas	11,218		\$624.6	\$153
memo: Northeast Zone	3,100		\$228.6	\$202
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$151.0	\$207
Argosy Riverside	1,969	97.2	\$114.1	\$159
IOC KC	1,330	80.9	\$56.4	\$116
Harrahs NKC	1,783	103.5	\$131.3	\$202
Ameristar KC	3,012	98.6	\$172.6	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$474.4	\$161
Greater KC Total	11,644		\$716.9	\$169
Greater Joplin Total	9,463		\$195.7	\$57
Greater Wichita Total	6,632		\$231.0	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$456.1	\$182.0	\$638.1
from Others (")		\$168.5		

Exhibit E-3: Slot Projections (\$mn / 2007\$)
Golden Gaming "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.3	\$86
Speedway/Cordish				
Pinnacle				
Golden Heartland	2,500	109.0	\$215.5	\$236
Legends Sun				
Camptown	600	102.0	\$24.0	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$150.9	\$207
Butler National	875	112.0	\$35.7	\$112
Dodge City Resorts				
Subtotal Kansas Taxable	7,675		\$477.3	\$170
KCK 7th Street	450	78.2	\$13.7	\$83
4 Northeast KS Natives	3,293	116.9	\$143.5	\$119
Total Kansas	11,418		\$634.6	\$152
memo: Northeast Zone	3,300		\$240.7	\$200
memo: Southeast Zone	1,500		\$50.0	\$91
memo: South Central Zone	2,000		\$150.9	\$207
Argosy Riverside	1,969	97.2	\$113.5	\$158
IOC KC	1,330	80.9	\$55.9	\$115
Harrahs NKC	1,783	103.5	\$130.2	\$200
Ameristar KC	3,012	98.6	\$171.4	\$156
Sugar Creek				
Subtotal KCMO	8,094		\$471.0	\$159
Greater KC Total	11,844		\$725.4	\$168
Greater Joplin Total	9,463		\$195.4	\$57
Greater Wichita Total	6,632		\$230.8	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$465.2	\$179.0	\$644.1
from Others (")		\$169.4		

Exhibit E-4: Slot Projections (\$mn / 2007\$)
Legends Sun "High"

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$27.1	\$93
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	2,000	110.7	\$178.0	\$244
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.1	\$79
Harrahs Mulvane	2,000	104.0	\$151.1	\$207
Butler National	875	112.0	\$35.7	\$112
Dodge City Resorts				
Subtotal Kansas Taxable	7,175		\$442.2	\$169
KCK 7th Street	450	78.2	\$14.6	\$89
4 Northeast KS Natives	3,293	116.9	\$146.7	\$122
Total Kansas	10,918		\$603.5	\$151
memo: Northeast Zone	2,800		\$205.2	\$201
memo: Southeast Zone	1,500		\$50.2	\$92
memo: South Central Zone	2,000		\$151.1	\$207
Argosy Riverside	1,969	97.2	\$119.4	\$166
IOC KC	1,330	80.9	\$58.5	\$121
Harrahs NKC	1,783	103.5	\$135.7	\$209
Ameristar KC	3,012	98.6	\$177.6	\$162
Sugar Creek				
Subtotal KCMO	8,094		\$491.2	\$166
Greater KC Total	11,344		\$711.0	\$172
Greater Joplin Total	9,463		\$196.0	\$57
Greater Wichita Total	6,632		\$231.1	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$444.0	\$191.6	\$635.7
from Others (")		\$159.5		

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**Exhibit E-5: Slot Projections (\$mn / 2007\$)
Butler National "High"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$192.3	\$176
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$150.5	\$206
Butler National	875	117.0	\$39.7	\$124
Dodge City Resorts				
Subtotal Kansas Taxable	8,175		\$458.1	\$154
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$144.5	\$120
Total Kansas	11,918		\$616.3	\$142
memo: Northeast Zone	3,800		\$217.8	\$157
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$150.5	\$206
Argosy Riverside	1,969	97.2	\$114.2	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.1	\$202
Ameristar KC	3,012	98.6	\$172.5	\$157
Sugar Creek				
Subtotal KCMO	8,094		\$474.1	\$160
Greater KC Total	12,344		\$705.7	\$157
Greater Joplin Total	9,463		\$195.7	\$57
Greater Wichita Total	6,632		\$230.3	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$453.2	\$179.7	\$632.9
from Others (")		\$163.1		

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**Exhibit E-6: Slot Projections (\$mn / 2007\$)
Dodge City Resort "High"**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands	800	95.0	\$25.4	\$87
Speedway/Cordish	3,000	103.7	\$192.3	\$176
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown	600	102.0	\$24.1	\$110
Penn Cherokee	900	102.0	\$26.0	\$79
Harrahs Mulvane	2,000	104.0	\$150.6	\$206
Butler National				
Dodge City Resorts	800	117.0	\$39.1	\$134
	-----		-----	
Subtotal Kansas Taxable	8,100		\$457.6	\$155
KCK 7th Street	450	78.2	\$13.8	\$84
4 Northeast KS Natives	3,293	116.9	\$144.5	\$120
	-----		-----	
Total Kansas	11,843		\$615.9	\$142
memo: Northeast Zone	3,800		\$217.8	\$157
memo: Southeast Zone	1,500		\$50.1	\$92
memo: South Central Zone	2,000		\$150.6	\$206
Argosy Riverside	1,969	97.2	\$114.2	\$159
IOC KC	1,330	80.9	\$56.2	\$116
Harrahs NKC	1,783	103.5	\$131.1	\$202
Ameristar KC	3,012	98.6	\$172.5	\$157
Sugar Creek				
	-----		-----	
Subtotal KCMO	8,094		\$474.1	\$160
Greater KC Total	12,344		\$705.7	\$157
Greater Joplin Total	9,463		\$195.7	\$57
Greater Wichita Total	6,632		\$230.4	\$95
Slot Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$453.0	\$179.9	\$632.9
from Others (")		\$162.9		

Exhibit E-7: Summary of "High" Slot Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Northeast Zone:				
Speedway/Cordish	3,000	108.7	\$227.7	\$208
Golden Heartland	2,500	109.0	\$215.5	\$236
Pinnacle	2,300	109.5	\$203.0	\$242
Legends Sun	2,000	110.7	\$178.0	\$244
Southwest Zone:				
Butler National	875	117	\$39.7	\$124
Dodge City Resort	800	117	\$39.1	\$134

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Northeast Zone:				
Speedway/Cordish	3,000	108.7	\$264.1	\$241
Golden Heartland	2,500	109.0	\$249.9	\$274
Pinnacle	2,300	109.5	\$235.4	\$280
Legends Sun	2,000	110.7	\$206.5	\$283
Southwest Zone:				
Butler National	875	117	\$46.0	\$144
Dodge City Resort	800	117	\$45.4	\$155

Detail for Tables
Northeast & Southwest Zones

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A. Detail for Tables -- "As Was"
Northeast & Southwest Zones

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Exhibit A-1: Table Analysis in Brief (\$mn / 2007\$) "As Was" 2007 -- Before Any New Casinos Anywhere

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee				
Harrahs Mulvane				
Butler National				
Dodge City Resort				
Subtotal Kansas Taxable	0		\$0.0	
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$27.3	\$1,269
Total Kansas	59		\$27.3	\$1,269
memo: Northeast Zone				
memo: Southeast Zone				
memo: South Central Zone				
Argosy Riverside	39	87.3	\$17.8	\$1,253
IOC KC	23	70.2	\$6.5	\$777
Harrahs NKC	48	95.3	\$26.9	\$1,534
Ameristar KC	90	86.5	\$30.1	\$916
Sugar Creek				
Subtotal KCMO	200		\$81.3	\$1,114
Greater KC Total	200		\$81.3	\$1,114
Greater Joplin Total	49		\$6.9	\$384
Greater Wichita Total	21		\$3.9	\$511
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$20.6	\$38.5	\$59.2
from Others (")		\$6.7		

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Exhibit A-2-NE: Table Projections (\$mn / 2007\$) "As Was" 2007 -- w Potential New Kansas Facilities Elsewhere

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$8.9	\$813
Harrahs Mulvane	50	98.0	\$24.2	\$1,325
Butler National	15	100.0	\$4.7	\$858
Dodge City Resort				
Subtotal Kansas Taxable	95		\$37.8	\$1,090
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$22.0	\$1,022
Total Kansas	154		\$59.8	\$1,064
memo: Northeast Zone				
memo: Southeast Zone	30		\$8.9	\$813
memo: South Central Zone	50		\$24.2	\$1,325
Argosy Riverside	39	87.3	\$17.1	\$1,201
IOC KC	23	70.2	\$6.4	\$766
Harrahs NKC	48	95.3	\$25.4	\$1,452
Ameristar KC	90	86.5	\$28.7	\$873
Sugar Creek				
Subtotal KCMO	200		\$77.6	\$1,064
Greater KC Total	200		\$77.6	\$1,064
Greater Joplin Total	79		\$15.0	\$520
Greater Wichita Total	71		\$26.7	\$1,030
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$43.1	\$30.1	\$73.2
from Others (")		\$16.7		

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**Exhibit A-3-1: Projection in Brief (\$mn / 2007\$)
Speedway/Cordish Tables "As Was"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.4	\$1,231
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$8.6	\$782
Harrahs Mulvane	50	98.0	\$23.7	\$1,300
Butler National	15	100.0	\$4.6	\$845
Dodge City Resort				
Subtotal Kansas Taxable	185		\$77.4	\$1,146
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.0	\$837
Total Kansas	244		\$95.4	\$1,071
memo: Northeast Zone	90		\$40.4	\$1,231
memo: Southeast Zone	30		\$8.6	\$782
memo: South Central Zone	50		\$23.7	\$1,300
Argosy Riverside	39	87.3	\$11.1	\$778
IOC KC	23	70.2	\$4.6	\$544
Harrahs NKC	48	95.3	\$18.3	\$1,045
Ameristar KC	90	86.5	\$21.7	\$659
Sugar Creek				
Subtotal KCMO	200		\$55.6	\$762
Greater KC Total	290		\$96.1	\$907
Greater Joplin Total	79		\$14.5	\$502
Greater Wichita Total	71		\$26.2	\$1,011
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$64.5	\$15.7	\$80.1
from Others (")		\$30.9		

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**Exhibit A-3-2: Projection in Brief (\$mn / 2007\$)
PNK Kansas Tables "As Was"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle	60	104.5	\$34.2	\$1,560
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$8.6	\$790
Harrahs Mulvane	50	98.0	\$23.8	\$1,307
Butler National	15	100.0	\$4.6	\$848
Dodge City Resort				
Subtotal Kansas Taxable	155		\$71.3	\$1,260
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$19.0	\$880
Total Kansas	214		\$90.3	\$1,156
memo: Northeast Zone	60		\$34.2	\$1,560
memo: Southeast Zone	30		\$8.6	\$790
memo: South Central Zone	50		\$23.8	\$1,307
Argosy Riverside	39	87.3	\$12.0	\$841
IOC KC	23	70.2	\$4.9	\$584
Harrahs NKC	48	95.3	\$19.6	\$1,119
Ameristar KC	90	86.5	\$23.0	\$700
Sugar Creek				
Subtotal KCMO	200		\$59.5	\$815
Greater KC Total	260		\$93.6	\$987
Greater Joplin Total	79		\$14.6	\$507
Greater Wichita Total	71		\$26.3	\$1,016
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$62.2	\$17.8	\$80.0
from Others (")		\$28.1		

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**Exhibit A-3-3: Projection in Brief (\$mn / 2007\$)
Golden Gaming Tables "As Was"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland	80	104.0	\$39.8	\$1,363
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$8.6	\$784
Harrahs Mulvane	50	98.0	\$23.7	\$1,301
Butler National	15	100.0	\$4.6	\$845
Dodge City Resort				
Subtotal Kansas Taxable	175		\$76.8	\$1,202
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.2	\$845
Total Kansas	234		\$94.9	\$1,112
memo: Northeast Zone	80		\$39.8	\$1,363
memo: Southeast Zone	30		\$8.6	\$784
memo: South Central Zone	50		\$23.7	\$1,301
Argosy Riverside	39	87.3	\$11.3	\$795
IOC KC	23	70.2	\$4.6	\$554
Harrahs NKC	48	95.3	\$18.6	\$1,063
Ameristar KC	90	86.5	\$22.0	\$669
Sugar Creek				
Subtotal KCMO	200		\$56.6	\$775
Greater KC Total	280		\$96.4	\$943
Greater Joplin Total	79		\$14.5	\$503
Greater Wichita Total	71		\$26.2	\$1,012
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$64.8	\$16.1	\$80.9
from Others (")		\$30.2		

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**Exhibit A-3-4: Projection in Brief (\$mn / 2007\$)
Legends Sun Tables "As Was"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	60	105.7	\$32.8	\$1,497
Camptown				
Penn Cherokee	30	90.0	\$8.6	\$789
Harrahs Mulvane	50	98.0	\$23.8	\$1,305
Butler National	15	100.0	\$4.6	\$847
Dodge City Resort				
Subtotal Kansas Taxable	155		\$69.9	\$1,235
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.9	\$877
Total Kansas	214		\$88.8	\$1,137
memo: Northeast Zone	60		\$32.8	\$1,497
memo: Southeast Zone	30		\$8.6	\$789
memo: South Central Zone	50		\$23.8	\$1,305
Argosy Riverside	39	87.3	\$12.3	\$861
IOC KC	23	70.2	\$5.0	\$591
Harrahs NKC	48	95.3	\$19.7	\$1,125
Ameristar KC	90	86.5	\$23.0	\$700
Sugar Creek				
Subtotal KCMO	200		\$59.9	\$821
Greater KC Total	260		\$92.7	\$977
Greater Joplin Total	79		\$14.6	\$506
Greater Wichita Total	71		\$26.3	\$1,015
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$61.3	\$18.6	\$79.9
from Others (")		\$27.5		

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**Exhibit A-2-SW: Table Projections (\$mn / 2007\$)
"As Was" 2007 -- with New Facilities Elsewhere in KS**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.5	\$1,234
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$8.6	\$783
Harrahs Mulvane	50	98.0	\$24.4	\$1,336
Butler National				
Dodge City Resort				
	-----		-----	
Subtotal Kansas Taxable	170		\$73.5	\$1,184
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.1	\$843
	-----		-----	
Total Kansas	229		\$91.6	\$1,096
memo: Northeast Zone	90		\$40.5	\$1,234
memo: Southeast Zone	30		\$8.6	\$783
memo: South Central Zone	50		\$24.4	\$1,336
Argosy Riverside	39	87.3	\$11.1	\$779
IOC KC	23	70.2	\$4.6	\$544
Harrahs NKC	48	95.3	\$18.3	\$1,046
Ameristar KC	90	86.5	\$21.7	\$660
Sugar Creek				
	-----		-----	
Subtotal KCMO	200		\$55.7	\$762
Greater KC Total	290		\$96.2	\$909
Greater Joplin Total	79		\$14.5	\$503
Greater Wichita Total	71		\$26.9	\$1,038
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$61.3	\$16.0	\$77.2
from Others (")		\$30.4		

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**Exhibit A-3-5: Projection in Brief (\$mn / 2007\$)
Butler National Tables "As Was"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.4	\$1,231
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$8.6	\$782
Harrahs Mulvane	50	98.0	\$23.7	\$1,300
Butler National	15	100.0	\$4.6	\$845
Dodge City Resort	-----		-----	
Subtotal Kansas Taxable	185		\$77.4	\$1,146
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.0	\$837
	-----		-----	
Total Kansas	244		\$95.4	\$1,071
memo: Northeast Zone	90		\$40.4	\$1,231
memo: Southeast Zone	30		\$8.6	\$782
memo: South Central Zone	50		\$23.7	\$1,300
Argosy Riverside	39	87.3	\$11.1	\$778
IOC KC	23	70.2	\$4.6	\$544
Harrahs NKC	48	95.3	\$18.3	\$1,045
Ameristar KC	90	86.5	\$21.7	\$659
Sugar Creek	-----		-----	
Subtotal KCMO	200		\$55.6	\$762
Greater KC Total	290		\$96.1	\$907
Greater Joplin Total	79		\$14.5	\$502
Greater Wichita Total	71		\$26.2	\$1,011
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$64.5	\$15.7	\$80.1
from Others (")		\$30.9		

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**Exhibit A-3-6: Projection in Brief (\$mn / 2007\$)
Dodge City Resort Tables "As Was"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.4	\$1,231
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$8.6	\$782
Harrahs Mulvane	50	98.0	\$23.6	\$1,293
Butler National				
Dodge City Resort	20	100.0	\$5.0	\$681
Subtotal Kansas Taxable	190		\$77.6	\$1,118
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.0	\$835
Total Kansas	249		\$95.5	\$1,051
memo: Northeast Zone	90		\$40.4	\$1,231
memo: Southeast Zone	30		\$8.6	\$782
memo: South Central Zone	50		\$23.6	\$1,293
Argosy Riverside	39	87.3	\$11.1	\$778
IOC KC	23	70.2	\$4.6	\$544
Harrahs NKC	48	95.3	\$18.3	\$1,045
Ameristar KC	90	86.5	\$21.7	\$659
Sugar Creek				
Subtotal KCMO	200		\$55.6	\$762
Greater KC Total	290		\$96.0	\$907
Greater Joplin Total	79		\$14.5	\$502
Greater Wichita Total	71		\$26.1	\$1,007
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$64.5	\$15.6	\$80.1
from Others (")		\$31.0		

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**B. Detail for Tables -- Baseline
Northeast & Southwest Zones**

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**Exhibit B-1: Table Projections (\$mn / 2007\$)
Baseline Before Any New Casinos in Kansas**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee				
Harrahs Mulvane				
Butler National				
Dodge City Resort				
	-----		-----	
Subtotal Kansas Taxable	0		\$0.0	
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$26.4	\$1,224
	-----		-----	
Total Kansas	59		\$26.4	\$1,224
memo: Northeast Zone				
memo: Southeast Zone				
memo: South Central Zone				
Argosy Riverside	39	87.3	\$17.6	\$1,238
IOC KC	23	70.2	\$6.5	\$773
Harrahs NKC	48	95.3	\$26.5	\$1,510
Ameristar KC	90	86.5	\$29.7	\$903
Sugar Creek				
	-----		-----	
Subtotal KCMO	200		\$80.2	\$1,099
Greater KC Total	200		\$80.2	\$1,099
Greater Joplin Total	104		\$9.5	\$251
Greater Wichita Total	35		\$4.4	\$346
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$19.9	\$39.6	\$59.5
from Others (")		\$6.5		

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Exhibit B-2-NE: Table Projections (\$mn / 2007\$) Likely Future / Baseline -- with New Facilities Elsewhere AND KS

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.2	\$565
Harrahs Mulvane	50	98.0	\$23.4	\$1,281
Butler National	15	100.0	\$4.7	\$852
Dodge City Resort				
Subtotal Kansas Taxable	95		\$34.2	\$987
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$21.8	\$1,010
Total Kansas	154		\$56.0	\$996
memo: Northeast Zone				
memo: Southeast Zone	30		\$6.2	\$565
memo: South Central Zone	50		\$23.4	\$1,281
Argosy Riverside	39	87.3	\$17.0	\$1,193
IOC KC	23	70.2	\$6.4	\$763
Harrahs NKC	48	95.3	\$25.2	\$1,439
Ameristar KC	90	86.5	\$28.5	\$866
Sugar Creek				
Subtotal KCMO	200		\$77.1	\$1,056
Greater KC Total	200		\$77.1	\$1,056
Greater Joplin Total	134		\$15.1	\$308
Greater Wichita Total	85		\$26.2	\$846
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$42.2	\$31.1	\$73.2
from Others (")		\$13.8		

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**Exhibit B-3-1: Projection in Brief (\$mn / 2007\$)
Speedway/Cordish Table Baseline**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.0	\$1,217
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$545
Harrahs Mulvane	50	98.0	\$23.0	\$1,258
Butler National	15	100.0	\$4.6	\$839
Dodge City Resort				
Subtotal Kansas Taxable	185		\$73.5	\$1,088
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.8	\$827
Total Kansas	244		\$91.3	\$1,025
memo: Northeast Zone	90		\$40.0	\$1,217
memo: Southeast Zone	30		\$6.0	\$545
memo: South Central Zone	50		\$23.0	\$1,258
Argosy Riverside	39	87.3	\$11.0	\$772
IOC KC	23	70.2	\$4.6	\$543
Harrahs NKC	48	95.3	\$18.1	\$1,035
Ameristar KC	90	86.5	\$21.5	\$654
Sugar Creek				
Subtotal KCMO	200		\$55.2	\$756
Greater KC Total	290		\$95.1	\$899
Greater Joplin Total	134		\$14.6	\$298
Greater Wichita Total	85		\$25.8	\$831
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.5	\$16.6	\$80.2
from Others (")		\$27.8		

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**Exhibit B-3-2: Projection in Brief (\$mn / 2007\$)
PNK Kansas Table Baseline**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle	60	104.5	\$33.8	\$1,544
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$549
Harrahs Mulvane	50	98.0	\$23.1	\$1,264
Butler National	15	100.0	\$4.6	\$843
Dodge City Resort				
Subtotal Kansas Taxable	155		\$67.5	\$1,193
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.7	\$870
Total Kansas	214		\$86.2	\$1,104
memo: Northeast Zone	60		\$33.8	\$1,544
memo: Southeast Zone	30		\$6.0	\$549
memo: South Central Zone	50		\$23.1	\$1,264
Argosy Riverside	39	87.3	\$11.9	\$835
IOC KC	23	70.2	\$4.9	\$583
Harrahs NKC	48	95.3	\$19.4	\$1,108
Ameristar KC	90	86.5	\$22.8	\$694
Sugar Creek				
Subtotal KCMO	200		\$59.0	\$808
Greater KC Total	260		\$92.8	\$978
Greater Joplin Total	134		\$14.7	\$301
Greater Wichita Total	85		\$25.9	\$835
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$61.3	\$18.8	\$80.0
from Others (")		\$25.0		

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Exhibit B-3-3: Projection in Brief (\$mn / 2007\$)
Golden Gaming Table Baseline

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland	80	104.0	\$39.4	\$1,348
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$546
Harrahs Mulvane	50	98.0	\$23.0	\$1,259
Butler National	15	100.0	\$4.6	\$840
Dodge City Resort				
Subtotal Kansas Taxable	175		\$72.9	\$1,141
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.0	\$835
Total Kansas	234		\$90.9	\$1,064
memo: Northeast Zone	80		\$39.4	\$1,348
memo: Southeast Zone	30		\$6.0	\$546
memo: South Central Zone	50		\$23.0	\$1,259
Argosy Riverside	39	87.3	\$11.2	\$789
IOC KC	23	70.2	\$4.6	\$552
Harrahs NKC	48	95.3	\$18.4	\$1,053
Ameristar KC	90	86.5	\$21.8	\$664
Sugar Creek				
Subtotal KCMO	200		\$56.1	\$769
Greater KC Total	280		\$95.5	\$934
Greater Joplin Total	134		\$14.6	\$299
Greater Wichita Total	85		\$25.8	\$832
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.9	\$17.1	\$81.0
from Others (")		\$27.0		

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**Exhibit B-3-4: Projection in Brief (\$mn / 2007\$)
Legends Sun Table Baseline**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	60	105.7	\$32.4	\$1,480
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$549
Harrahs Mulvane	50	98.0	\$23.0	\$1,263
Butler National	15	100.0	\$4.6	\$842
Dodge City Resort				
Subtotal Kansas Taxable	155		\$66.1	\$1,168
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.7	\$867
Total Kansas	214		\$84.8	\$1,085
memo: Northeast Zone	60		\$32.4	\$1,480
memo: Southeast Zone	30		\$6.0	\$549
memo: South Central Zone	50		\$23.0	\$1,263
Argosy Riverside	39	87.3	\$12.2	\$855
IOC KC	23	70.2	\$4.9	\$589
Harrahs NKC	48	95.3	\$19.5	\$1,115
Ameristar KC	90	86.5	\$22.8	\$694
Sugar Creek				
Subtotal KCMO	200		\$59.5	\$814
Greater KC Total	260		\$91.9	\$968
Greater Joplin Total	134		\$14.7	\$300
Greater Wichita Total	85		\$25.9	\$834
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$60.4	\$19.6	\$79.9
from Others (")		\$24.4		

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Exhibit B-2-SW: Table Projections (\$mn / 2007\$) Likely Future / Baseline -- with New Facilities Elsewhere AND KS

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.1	\$1,219
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$545
Harrahs Mulvane	50	98.0	\$23.6	\$1,292
Butler National				
Dodge City Resort				
Subtotal Kansas Taxable	170		\$69.6	\$1,122
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.9	\$833
Total Kansas	229		\$87.6	\$1,048
memo: Northeast Zone	90		\$40.1	\$1,219
memo: Southeast Zone	30		\$6.0	\$545
memo: South Central Zone	50		\$23.6	\$1,292
Argosy Riverside	39	87.3	\$11.0	\$773
IOC KC	23	70.2	\$4.6	\$543
Harrahs NKC	48	95.3	\$18.2	\$1,036
Ameristar KC	90	86.5	\$21.5	\$654
Sugar Creek				
Subtotal KCMO	200		\$55.2	\$756
Greater KC Total	290		\$95.3	\$900
Greater Joplin Total	134		\$14.6	\$299
Greater Wichita Total	85		\$26.4	\$852
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$60.4	\$16.9	\$77.3
from Others (")		\$27.2		

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**Exhibit B-3-5: Projection in Brief (\$mn / 2007\$)
Butler National Table Baseline**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.0	\$1,217
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$545
Harrahs Mulvane	50	98.0	\$23.0	\$1,258
Butler National	15	100.0	\$4.6	\$839
Dodge City Resort	-----		-----	
Subtotal Kansas Taxable	185		\$73.5	\$1,088
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.8	\$827
Total Kansas	244		\$91.3	\$1,025
memo: Northeast Zone	90		\$40.0	\$1,217
memo: Southeast Zone	30		\$6.0	\$545
memo: South Central Zone	50		\$23.0	\$1,258
Argosy Riverside	39	87.3	\$11.0	\$772
IOC KC	23	70.2	\$4.6	\$543
Harrahs NKC	48	95.3	\$18.1	\$1,035
Ameristar KC	90	86.5	\$21.5	\$654
Sugar Creek	-----		-----	
Subtotal KCMO	200		\$55.2	\$756
Greater KC Total	290		\$95.1	\$899
Greater Joplin Total	134		\$14.6	\$298
Greater Wichita Total	85		\$25.8	\$831
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.5	\$16.6	\$80.2
from Others (")		\$27.8		

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**Exhibit B-3-6: Projection in Brief (\$mn / 2007\$)
Dodge City Resort Table Baseline**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.0	\$1,217
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$545
Harrahs Mulvane	50	98.0	\$22.8	\$1,251
Butler National				
Dodge City Resort	20	100.0	\$4.9	\$676
Subtotal Kansas Taxable	190		\$73.7	\$1,063
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.8	\$825
Total Kansas	249		\$91.5	\$1,007
memo: Northeast Zone	90		\$40.0	\$1,217
memo: Southeast Zone	30		\$6.0	\$545
memo: South Central Zone	50		\$22.8	\$1,251
Argosy Riverside	39	87.3	\$11.0	\$772
IOC KC	23	70.2	\$4.6	\$542
Harrahs NKC	48	95.3	\$18.1	\$1,035
Ameristar KC	90	86.5	\$21.5	\$654
Sugar Creek				
Subtotal KCMO	200		\$55.2	\$755
Greater KC Total	290		\$95.1	\$899
Greater Joplin Total	134		\$14.6	\$298
Greater Wichita Total	85		\$25.7	\$827
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.6	\$16.6	\$80.2
from Others (")		\$27.9		

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C: Detail for Tables -- Comparisons I
Northeast & Southwest Zones

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August 24, 2008

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**Exhibit C-1-1: Table Projections (\$mn / 2007\$)
Speedway/Cordish at Standard Size & Power**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	80	104.0	\$38.1	\$1,305
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$546
Harrahs Mulvane	50	98.0	\$23.0	\$1,259
Butler National	15	100.0	\$4.6	\$840
Dodge City Resort				
	-----		-----	
Subtotal Kansas Taxable	175		\$71.7	\$1,122
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.1	\$838
	-----		-----	
Total Kansas	234		\$89.7	\$1,051
memo: Northeast Zone	80		\$38.1	\$1,305
memo: Southeast Zone	30		\$6.0	\$546
memo: South Central Zone	50		\$23.0	\$1,259
Argosy Riverside	39	87.3	\$11.3	\$793
IOC KC	23	70.2	\$4.7	\$555
Harrahs NKC	48	95.3	\$18.5	\$1,058
Ameristar KC	90	86.5	\$21.9	\$666
Sugar Creek				
	-----		-----	
Subtotal KCMO	200		\$56.4	\$772
Greater KC Total	280		\$94.5	\$925
Greater Joplin Total	134		\$14.6	\$299
Greater Wichita Total	85		\$25.8	\$832
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$62.9	\$17.2	\$80.2
from Others (")		\$26.8		

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**Exhibit C-1-2: Table Projections (\$mn / 2007\$)
PNK Kansas at Standard Size & Power**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle	80	104.0	\$38.6	\$1,324
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$546
Harrahs Mulvane	50	98.0	\$23.0	\$1,260
Butler National	15	100.0	\$4.6	\$840
Dodge City Resort				
Subtotal Kansas Taxable	175		\$72.2	\$1,131
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.2	\$843
Total Kansas	234		\$90.4	\$1,058
memo: Northeast Zone	80		\$38.6	\$1,324
memo: Southeast Zone	30		\$6.0	\$546
memo: South Central Zone	50		\$23.0	\$1,260
Argosy Riverside	39	87.3	\$11.1	\$782
IOC KC	23	70.2	\$4.6	\$552
Harrahs NKC	48	95.3	\$18.4	\$1,052
Ameristar KC	90	86.5	\$21.8	\$663
Sugar Creek				
Subtotal KCMO	200		\$56.0	\$767
Greater KC Total	280		\$94.6	\$926
Greater Joplin Total	134		\$14.6	\$299
Greater Wichita Total	85		\$25.8	\$833
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.0	\$17.2	\$80.2
from Others (")		\$27.4		

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Exhibit C-1-3: Table Projections (\$mn / 2007\$)
Golden Gaming at Standard Size & Power

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland	80	104.0	\$39.3	\$1,346
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$546
Harrahs Mulvane	50	98.0	\$23.0	\$1,259
Butler National	15	100.0	\$4.6	\$840
Dodge City Resort				
Subtotal Kansas Taxable	175		\$72.9	\$1,141
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.0	\$835
Total Kansas	234		\$90.8	\$1,064
memo: Northeast Zone	80		\$39.3	\$1,346
memo: Southeast Zone	30		\$6.0	\$546
memo: South Central Zone	50		\$23.0	\$1,259
Argosy Riverside	39	87.3	\$11.2	\$789
IOC KC	23	70.2	\$4.6	\$552
Harrahs NKC	48	95.3	\$18.5	\$1,053
Ameristar KC	90	86.5	\$21.8	\$664
Sugar Creek				
Subtotal KCMO	200		\$56.1	\$769
Greater KC Total	280		\$95.4	\$934
Greater Joplin Total	134		\$14.6	\$299
Greater Wichita Total	85		\$25.8	\$832
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.9	\$17.1	\$81.0
from Others (")		\$27.0		

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**Exhibit C-1-4: Table Projections (\$mn / 2007\$)
Legends Sun at Standard Size & Power**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	80	104.0	\$35.7	\$1,224
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$546
Harrahs Mulvane	50	98.0	\$23.0	\$1,260
Butler National	15	100.0	\$4.6	\$840
Dodge City Resort				
Subtotal Kansas Taxable	175		\$69.3	\$1,085
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.2	\$846
Total Kansas	234		\$87.5	\$1,025
memo: Northeast Zone	80		\$35.7	\$1,224
memo: Southeast Zone	30		\$6.0	\$546
memo: South Central Zone	50		\$23.0	\$1,260
Argosy Riverside	39	87.3	\$11.6	\$813
IOC KC	23	70.2	\$4.8	\$566
Harrahs NKC	48	95.3	\$18.8	\$1,071
Ameristar KC	90	86.5	\$22.0	\$670
Sugar Creek				
Subtotal KCMO	200		\$57.1	\$782
Greater KC Total	280		\$92.9	\$909
Greater Joplin Total	134		\$14.6	\$299
Greater Wichita Total	85		\$25.8	\$832
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$61.5	\$18.3	\$79.8
from Others (")		\$26.0		

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**Exhibit C-1-5: Table Projections (\$mn / 2007\$)
Butler National at Standard Size & Power**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.0	\$1,217
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$545
Harrahs Mulvane	50	98.0	\$22.8	\$1,252
Butler National	20	100.0	\$4.9	\$675
Dodge City Resort				
Subtotal Kansas Taxable	190		\$73.7	\$1,063
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.8	\$826
Total Kansas	249		\$91.5	\$1,007
memo: Northeast Zone	90		\$40.0	\$1,217
memo: Southeast Zone	30		\$6.0	\$545
memo: South Central Zone	50		\$22.8	\$1,252
Argosy Riverside	39	87.3	\$11.0	\$772
IOC KC	23	70.2	\$4.6	\$542
Harrahs NKC	48	95.3	\$18.1	\$1,035
Ameristar KC	90	86.5	\$21.5	\$654
Sugar Creek				
Subtotal KCMO	200		\$55.2	\$756
Greater KC Total	290		\$95.1	\$899
Greater Joplin Total	134		\$14.6	\$298
Greater Wichita Total	85		\$25.7	\$828
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.6	\$16.6	\$80.2
from Others (")		\$27.9		

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**Exhibit C-1-6: Table Projections (\$mn / 2007\$)
Dodge City Resort at Standard Size & Power**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.0	\$1,217
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$545
Harrahs Mulvane	50	98.0	\$22.8	\$1,251
Butler National				
Dodge City Resort	20	100.0	\$4.9	\$676
	-----		-----	
Subtotal Kansas Taxable	190		\$73.7	\$1,063
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.8	\$825
	-----		-----	
Total Kansas	249		\$91.5	\$1,007
memo: Northeast Zone	90		\$40.0	\$1,217
memo: Southeast Zone	30		\$6.0	\$545
memo: South Central Zone	50		\$22.8	\$1,251
Argosy Riverside	39	87.3	\$11.0	\$772
IOC KC	23	70.2	\$4.6	\$542
Harrahs NKC	48	95.3	\$18.1	\$1,035
Ameristar KC	90	86.5	\$21.5	\$654
Sugar Creek				
	-----		-----	
Subtotal KCMO	200		\$55.2	\$755
Greater KC Total	290		\$95.1	\$899
Greater Joplin Total	134		\$14.6	\$298
Greater Wichita Total	85		\$25.7	\$827
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.6	\$16.6	\$80.2
from Others (")		\$27.9		

Exhibit C-1-7: Table Projections at Standard Size & Power

In 2007 Dollars

Gaming Facility / Location:	# Tabs	Power Rating	Table Win (\$mn)	win/table/day
Northeast Zone:				
Golden Heartland	80	104.0	\$39.3	\$1,346
PNK Kansas	80	104.0	\$38.6	\$1,324
Speedway/Cordish	80	104.0	\$38.1	\$1,305
Legends Sun	80	104.0	\$35.7	\$1,224
Southwest Zone:				
Butler National	20	100	\$4.9	\$675
Dodge City Resort	20	100	\$4.9	\$676

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Tabs	Power Rating	Table Win (\$mn)	win/table/day
Northeast Zone:				
Golden Heartland	80	104.0	\$45.6	\$1,561
PNK Kansas	80	104.0	\$44.8	\$1,535
Speedway/Cordish	80	104.0	\$44.2	\$1,514
Legends Sun	80	104.0	\$41.4	\$1,420
Southwest Zone:				
Butler National	20	100	\$5.7	\$782
Dodge City Resort	20	100	\$5.7	\$784

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C: Detail for Tables -- Comparisons II
Northeast & Southwest Zones

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August 24, 2008

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Exhibit C-2-1: Table Projections (\$mn / 2007\$)
Speedway/Cordish Power Rating Yields Their Projections

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day	(approx) Total Win (\$mn)
Woodlands					
Speedway/Cordish	90	97.9	\$33.2	\$1,012	\$193.2
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown					
Penn Cherokee	30	90.0	\$6.0	\$549	\$30.0
Harrahs Mulvane	50	98.0	\$23.0	\$1,263	\$173.3
Butler National	15	100.0	\$4.6	\$842	\$37.8
Dodge City Resort					
Subtotal Kansas Taxable	185		\$66.9	\$991	\$434.3
KCK 7th Street					
4 Northeast KS Natives	59	110.6	\$18.4	\$855	\$131.5
Total Kansas	244		\$85.3	\$958	\$565.9
memo: Northeast Zone	90		\$33.2	\$1,012	\$193.2
memo: Southeast Zone	30		\$6.0	\$549	\$30.0
memo: South Central Zone	50		\$23.0	\$1,263	\$173.3
Argosy Riverside	39	87.3	\$11.6	\$813	\$118.0
IOC KC	23	70.2	\$4.7	\$565	\$60.9
Harrahs NKC	48	95.3	\$18.9	\$1,078	\$142.1
Ameristar KC	90	86.5	\$22.2	\$677	\$186.8
Sugar Creek					
Subtotal KCMO	200		\$57.4	\$787	\$507.9
Greater KC Total	290		\$90.7	\$856	\$701.1
Greater Joplin Total	134		\$14.7	\$300	\$361.0
Greater Wichita Total	85		\$25.9	\$834	\$895.7
Table Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$60.8	\$17.9	\$78.7	
from Others (")		\$24.6			

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Exhibit C-2-2: Table Projections (\$mn / 2007\$)
PNK Kansas Power Rating Yields Their Projections

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day	(approx) Total Win (\$mn)
Woodlands					
Speedway/Cordish					
Pinnacle	60	133.0	\$80.1	\$3,659	\$465.9
Golden Heartland					
Legends Sun					
Camptown					
Penn Cherokee	30	90.0	\$5.7	\$517	\$28.3
Harrahs Mulvane	50	98.0	\$22.3	\$1,221	\$167.5
Butler National	15	100.0	\$4.5	\$813	\$36.5
Dodge City Resort					
Subtotal Kansas Taxable	155		\$112.5	\$1,989	\$698.2
KCK 7th Street					
4 Northeast KS Natives	59	110.6	\$15.1	\$702	\$107.9
Total Kansas	214		\$127.6	\$1,634	\$806.2
memo: Northeast Zone	60		\$80.1	\$3,659	\$465.9
memo: Southeast Zone	30		\$5.7	\$517	\$28.3
memo: South Central Zone	50		\$22.3	\$1,221	\$167.5
Argosy Riverside	39	87.3	\$8.6	\$606	\$88.0
IOC KC	23	70.2	\$3.7	\$441	\$47.5
Harrahs NKC	48	95.3	\$14.7	\$838	\$110.6
Ameristar KC	90	86.5	\$17.6	\$537	\$148.0
Sugar Creek					
Subtotal KCMO	200		\$44.6	\$611	\$394.2
Greater KC Total	260		\$124.8	\$1,315	\$860.1
Greater Joplin Total	134		\$13.9	\$284	\$341.8
Greater Wichita Total	85		\$25.1	\$808	\$867.7
Table Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$77.7	\$12.5	\$90.1	
from Others (")		\$50.0			

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**Exhibit C-2-3: Table Projections (\$mn / 2007\$)
Golden Gaming Power Rating Yields Their Projections**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day	(approx) Total Win (\$mn)
Woodlands					
Speedway/Cordish					
Pinnacle					
Golden Heartland	80	108.6	\$45.3	\$1,552	\$263.5
Legends Sun					
Camptown					
Penn Cherokee	30	90.0	\$5.9	\$542	\$29.7
Harrahs Mulvane	50	98.0	\$22.9	\$1,254	\$172.0
Butler National	15	100.0	\$4.6	\$837	\$37.5
Dodge City Resort					
Subtotal Kansas Taxable	175		\$78.7	\$1,232	\$502.8
KCK 7th Street					
4 Northeast KS Natives	59	110.6	\$17.5	\$811	\$124.7
Total Kansas	234		\$96.2	\$1,126	\$627.5
memo: Northeast Zone	80		\$45.3	\$1,552	\$263.5
memo: Southeast Zone	30		\$5.9	\$542	\$29.7
memo: South Central Zone	50		\$22.9	\$1,254	\$172.0
Argosy Riverside	39	87.3	\$10.7	\$753	\$109.4
IOC KC	23	70.2	\$4.5	\$530	\$57.2
Harrahs NKC	48	95.3	\$17.7	\$1,012	\$133.5
Ameristar KC	90	86.5	\$21.0	\$640	\$176.6
Sugar Creek					
Subtotal KCMO	200		\$53.9	\$739	\$476.7
Greater KC Total	280		\$99.3	\$971	\$740.2
Greater Joplin Total	134		\$14.5	\$297	\$356.8
Greater Wichita Total	85		\$25.7	\$829	\$889.7
Table Spending in Total:					
to Kansas					
to Others					
Total KS					
from Kansas (\$mn)		\$66.3	\$16.1	\$82.4	
from Others (")		\$29.9			

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Exhibit C-2-4: Table Projections (\$mn / 2007\$)
Legends Sun Power Rating Yields Their Projections

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day	(approx) Total Win (\$mn)
Woodlands					
Speedway/Cordish					
Pinnacle					
Golden Heartland					
Legends Sun	60	107.6	\$34.5	\$1,577	\$200.8
Camptown					
Penn Cherokee	30	90.0	\$6.0	\$548	\$30.0
Harrahs Mulvane	50	98.0	\$23.0	\$1,261	\$173.0
Butler National	15	100.0	\$4.6	\$841	\$37.7
Dodge City Resort					
Subtotal Kansas Taxable	155		\$68.2	\$1,205	\$441.6
KCK 7th Street					
4 Northeast KS Natives	59	110.6	\$18.5	\$858	\$132.0
Total Kansas	214		\$86.6	\$1,109	\$573.6
memo: Northeast Zone	60		\$34.5	\$1,577	\$200.8
memo: Southeast Zone	30		\$6.0	\$548	\$30.0
memo: South Central Zone	50		\$23.0	\$1,261	\$173.0
Argosy Riverside	39	87.3	\$12.0	\$841	\$122.1
IOC KC	23	70.2	\$4.9	\$581	\$62.7
Harrahs NKC	48	95.3	\$19.3	\$1,099	\$145.0
Ameristar KC	90	86.5	\$22.5	\$686	\$189.2
Sugar Creek					
Subtotal KCMO	200		\$58.6	\$803	\$519.1
Greater KC Total	260		\$93.2	\$982	\$719.9
Greater Joplin Total	134		\$14.7	\$300	\$360.3
Greater Wichita Total	85		\$25.9	\$833	\$894.4
Table Spending in Total:					
to Kansas					
to Others					
Total KS					
from Kansas (\$mn)		\$61.3	\$19.1	\$80.4	
from Others (")		\$25.3			

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Exhibit C-2-5: Table Projections (\$mn / 2007\$)
Butler National Power Rating Yields Their Projections

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day	(approx) Total Win (\$mn)
Woodlands					
Speedway/Cordish	90	103.7	\$39.9	\$1,216	\$232.2
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown					
Penn Cherokee	30	90.0	\$6.0	\$544	\$29.8
Harrahs Mulvane	50	98.0	\$22.7	\$1,242	\$170.5
Butler National	15	114.2	\$6.4	\$1,171	\$52.6
Dodge City Resort	-----		-----		-----
Subtotal Kansas Taxable	185		\$75.0	\$1,110	\$485.0
KCK 7th Street					
4 Northeast KS Natives	59	110.6	\$17.7	\$823	\$126.5
	-----		-----		-----
Total Kansas	244		\$92.7	\$1,041	\$611.5
memo: Northeast Zone	90		\$39.9	\$1,216	\$232.2
memo: Southeast Zone	30		\$6.0	\$544	\$29.8
memo: South Central Zone	50		\$22.7	\$1,242	\$170.5
Argosy Riverside	39	87.3	\$11.0	\$772	\$112.1
IOC KC	23	70.2	\$4.6	\$542	\$58.5
Harrahs NKC	48	95.3	\$18.1	\$1,035	\$136.5
Ameristar KC	90	86.5	\$21.5	\$653	\$180.3
Sugar Creek	-----		-----		-----
Subtotal KCMO	200		\$55.1	\$755	\$487.4
Greater KC Total	290		\$95.1	\$898	\$719.5
Greater Joplin Total	134		\$14.6	\$298	\$358.3
Greater Wichita Total	85		\$25.5	\$822	\$882.0
Table Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$64.3	\$16.5	\$80.8	
from Others (")		\$28.4			

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Exhibit C-2-6: Table Projections (\$mn / 2007\$)
Dodge City Resort Power Rating Yields Their Projections

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day	(approx) Total Win (\$mn)
Woodlands					
Speedway/Cordish	90	103.7	\$39.9	\$1,216	\$232.2
Pinnacle					
Golden Heartland					
Legends Sun					
Camptown					
Penn Cherokee	30	90.0	\$6.0	\$544	\$29.8
Harrahs Mulvane	50	98.0	\$22.7	\$1,245	\$170.8
Butler National					
Dodge City Resort	20	105.8	\$5.7	\$778	\$43.7
Subtotal Kansas Taxable	190		\$74.3	\$1,071	\$476.5
KCK 7th Street					
4 Northeast KS Natives	59	110.6	\$17.7	\$823	\$126.7
Total Kansas	249		\$92.0	\$1,013	\$603.2
memo: Northeast Zone	90		\$39.9	\$1,216	\$232.2
memo: Southeast Zone	30		\$6.0	\$544	\$29.8
memo: South Central Zone	50		\$22.7	\$1,245	\$170.8
Argosy Riverside	39	87.3	\$11.0	\$772	\$112.1
IOC KC	23	70.2	\$4.6	\$542	\$58.5
Harrahs NKC	48	95.3	\$18.1	\$1,035	\$136.5
Ameristar KC	90	86.5	\$21.5	\$653	\$180.3
Sugar Creek					
Subtotal KCMO	200		\$55.1	\$755	\$487.4
Greater KC Total	290		\$95.1	\$898	\$719.6
Greater Joplin Total	134		\$14.6	\$298	\$358.3
Greater Wichita Total	85		\$25.5	\$823	\$883.7
Table Spending in Total:		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$63.9	\$16.5	\$80.4	
from Others (")		\$28.1			

Exhibit C-2-7: Power Ratings That Yield Applicants' Projections

In 2007 Dollars

Gaming Facility / Location:	# Tabs	Power Rating	Table Win (\$mn)	win/table/day
Northeast Zone:				
PNK Kansas	60	133.0	\$80.1	\$3,659
Speedway/Cordish	90	97.9	\$33.2	\$1,012
Legends Sun	60	107.6	\$34.5	\$1,577
Golden Heartland	80	108.6	\$45.3	\$1,552
Southwest Zone:				
Butler National	15	114.2	\$6.4	\$1,171
Dodge City Resort	20	105.8	\$5.7	\$778

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Tabs	Power Rating	Table Win (\$mn)	win/table/day
Northeast Zone:				
PNK Kansas	60	133.0	\$92.9	\$4,244
Speedway/Cordish	90	97.9	\$38.5	\$1,173
Legends Sun	60	107.6	\$40.1	\$1,829
Golden Heartland	80	108.6	\$52.6	\$1,800
Southwest Zone:				
Butler National	15	114.2	\$7.4	\$1,358
Dodge City Resort	20	105.8	\$6.6	\$902

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**D. Detail for Tables -- "Low" Projections
Northeast & Southwest Zones**

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August 24, 2008

Exhibit D-1: Table Projections (\$mn / 2007\$)
Speedway/Cordish "Low"

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	98.7	\$33.9	\$1,033
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$5.3	\$483
Harrahs Mulvane	50	98.0	\$22.3	\$1,222
Butler National	15	100.0	\$4.5	\$830
Dodge City Resort				
	-----		-----	
Subtotal Kansas Taxable	185		\$66.1	\$978
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.2	\$846
	-----		-----	
Total Kansas	244		\$84.3	\$946
memo: Northeast Zone	90		\$33.9	\$1,033
memo: Southeast Zone	30		\$5.3	\$483
memo: South Central Zone	50		\$22.3	\$1,222
Argosy Riverside	39	87.3	\$11.5	\$806
IOC KC	23	70.2	\$4.7	\$562
Harrahs NKC	48	95.3	\$18.8	\$1,070
Ameristar KC	90	86.5	\$22.1	\$673
Sugar Creek				
	-----		-----	
Subtotal KCMO	200		\$57.1	\$782
Greater KC Total	290		\$91.0	\$860
Greater Joplin Total	144		\$14.7	\$280
Greater Wichita Total	113		\$26.0	\$630
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$60.3	\$18.6	\$78.9
from Others (")		\$24.0		

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**Exhibit D-2: Table Projections (\$mn / 2007\$)
PNK Kansas "Low"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle	60	99.5	\$28.6	\$1,306
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$5.3	\$486
Harrahs Mulvane	50	98.0	\$22.4	\$1,226
Butler National	15	100.0	\$4.6	\$833
Dodge City Resort				
Subtotal Kansas Taxable	155		\$60.9	\$1,076
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$19.1	\$885
Total Kansas	214		\$79.9	\$1,023
memo: Northeast Zone	60		\$28.6	\$1,306
memo: Southeast Zone	30		\$5.3	\$486
memo: South Central Zone	50		\$22.4	\$1,226
Argosy Riverside	39	87.3	\$12.4	\$868
IOC KC	23	70.2	\$5.1	\$602
Harrahs NKC	48	95.3	\$20.0	\$1,142
Ameristar KC	90	86.5	\$23.4	\$713
Sugar Creek				
Subtotal KCMO	200		\$60.8	\$833
Greater KC Total	260		\$89.4	\$942
Greater Joplin Total	144		\$14.8	\$282
Greater Wichita Total	113		\$26.1	\$632
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$58.1	\$20.7	\$78.9
from Others (")		\$21.8		

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**Exhibit D-3: Table Projections (\$mn / 2007\$)
Golden Gaming "Low"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland	80	99.0	\$33.5	\$1,146
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$5.3	\$483
Harrahs Mulvane	50	98.0	\$22.3	\$1,223
Butler National	15	100.0	\$4.5	\$831
Dodge City Resort				
Subtotal Kansas Taxable	175		\$65.6	\$1,027
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.4	\$853
Total Kansas	234		\$84.0	\$983
memo: Northeast Zone	80		\$33.5	\$1,146
memo: Southeast Zone	30		\$5.3	\$483
memo: South Central Zone	50		\$22.3	\$1,223
Argosy Riverside	39	87.3	\$11.7	\$823
IOC KC	23	70.2	\$4.8	\$572
Harrahs NKC	48	95.3	\$19.1	\$1,088
Ameristar KC	90	86.5	\$22.5	\$684
Sugar Creek				
Subtotal KCMO	200		\$58.0	\$795
Greater KC Total	280		\$91.5	\$895
Greater Joplin Total	144		\$14.7	\$280
Greater Wichita Total	113		\$26.0	\$630
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$60.6	\$19.1	\$79.7
from Others (")		\$23.4		

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**Exhibit D-4: Table Projections (\$mn / 2007\$)
Legends Sun "Low"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	60	100.7	\$27.3	\$1,247
Camptown				
Penn Cherokee	30	90.0	\$5.3	\$486
Harrahs Mulvane	50	98.0	\$22.4	\$1,225
Butler National	15	100.0	\$4.6	\$832
Dodge City Resort				
Subtotal Kansas Taxable	155		\$59.6	\$1,053
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$19.0	\$882
Total Kansas	214		\$78.6	\$1,006
memo: Northeast Zone	60		\$27.3	\$1,247
memo: Southeast Zone	30		\$5.3	\$486
memo: South Central Zone	50		\$22.4	\$1,225
Argosy Riverside	39	87.3	\$12.6	\$887
IOC KC	23	70.2	\$5.1	\$608
Harrahs NKC	48	95.3	\$20.1	\$1,149
Ameristar KC	90	86.5	\$23.4	\$713
Sugar Creek				
Subtotal KCMO	200		\$61.3	\$840
Greater KC Total	260		\$88.6	\$934
Greater Joplin Total	144		\$14.8	\$282
Greater Wichita Total	113		\$26.1	\$632
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$57.3	\$21.5	\$78.8
from Others (")		\$21.3		

Exhibit D-5: Table Projections (\$mn / 2007\$)
Butler National "Low"

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$39.8	\$1,212
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$5.3	\$480
Harrahs Mulvane	50	98.0	\$22.3	\$1,221
Butler National	15	95.0	\$4.0	\$738
Dodge City Resort				
Subtotal Kansas Taxable	185		\$71.4	\$1,057
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.7	\$823
Total Kansas	244		\$89.1	\$1,001
memo: Northeast Zone	90		\$39.8	\$1,212
memo: Southeast Zone	30		\$5.3	\$480
memo: South Central Zone	50		\$22.3	\$1,221
Argosy Riverside	39	87.3	\$11.0	\$770
IOC KC	23	70.2	\$4.5	\$542
Harrahs NKC	48	95.3	\$18.1	\$1,032
Ameristar KC	90	86.5	\$21.4	\$652
Sugar Creek				
Subtotal KCMO	200		\$55.0	\$754
Greater KC Total	290		\$94.8	\$896
Greater Joplin Total	144		\$14.6	\$278
Greater Wichita Total	113		\$26.0	\$630
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$62.5	\$17.5	\$80.0
from Others (")		\$26.6		

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**Exhibit D-6: Table Projections (\$mn / 2007\$)
Dodge City Resort "Low"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$39.8	\$1,212
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$5.3	\$480
Harrahs Mulvane	50	98.0	\$22.2	\$1,216
Butler National				
Dodge City Resort	20	95.0	\$4.3	\$592
	-----		-----	
Subtotal Kansas Taxable	190		\$71.6	\$1,032
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.7	\$822
	-----		-----	
Total Kansas	249		\$89.3	\$982
memo: Northeast Zone	90		\$39.8	\$1,212
memo: Southeast Zone	30		\$5.3	\$480
memo: South Central Zone	50		\$22.2	\$1,216
Argosy Riverside	39	87.3	\$11.0	\$770
IOC KC	23	70.2	\$4.5	\$542
Harrahs NKC	48	95.3	\$18.1	\$1,032
Ameristar KC	90	86.5	\$21.4	\$652
Sugar Creek				
	-----		-----	
Subtotal KCMO	200		\$55.0	\$753
Greater KC Total	290		\$94.8	\$896
Greater Joplin Total	144		\$14.6	\$278
Greater Wichita Total	113		\$25.9	\$627
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$62.5	\$17.5	\$80.0
from Others (")		\$26.7		

Exhibit D-7: Summary of "Low" Table Projections

In 2007 Dollars

Gaming Facility / Location:	# Tabs	Power Rating	Table Win (\$mn)	win/table/day
Northeast Zone:				
Speedway/Cordish	90	98.7	\$33.9	\$1,033
Golden Heartland	80	99.0	\$33.5	\$1,146
PNK Kansas	60	99.5	\$28.6	\$1,306
Legends Sun	60	100.7	\$27.3	\$1,247
Southwest Zone:				
Butler National	15	95	\$4.0	\$738
Dodge City Resort	20	95	\$4.3	\$592

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Tabs	Power Rating	Table Win (\$mn)	win/table/day
Northeast Zone:				
Speedway/Cordish	90	98.7	\$39.4	\$1,198
Golden Heartland	80	99.0	\$38.8	\$1,329
PNK Kansas	60	99.5	\$33.2	\$1,514
Legends Sun	60	100.7	\$31.7	\$1,447
Southwest Zone:				
Butler National	15	95	\$4.7	\$856
Dodge City Resort	20	95	\$5.0	\$687

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**E. Detail for Tables -- "High" Projections
Northeast & Southwest Zones**

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August 24, 2008

Exhibit E-1: Table Projections (\$mn / 2007\$)
Speedway/Cordish "High"

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	108.7	\$46.7	\$1,420
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$5.9	\$540
Harrahs Mulvane	50	98.0	\$22.8	\$1,252
Butler National	15	100.0	\$4.6	\$835
Dodge City Resort				
	-----		-----	
Subtotal Kansas Taxable	185		\$80.0	\$1,185
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.2	\$800
	-----		-----	
Total Kansas	244		\$97.2	\$1,092
memo: Northeast Zone	90		\$46.7	\$1,420
memo: Southeast Zone	30		\$5.9	\$540
memo: South Central Zone	50		\$22.8	\$1,252
Argosy Riverside	39	87.3	\$10.4	\$733
IOC KC	23	70.2	\$4.4	\$518
Harrahs NKC	48	95.3	\$17.3	\$990
Ameristar KC	90	86.5	\$20.6	\$628
Sugar Creek				
	-----		-----	
Subtotal KCMO	200		\$52.7	\$723
Greater KC Total	290		\$99.4	\$939
Greater Joplin Total	134		\$14.5	\$296
Greater Wichita Total	85		\$25.7	\$828
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$66.1	\$15.5	\$81.7
from Others (")		\$31.1		

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**Exhibit E-2: Table Projections (\$mn / 2007\$)
PNK Kansas "High"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle	60	109.5	\$39.6	\$1,810
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$546
Harrahs Mulvane	50	98.0	\$23.0	\$1,260
Butler National	15	100.0	\$4.6	\$840
Dodge City Resort				
Subtotal Kansas Taxable	155		\$73.2	\$1,294
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.2	\$847
Total Kansas	214		\$91.4	\$1,171
memo: Northeast Zone	60		\$39.6	\$1,810
memo: Southeast Zone	30		\$6.0	\$546
memo: South Central Zone	50		\$23.0	\$1,260
Argosy Riverside	39	87.3	\$11.4	\$798
IOC KC	23	70.2	\$4.7	\$560
Harrahs NKC	48	95.3	\$18.7	\$1,066
Ameristar KC	90	86.5	\$22.0	\$671
Sugar Creek				
Subtotal KCMO	200		\$56.8	\$778
Greater KC Total	260		\$96.4	\$1,016
Greater Joplin Total	134		\$14.6	\$299
Greater Wichita Total	85		\$25.8	\$832
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.7	\$17.6	\$81.4
from Others (")		\$27.7		

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**Exhibit E-3: Table Projections (\$mn / 2007\$)
Golden Gaming "High"**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland	80	109.0	\$45.9	\$1,571
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$5.9	\$542
Harrahs Mulvane	50	98.0	\$22.9	\$1,253
Butler National	15	100.0	\$4.6	\$836
Dodge City Resort				
Subtotal Kansas Taxable	175		\$79.3	\$1,241
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.4	\$809
Total Kansas	234		\$96.7	\$1,132
memo: Northeast Zone	80		\$45.9	\$1,571
memo: Southeast Zone	30		\$5.9	\$542
memo: South Central Zone	50		\$22.9	\$1,253
Argosy Riverside	39	87.3	\$10.7	\$750
IOC KC	23	70.2	\$4.4	\$528
Harrahs NKC	48	95.3	\$17.7	\$1,008
Ameristar KC	90	86.5	\$21.0	\$638
Sugar Creek				
Subtotal KCMO	200		\$53.7	\$736
Greater KC Total	280		\$99.6	\$975
Greater Joplin Total	134		\$14.5	\$297
Greater Wichita Total	85		\$25.7	\$829
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$66.5	\$16.0	\$82.5
from Others (")		\$30.2		

Exhibit E-4: Table Projections (\$mn / 2007\$)
Legends Sun "High"

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish				
Pinnacle				
Golden Heartland				
Legends Sun	60	110.7	\$38.2	\$1,742
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$545
Harrahs Mulvane	50	98.0	\$23.0	\$1,258
Butler National	15	100.0	\$4.6	\$839
Dodge City Resort				
Subtotal Kansas Taxable	155		\$71.7	\$1,267
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$18.2	\$843
Total Kansas	214		\$89.8	\$1,150
memo: Northeast Zone	60		\$38.2	\$1,742
memo: Southeast Zone	30		\$6.0	\$545
memo: South Central Zone	50		\$23.0	\$1,258
Argosy Riverside	39	87.3	\$11.6	\$818
IOC KC	23	70.2	\$4.8	\$568
Harrahs NKC	48	95.3	\$18.8	\$1,074
Ameristar KC	90	86.5	\$22.1	\$672
Sugar Creek				
Subtotal KCMO	200		\$57.3	\$785
Greater KC Total	260		\$95.5	\$1,006
Greater Joplin Total	134		\$14.6	\$299
Greater Wichita Total	85		\$25.8	\$831
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$62.8	\$18.4	\$81.2
from Others (")		\$27.0		

Exhibit E-5: Table Projections (\$mn / 2007\$)
Butler National "High"

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$40.0	\$1,217
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$545
Harrahs Mulvane	50	98.0	\$22.9	\$1,253
Butler National	15	105.0	\$5.2	\$942
Dodge City Resort				
Subtotal Kansas Taxable	185		\$73.9	\$1,095
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.8	\$826
Total Kansas	244		\$91.7	\$1,030
memo: Northeast Zone	90		\$40.0	\$1,217
memo: Southeast Zone	30		\$6.0	\$545
memo: South Central Zone	50		\$22.9	\$1,253
Argosy Riverside	39	87.3	\$11.0	\$772
IOC KC	23	70.2	\$4.6	\$542
Harrahs NKC	48	95.3	\$18.1	\$1,035
Ameristar KC	90	86.5	\$21.5	\$654
Sugar Creek				
Subtotal KCMO	200		\$55.2	\$756
Greater KC Total	290		\$95.1	\$899
Greater Joplin Total	134		\$14.6	\$298
Greater Wichita Total	85		\$25.7	\$828
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.8	\$16.6	\$80.4
from Others (")		\$27.9		

Exhibit E-6: Table Projections (\$mn / 2007\$)
Dodge City Resort "High"

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Speedway/Cordish	90	103.7	\$39.9	\$1,216
Pinnacle				
Golden Heartland				
Legends Sun				
Camptown				
Penn Cherokee	30	90.0	\$6.0	\$544
Harrahs Mulvane	50	98.0	\$22.7	\$1,246
Butler National				
Dodge City Resort	20	105.0	\$5.6	\$763
	-----		-----	
Subtotal Kansas Taxable	190		\$74.2	\$1,070
KCK 7th Street				
4 Northeast KS Natives	59	110.6	\$17.7	\$824
	-----		-----	
Total Kansas	249		\$91.9	\$1,012
memo: Northeast Zone	90		\$39.9	\$1,216
memo: Southeast Zone	30		\$6.0	\$544
memo: South Central Zone	50		\$22.7	\$1,246
Argosy Riverside	39	87.3	\$11.0	\$772
IOC KC	23	70.2	\$4.6	\$542
Harrahs NKC	48	95.3	\$18.1	\$1,035
Ameristar KC	90	86.5	\$21.5	\$653
Sugar Creek				
	-----		-----	
Subtotal KCMO	200		\$55.1	\$755
Greater KC Total	290		\$95.1	\$898
Greater Joplin Total	134		\$14.6	\$298
Greater Wichita Total	85		\$25.6	\$824
Table Spending in Total:		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$63.9	\$16.5	\$80.4
from Others (")		\$28.1		

Exhibit E-7: Summary of "High" Table Projections

In 2007 Dollars

Gaming Facility / Location:	# Tabs	Power Rating	Table Win (\$mn)	win/table/day
Northeast Zone:				
Speedway/Cordish	90	108.7	\$46.7	\$1,420
Golden Heartland	80	109.0	\$45.9	\$1,571
PNK Kansas	60	109.5	\$39.6	\$1,810
Legends Sun	60	110.7	\$38.2	\$1,742
Southwest Zone:				
Butler National	15	105	\$5.2	\$942
Dodge City Resort	20	105	\$5.6	\$763

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Tabs	Power Rating	Table Win (\$mn)	win/table/day
Northeast Zone:				
Speedway/Cordish	90	108.7	\$54.1	\$1,647
Golden Heartland	80	109.0	\$53.2	\$1,822
PNK Kansas	60	109.5	\$46.0	\$2,099
Legends Sun	60	110.7	\$44.2	\$2,020
Southwest Zone:				
Butler National	15	105	\$6.0	\$1,092
Dodge City Resort	20	105	\$6.5	\$884

Gaming Revenue Projections for the Southwest Gaming Zone DRAFT

Presentation to Lottery Gaming Facility Review Board
by Will Cummings / Cummings Associates

September 2, 2008

Will E. Cummings
Cummings Associates

Questions, Please!
(at any time)

Overview

- Process (briefly)
- Cummings Projections
- Location and Size Matter Less Here
- Detail: Cummings vs. Applicants
- “Net Export” and Tourist Info
- Summary and Conclusions

Southwest Zone

[Map – Broader Area]

[in preparation]

[Map – Dodge City Detail]

[in preparation]

Gravity Model(s) Updated

- Separate Slot / Table Models
- Precise Locations
- Precise Sizes
- Everything Else . . .

“Power Ratings”

Exhibit 1: Power Ratings Used in Previous Projections

	Kansas City *	Harrah's Mulvane	Marvel Wellington	Penn Wellington	Penn Cherokee	Dodge City
Slot Performance						
High	107.0	110.0	116.0	116.0	107.0	117.0
Baseline	102.0	104.0	110.0	110.0	102.0	112.0
Low	97.0	98.0	104.0	104.0	97.0	107.0
Table Performance						
High	107.0	106.0	108.0	103.0	95.0	105.0
Baseline	102.0	98.0	100.0	95.0	90.0	100.0
Total Power Rating	97.0	90.0	92.0	87.0	85.0	95.0

* Power Ratings for Northeast-Zone Applicants updated for this report in Exhibit 2. All others remain unchanged.

Note: 100 = "Midwest Standard." Higher slot baselines here typical of new facilities.

Summary of Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Southwest Zone:					
Butler National	875	112	\$35.7	\$112	\$40.7
Dodge City Resort	800	112	\$35.2	\$121	\$40.1

Summary of Projections

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Southwest Zone:					
Butler National	875	112	\$41.5	\$130	\$47.2
Dodge City Resort	800	112	\$40.8	\$140	\$46.5

Size Matters Little

Cummings Projections (2013\$)

	As Proposed	800 slots *
Butler National	\$47.2	\$46.4
Dodge C. Resort	\$46.5	\$46.5

* And 20 tables (but no poker) (\$ in million)

Cummings Projections (2013\$)

	As Proposed	800 slots *
Dodge C. Resort	\$46.5	\$46.5
Butler National	\$47.2	\$46.4

* And 20 tables (but no poker) (\$ in million)

Location Matters Little

[Map – Dodge City Detail]

[in preparation]

[Map – Broader Area]

[in preparation]

Cummings vs. Proponents

	Cummings	Proponent	%
Butler Nat'l	\$47.2	\$70.9	150%
Dodge C. R.	\$46.5	\$47.7	103%

(all \$ million in 2013)

Butler National

Sources of Difference

	Cummings	Butler N	Diff.
0-100 miles	\$38.9		
100+ miles	\$8.3		
Drive-Bys	\$0.0		
Hotel etc.	<u>\$0.0</u>		
Total	\$47.2	\$70.9	\$23.7

(all \$ million in 2013)

Dodge City Resort

Sources of Difference

	Cummings	Dodge CR	Diff.
0-100 miles	\$37.9		
100+ miles	\$8.6		
Drive-Bys	\$0.0		
Hotel etc.	<u>\$0.0</u>		
Total	\$46.5	\$47.7	\$1.2

(all \$ million in 2013)

*Projections for
“Net Exports” & “Tourists”*

Projected Impacts on . . . (2007\$)

“Net Exports” “Tourist” \$ *

Butler National	\$7.6	\$7.1
Dodge C. Resort	\$7.4	\$7.5

* “Tourists” defined as those traveling over 100 miles (\$ in million)

Summary

Cummings Projections (2013\$)

	As Proposed	800 slots *
Butler National	\$47.2	\$46.4
Dodge C. Resort	\$46.5	\$46.5

* And 20 tables (but no poker) (\$ in million)

Projected Impacts on . . . (2007\$)

“Net Exports” “Tourist” \$ *

Butler National	\$7.6	\$7.1
Dodge C. Resort	\$7.4	\$7.5

* “Tourists” defined as those traveling over 100 miles (\$ in million)

Conclusions

- Location matters little
- Size matters little
- Key Question: Who will build you the **BETTER** mousetrap?

Will E. Cummings

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Gaming Revenue Projections for the Southwest Gaming Zone DRAFT

Presentation to Lottery Gaming Facility Review Board
by Will Cummings / Cummings Associates

September 2, 2008

Kansas Casino Market Study

Task-4 Project Specific Gaming Revenue Projections For the Southwest Gaming Zone



Prepared For:

Kansas Lottery Gaming Facility Review Board

September 2 & 3, 2008

Prepared by:

Wells Gaming Research

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Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

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Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Section 1

Introduction, Scope-of-Work, & Limiting Conditions

Task-4 Project Specific Gaming Revenue Projections

Southwest Gaming Zone of Kansas

Introduction

The State of Kansas has lost gaming revenues for many years to a number of surrounding states, particularly to Missouri and Oklahoma. The recent development of numerous tribal casinos in Oklahoma has exacerbated the problem. In an effort to stem the flow of gaming revenues and related taxes out of the State of Kansas, the legislators passed Senate Bill 66 (the Kansas Expanded Lottery Act), which legalized casino gaming. The governor signed SB 66 in 2007.

Senate Bill 66

Some key provisions of SB 66 that pertain to this study include:

1. Establishment of four casino gaming zones:
 - Northeast (located in Wyandotte County)
 - Southeast (located in Crawford and Cherokee Counties)
 - South Central (located in Sumner and Sedgwick Counties)
 - Southwest (located in Ford County)

The geographical trade areas for the gaming zones are illustrated by the circles on the map on page 1-2.

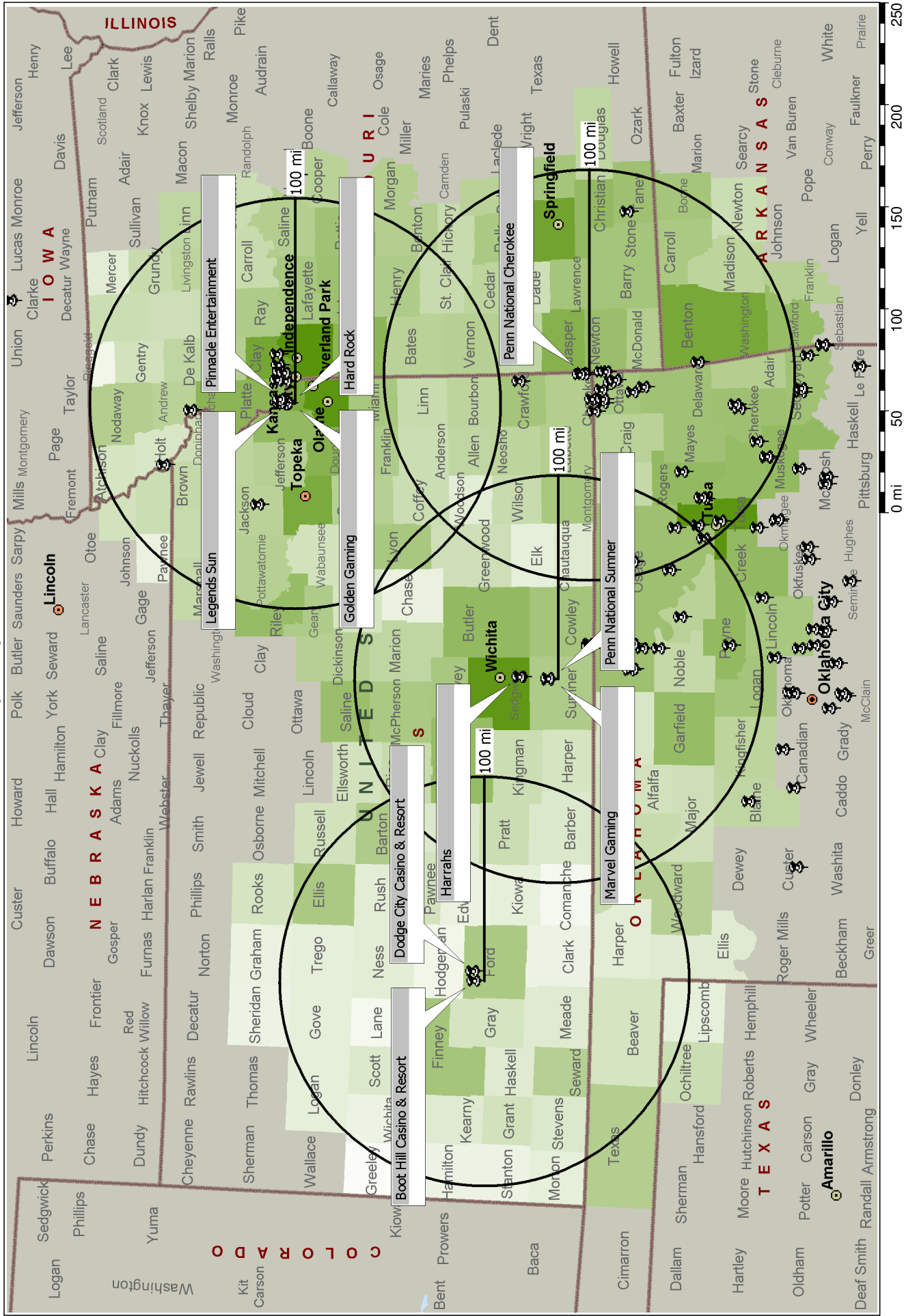
2. Building one state owned casino in each of the above listed Kansas gaming zones.
3. Permitting an aggregate of 2,800 slot machines to be installed at the three existing racetracks.

Senate Bill 66 required the counties located within the four subject gaming zones to hold referendum elections for the purpose of either approving or disapproving casino gaming, or slot machines to be located at their respective racetracks. Three gaming zones have racetracks (northeast, southeast, and south central). However, Sedgwick County, located in the south central gaming zone, rejected gaming in their referendum election. As a result, slot machines will be limited to two Kansas racetracks: Woodlands Race Track located in the Kansas City, Kansas (northeast gaming zone), and Camptown Greyhound Park (closed since November 2000) located near Frontenac, Kansas (southeast gaming zone).

Ownership & Control of the Casinos

The State of Kansas will own and/or control the gaming portion of the casino facilities. The Lottery Commission will select the applicants, who in turn will become contract managers of the Kansas gaming facilities. These managers will act on behalf of the Kansas Lottery Commission. The contract managers will fund, build, and operate all of the facilities under contract with the state lottery.

Kansas Lottery Project Trade Areas



Task-4 Project Specific Gaming Revenue Projections

Southwest Gaming Zone of Kansas

Gaming Taxes

The contract managers will be required to pay the following taxes, all of which are based on a percentage of casino gaming revenues:

- The lottery facility would pay a minimum of 22% of gaming revenues to the state, as well as an additional 2% to fund programs for problem gamblers and gaming addiction issues.
- If a lottery gaming facility were located in either the northeast or southwest gaming zones, but not in a city, the gaming facility would be required to pay an additional 3% of gaming revenues to the county where the gaming facility was located.
- If, on the other hand, the gaming facility were located in a city, the facility would pay 1.5% of gaming revenues to the city and 1.5% to the county.
- If the lottery gaming facility were located in either the southeast or the south central gaming zone, but not in a city, the gaming facility would pay 2% of gaming revenues to the county in which the facility were located, and an additional 1% to the other county in the gaming zone (each gaming zone has two counties).
- If a gaming facility were located in a city, a combined tax totaling 3% of gaming revenues would be paid to the city (1%), to the county in which the facility were located (1%), and to the second county in the gaming zone (1%).

First State Owned Casinos

The state-owned casinos in Kansas will be unique. They will be the first state-owned casinos located within the United States.

Task-4 Project Specific Gaming Revenue Projections **Southwest Gaming Zone of Kansas**

Assessment of the Gaming Revenue Potential

Before enactment of Senate Bill 66 (the Kansas Expanded Lottery Act), the Kansas Lottery Commission engaged Christensen Capital to update their study addressing the gaming revenue potential of the four Kansas gaming zones. The updated study was released in March of 2008.

Task-1 – Market Analyses for Four Gaming Zones

The Kansas Lottery Commission appointed an independent Lottery Gaming Facility Review Board (Board) to review all of the gaming applications filed by the casino gaming companies and to select the most favorable. To establish a basis of comparison, the Board engaged Wells Gaming Research and Cummings Associates to conduct independent market analysis of each of the four gaming zones established in Kansas. This involved estimating the gross gaming revenue potential for four generic casinos (one located in each for the four gaming zones), and projecting the respective revenue potential into the future. The Board compared the results of these studies with the Christensen Study that had been previously commissioned by the Lottery.

In compliance with the Board's directive, WGR worked independently on Task-1 and was not influenced by the work done by either Cummings or Christensen. A final report on Task-1 was submitted to the Board in May of 2008.

Task-4 –Casino Revenue Evaluation

The Board engaged outside consulting firms including Wells Gaming Research (WGR) and Cummings & Associates to review the casino revenue potential for the southwest trade area. This entailed evaluating the revenue potential of the applications submitted by the following two applicants who are competing to build a casino in Dodge City, Kansas:

- Boot Hill Casino & Resort (Butler National Service Corporation)
- Dodge City Resort & Gaming Company, LLC.

Task-4 Project Specific Gaming Revenue Projections **Southwest Gaming Zone of Kansas**

Scope-of-Work & Research Methodology

Custom gravity models were developed for both the Boot Hill Casino & Resort and for the Dodge City Resort & Gaming Company. The gravity modeling process included the following:

Defining the Trade Area

The trade area for the southwest gaming zone, as defined by WGR, includes the approximate 100-to-125 mile radius of Dodge City, Kansas. It extends to Sheridan and Graham Counties, Kansas on the north; the Texas panhandle on the south taking in parts of Ochiltree and Lipscomb Counties, Texas, as well as Ellis County, Oklahoma on the south; Hamilton, Stanton, and Morton Counties in Kansas on the west (near the Colorado border); and Reno County, Kansas on the east. Refer to the trade area map on page 1-6. The inner circle covers an area that is 100-to-125 miles in diameter. The outer circle, approximately 200 miles in diameter, incorporates the area where casinos compete for business within the southwest trade area (the 200-mile radius has been built into WGR's gravity model).

Conducting Site-Visits

Richard Wells, president of WGR, conducted site visits in June of 2008 to a majority of the casinos located in Kansas, Oklahoma, and Missouri that will be competing with a new casino located in the southwest gaming zone of Kansas. Based on observations made during the site visits, the Task-4 assumptions were adjusted to reflect the following changes:

- Two proposed Oklahoma casinos were eliminated from the analyses on the basis that they were unlikely to be developed within a reasonable timeframe.
- The attraction factors were reduced at two competitor casinos.

The foregoing changes reduced the competition and resulted in an increase in the number of casino visits and higher gaming revenue forecasts than were developed for the Task-1 generic casino.

The map displays the central United States, with state boundaries clearly marked. Major cities such as Denver, Colorado Springs, Pueblo, Fort Collins, and Austin are labeled. A large blue circle encompasses the central region, while a smaller black circle is centered on the Oklahoma-Kansas border. A white box with a black border is positioned over the Oklahoma-Kansas border, containing the text "Dodge City Casino & Resort" and "Boot Hill Casino & Resort".

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Task-4 Project Specific Gaming Revenue Projections Southwest Gaming Zone of Kansas

Adult Population Statistics

Adult population statistics required for the gravity model were obtained from the Bureau of Business & Economic Research, University of Nevada, Reno at the census tract level of detail for 2000 through 2012.

Exhibit 1-1 shows a summary of the adult population base that was established for the southwest trade area. The data illustrates that the adult population located in the eight counties surrounding the southwest gaming zone was 60,767 in 2007. The adult population of the area has been projected to increase at an average compound growth rate of 0.6% per year to 62,244 by 2012.

Exhibit 1-1 Adult Population Statistics for the SW Trade Area (2000 & 2006-2012)

# of CO	Counties	2000	2006	2007	2008	2009	2010	2011	2012	ACGR 07 to 12	% Pop/ Co 2012
	Clark KS	1,687	1,715	1,723	1,730	1,738	1,745	1,753	1,760	0.5%	3%
	Edwards KS	2,469	2,047	1,999	1,953	1,907	1,863	1,820	1,777	-2.8%	3%
	Ford KS	20,731	20,864	20,948	21,031	21,114	21,199	21,283	21,370	0.5%	34%
	Gray KS	3,826	4,322	4,413	4,508	4,604	4,702	4,802	4,904	2.6%	8%
	Hodgeman KS	1,426	1,566	1,589	1,612	1,636	1,660	1,685	1,709	1.8%	3%
	Kiowa KS	2,348	2,241	2,238	2,237	2,235	2,233	2,231	2,228	-0.1%	4%
	Meade KS	3,118	3,054	3,047	3,040	3,033	3,027	3,021	3,014	-0.3%	5%
	Finney KS	24,507	24,679	24,810	24,944	25,077	25,211	25,346	25,482	0.6%	41%
8	Total Surrounding Counties	60,112	60,488	60,767	61,055	61,344	61,640	61,941	62,244	0.6%	100%
43	Total Kansas Counties - Excluding Surrounding Counties	235,162	224,812	223,696	222,580	221,482	220,381	219,296	218,238	-0.6%	
7	Total Oklahoma Counties	47,201	49,582	50,021	50,469	50,920	51,391	51,870	52,359	1.1%	
2	Total Texas Counties	8,045	8,442	8,518	8,595	8,673	8,751	8,834	8,919	1.1%	
60	Total Trade Area Population	350,520	343,324	343,002	342,699	342,419	342,163	341,941	341,760	-0.1%	

Data Sources: Bureau of Business & Economic Research, UNR & Wells Gaming Research, May 2008

The total adult population for the southwest trade area was just over 343 thousand in 2007. With an average compound growth rate projected at a negative 0.1%, the population for 2012 has been forecasted to decline to approximately 342 thousand.

The adult population statistics included above are limited to those counties located in the southwest trade area and do not include the population for the entire states of Kansas or Oklahoma.

Task-4 Project Specific Gaming Revenue Projections Southwest Gaming Zone of Kansas

Current Gaming Capacity

Exhibit 1-2 reflects WGR's compilation of the current casino gaming capacity for the southwest trade area.

Exhibit 1- 2 Current Capacity Statistics for the SW Trade Area

# of Loc	Casino	# of Slots	# of Pit Tables	# of Poker Tables	# of Total Tables	# of Bingo Seats	Race Book	Casino S.F.	Con-vention S.F.	# of Rooms	# of Restau-rants	Enter-tain-ment	Park-ing
Oklahoma:													
1	7 Clans Paradise Casino	700	8	6	14	0	0	30,000	0	0	2	0	500
2	Blue Star Gaming and Casino	228	0	0	0	300	0	20,000	0	0	1	0	500
3	Feather Warrior Casino - Watonga	89	0	0	0	0	0	2,200	0	0	0	0	59
4	Kaw Southwind Casino	1,078	3	4	7	700	0	55,000	0	0	2	0	1,000
5	Lil' Bit of Paradise Casino 1	100	0	0	0	0	0	0	0	0	0	0	60
6	Lil' Bit of Paradise Casino 2	50	0	0	0	0	0	0	0	0	0	0	30
7	Lucky Star Casino - Clinton	423	5	4	9	0	0	13,000	0	0	1	0	400
8	Lucky Star Casino - Concho	930	13	11	24	0	0	40,000	0	0	1	0	1,000
9	Native Lights Casino	612	6	0	6	0	0	22,500	0	0	2	0	405
10	Osage Million Dollar Elm Casino - Ponca City	222	0	0	0	0	0	7,700	0	0	1	0	150
11	Tonkawa Casino	374	4	0	4	0	0	14,437	0	0	1	0	400
	Total Existing Casinos w/i 200 Miles	4,806	39	25	64	1,000	0	204,837	0	0	11	0	4,504

As indicated, eleven casinos are currently located in the southwest trade area. These have a combined capacity of 4,806 slot machines, 39 pit table games, and 25 poker tables (64 total table games), and 1,000 bingo seats, as well as approximately 205 thousand square feet of gaming space, 11 restaurants, and parking for 4,504 vehicles. These statistics were used in the gravity model analyses developed for the southwest trade area.

Gaming Capacity for the Casino Expansions & Proposed (New) Casinos

For both the expanded and new casino capacities, refer to Section 2, page 2-5 (Boot Hill Casino & Resort), and Section 3, page 3-4 (Dodge City Casino & Resort).

Proprietary Databases

WGR's databases date back to 1990 and run continuously to the present. They contain a wealth of proprietary casino statistics for numerous gaming markets, and are an unmatched data resource for casino gaming analyses.

Scenario Assumptions

- **Scenario 1** includes projected gaming revenues for the new Kansas Lottery Casino as if it were the only new casino to be built in the southwest trade area. The gravity models were structured to project low, mid, and high case revenue projections for each of the two applicant's proposals.
- **Scenario 2** included the casino expansions in Task-1. However, in Task-4, the expansions were incorporated into Scenario 3. Scenario 2 was dropped.

Task-4 Project Specific Gaming Revenue Projections

Southwest Gaming Zone of Kansas

- **Scenario 3** includes the existing casinos, the applicant's casino, the expansions, and the other planned/proposed casinos that are likely to be developed in the southwest gaming trade area.

Inflation Factors

A 2% annual inflation rate was used to adjust the casino revenue projections in each of the two custom gravity models developed for the southwest applicants. Two percent is comparable to the five-year average CPI if food and fuel were excluded.

Applications & Templates Filed with the Board

The applications and templates filed by the two applicants (Dodge City Casino & Resort and Boot Hill Resort & Casino) provided a tremendous amount of project specific and financial information. WGR evaluated the applicant's pro forma revenue forecasts on the basis of:

- **Achievability** of the gaming revenue projections submitted by the applicants.
- **Reasonability** of the operational objectives including departmental revenues, expenses, and projected income.
- **Comparability** of the applicant's pro forma financial estimates with actual financial performance data obtained from the Nevada Gaming Control Board for Nevada casinos. Casinos categorized in the following groups by the Nevada Gaming Control Board were compared with the applicants:
 - Elko County/Wendover - \$1 million and above in annual gaming revenues
 - Statewide - \$36-to-\$72 million and above in annual gaming revenues
 - Washoe County (Reno/Sparks) - \$36 million and above in annual gaming revenues

Gravity Model Results for the Southwest Trade Area

Three gaming revenue projections (low, mid, and high cases) were developed for each scenario for the 2007 through 2012 period (refer to Sections 2 and 3 of this report for WGR's details analyses for Boot Hill Resort & Casino and Dodge City Casino & Resort). WGR believes that three projection cases encompass a reasonable performance range for casino gaming revenues. WGR does not develop single point projections because forecasting casino revenues is far from an exact science. Many factors can cause actual performance to vary significantly from the projections.

Independent Work

WGR's work on Task-4 was independently conducted. No contact was made with any of the other participating consultants.

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Background on the Gravity Model Methodology

By way of background, WGR has developed a custom, proprietary, gravity model for use in estimating gaming revenues at casinos, as well as for evaluating the impacts of increased competition on those revenues. WGR's gravity modeling methodology has proven to be a flexible and effective tool for estimating gaming revenues for casino projects where the interplay with existing and/or proposed competing casinos could affect future gaming revenues.

The concept of gravity modeling is not new to the business world. William J. Reilly first advanced the concept of a gravity model in 1931 in his book entitled *Law of Retail Gravitation*. Gravity models use the principal of Isaac Newton's law of gravity, wherein the attraction between two objects is proportional to their mass, and is inversely proportional to the square of their respective distances. Newton's law of gravity dealt with planets, the amount of gravitational force that they exert on each other, and the effects that the forces of gravity have on their trajectory. This concept of gravitational force, or pull, can be applied to various types of problems, including business, retail, and traffic. Reilly applied the concept to retail shopping center trade area and customer attraction analysis.

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Limiting Conditions

Limit of Liability

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Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

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Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Section 2

Boot Hill Casino & Resort in Dodge City

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Boot Hill Casino & Resort in Dodge City

Boot Hill Casino & Resort is competing for the opportunity to build a casino-hotel development project in Dodge City, Kansas. Boot Hill has a 400-acre development site located at the corner of the US Highway 50 Bypass and Wyatt Earp Boulevard (refer to the map on page 2-4). The site is readily assessable from all areas of Dodge City via the US 50 Highway, Comanche Street, and Wyatt Earp Boulevard. The casino would be located in close proximity to the new 4,300-seat events-center being built by Dodge City and Ford County, and would also be within walking distance of the Mariah Hills golf course.

Temporary Casino

Boot Hill Casino & Resort has proposed using an existing facility for a temporary (interim) casino. In the presentation given to the Board on July 24 and 25, 2008, Boot Hill indicated that they could build one of their planned retail buildings (RETAIL 1) early and use it as a temporary casino site that could be opened in May of 2009 at an estimated cost of \$36 million. As presented, the temporary casino could be a win-win combination for both the State of Kansas and for Boot Hill because it would generate an early flow of revenue to the state, city, and county, as well as to Boot Hill.

The capacity for the temporary casino was estimated at 15,250 square feet for gaming space equipped with 575 slot machines, 10 table games, and a poker room, as well as a 2,500 square foot lounge.

Permanent Casino Project

The permanent casino project, which would incorporate the temporary casino, has been targeted for opening on September 15, 2011. The facility has been projected to cost approximately \$93 million. As planned, the permanent casino would provide the following host of amenities and luxuries:

Gaming Capacity

- 48,457 square feet of casino space
- 875 slot machines
- 20 table games (table game mix would include 12 Blackjack, one Craps, two Roulette, and five poker tables)

Space for future growth would be available to accommodate up to 1,000 slot machines and 24 table games.

Hotel (would be added to the permanent facility in Phase 2)

- Would include 124 guest rooms (100 standard rooms with 462 square feet and 24 premium rooms with 789 square feet).

Business Center

- Offering a comfortable office-type setting with private space, as well as space for small meetings would be provided

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Restaurant Options

- Fine Dining/Steak House (66 seat capacity)
- 24-Hour Café/Buffer (150 seat capacity)
- Snack Bar (25 seat capacity)

Bars/Lounges

- Feature Bar (50 seat capacity)

Convention Facilities & Entertainment Venue

- The conference center shell would be built in Phase 1; however, the conference center would not be finished until Phase 2. The conference facility would be a multi-functional space that could also serve as an entertainment venue. When complete, it would offer:
 - 11,040-square feet with seating capacity for 1,000
 - 500-persons for a sit-down dinner capacity
 - breakout rooms would be available (depending on the configuration, school-room seating could be available to accommodate from 80-to-490 guests, or theater seating for 110-to-650 guests)

Sports & Recreation Facilities

- SPA (3,000 square feet)
- Indoor/Outdoor Pool (4,000 square feet)
- Fitness area (240 square feet)

Retail Outlets

- Casino Logo Shop (1,140 square feet)

Parking

- 1,575 surface spaces (includes 300 valet spaces and 300 employee spaces)

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

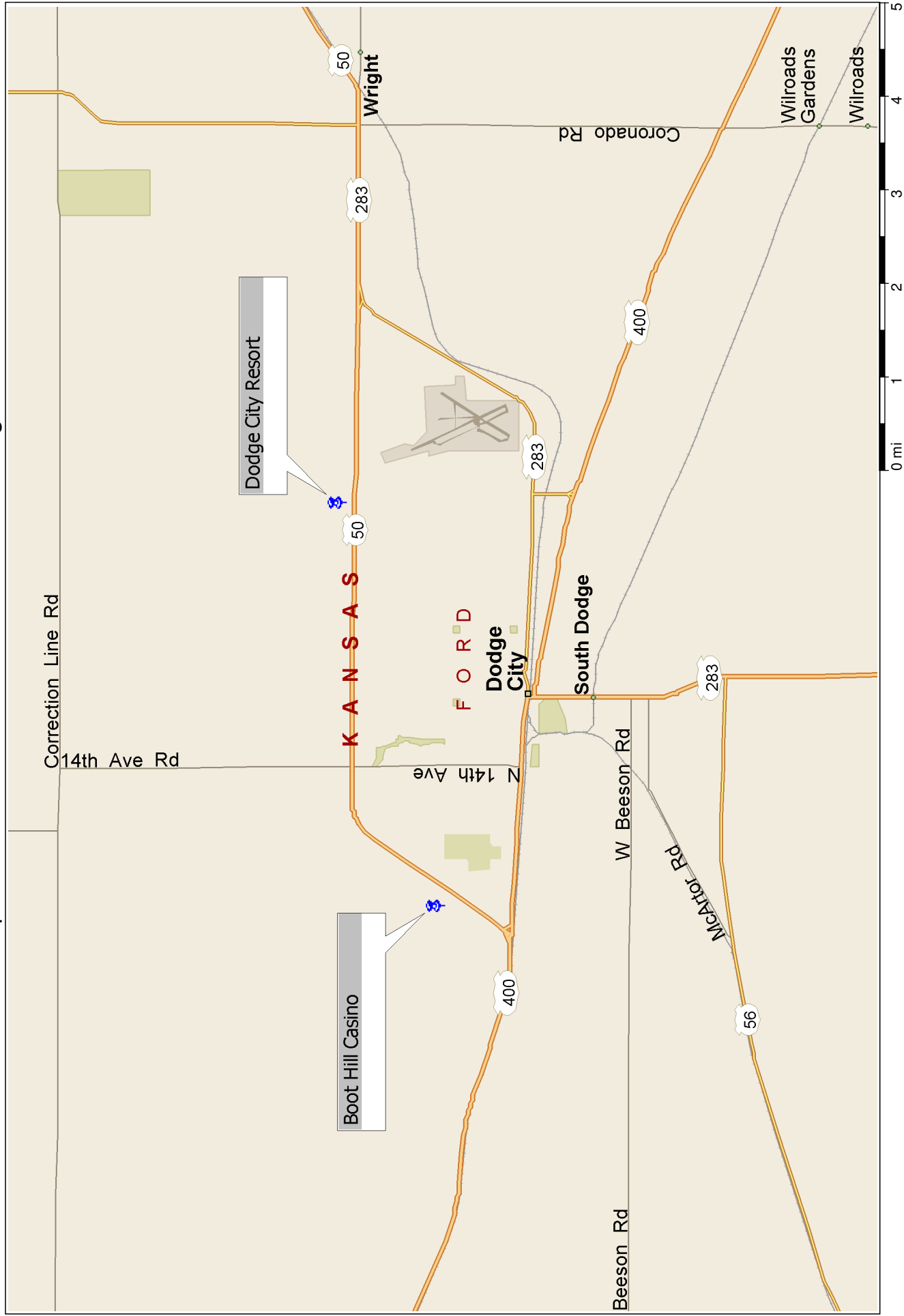
City/County Planned Special Events Center

- As proposed, the \$30-to-\$35 million facility would be located on a site near the Boot Hill Casino. The projected size is approximately 130,000 square feet with seating capacity between 4,300 to 4,500. The events center plans to host from 56-to-71 events per year with annual attendance ranging between 151,000-and-165,000.

Parking for the City/County Planned Special Events Center

- Parking for the City/County owned Special Events Center would include 1,800 spaces. Recreational vehicle parking would also be provided in conjunction with the Special Events Center.

Proposed Casino Locations for the SW Gaming Zone



Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Gaming Capacity with the Boot Hill Casino & Resort

Exhibit 2-1 profiles a summary of the casino gaming capacity that includes the existing casinos, the addition of Boot Hill, the expansions, and other proposed (new) casinos.

Exhibit 2-1 Gaming Capacity - Existing, Boot Hill, Expansions, & Other Proposed

# of Loc	Casino	# of Slots	# of Pit Tables	# of Poker Tables	# of Total Tables	# of Bingo Seats	Casino S.F.	Con-vention S.F.	# of Rooms	# of Restau-rants	Enter-tain-ment	Park-ing
Current Capacity for Existing Casinos												
11	Existing Casinos located w/in 200 miles	4,806	39	25	64	1,000	204,837	0	0	11	0	4,504
Scenario 1 - Butler National Ford County Planned												
1	Boot Hill Casino & Resort	875	15	5	20	0	48,457	19,776	100	3	2	1,575
	Subtotal of Scenario 1	875	15	5	20	0	48,457	19,776	100	3	2	1,575
Scenario 3 - Expansions and Other Proposed												
1	Feather Warrior - Canton	112	0	0	0	0	0	0	0	0	0	75
2	First Council Casino	900	8	8	16	0	40,000	0	0	2	1	950
3	Sumner County Planned	2,000	50	0	50	0	0	30,000	275	4	3	3,700
	Subtotal of Scenario 3	3,012	58	8	66	0	40,000	30,000	275	6	4	4,725
	Total Casinos - Existing, Expansions & New	8,693	112	38	150	1,000	293,294	49,776	375	20	6	10,804
	% Increase over Current	81%	187%	52%	134%	0%	43%	100%	100%	82%	100%	140%

Data Source: Wells Gaming Research, August 2008.

Exhibit 2-1 shows that the existing capacity includes 4,806 slot machines and 64 total table games (refer to the top row of Exhibit 2-1). Also shown is the addition of the Boot Hill Casino & Resort, the expansions, and the other proposed casinos. The total impact of growth would increase slot capacity to 8,693 machines (up by 81%), total table games to 150 (up by 134%), and increase gaming space to just over 293 thousand square feet (up by 43%). In addition, approximately 50 thousand square feet of convention/meeting space (100% increase) and 375 hotel rooms (100% increase) would be added. The number of restaurants would increase from 11 to 20 (82%), six entertainment venues would be added (a 100% increase), and parking would increase to include space for 10,804 vehicles (up by 140%).

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

WGR's Gravity Model Forecasts
Compared w/ the Boot Hill Casino & Resort Pro Forma Projections

The application for the Boot Hill Casino & Resort included 1,207,000 casino visits for the year 2012 (796,600 for the residential population and 410,400 for the tourist population). Refer to the top row of data in Exhibit 2-2. WGR's casino visit projections, labeled as *Boot Hill Casino & Resort Task-4*, are shown as scenarios 1 and 3.

Exhibit 2-2 Boot Hill Casino & Resort
Casino Visit Projections for 2012 - SW Trade Area

Casino Visits	Residential	Tourist	Total
Boot Hill Casino & Resort - Application	796,600	410,400	1,207,000
WGR 2012 Projections for Southwest Casino			
Scenario 1 - Existing Casinos + Boot Hill Casino & Resort			
Casino Visits	Low	Mid	High
Boot Hill Casino & Resort - Task 4	891,025	1,078,277	1,181,979
Generic Ford County	506,945	668,740	778,827
Difference in WGR Projections	384,080	409,537	403,152
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	315,975	128,723	25,021
Scenario 3 - Scenario 1 + Other Proposed Casinos			
Casino Visits	Low	Mid	High
Boot Hill Casino & Resort - Task 4	682,311	862,700	972,207
Generic Ford County	402,616	532,055	625,861
Difference in WGR Projections	279,695	330,645	346,346
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	524,689	344,300	234,793

Data Source: Wells Gaming Research, August 2008.

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

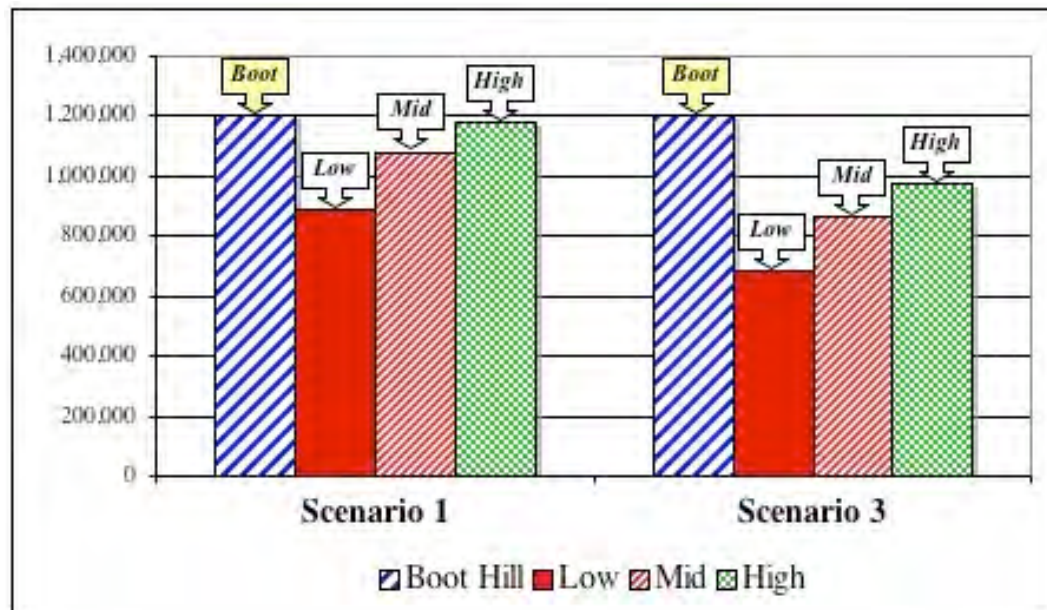
Scenario 1 – Casino Visits

The scenario 1 assumptions (Exhibit 2-2, page 2-6) are that Boot Hill would be the only new casino added to the southwest trade area, and that none of the existing casinos would expand.

Scenario 1, Exhibit 2-2, illustrates that Boot Hill's forecast of 1.2 million casino visits was:

- 316 thousand (35.5%) higher than WGR's scenario 1 low case forecast of 891 thousand visits
- 129 thousand (11.9%) higher than WGR's scenario 1 mid case forecast of 1.1 million visits
- 25 thousand (2.1%) higher than WGR's scenario 1 high case projection of 1.2 million visits

The relationships between Boot Hill's casino visit projections and WGR's low, mid, and high case forecasts are graphically illustrated below.



Scenario 3 – Casino Visits

The scenario 3 assumptions include the existing casinos, the addition of the Boot Hill Casino & Resort, and all other proposed casinos for the southwest trade area (refer to the lower section of Exhibit 2-2, page 2-6).

Exhibit 2-2 illustrates that within the context of the scenario 3 assumptions Boot Hill's forecast of 1.2 million visits was:

- 525 thousand (76.9%) higher than WGR's scenario 3 low case of 682 thousand
- 344 thousand (39.9%) higher than WGR scenario 3 mid case of 863 thousand
- 235 thousand (24.2%) higher than WGR scenario 3 high case of 972 thousand

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Gaming Revenue Projections

The application for Boot Hill Casino & Resort included a gaming revenue forecast of \$67,327,900 for 2012 (refer to the top row of data in Exhibit 2-3). WGR's gaming revenue projections, labeled as *Boot Hill Casino & Resort Task-4*, are shown as scenarios 1 and 3 of Exhibit 2-3. The Task-4 revenue forecasts have been inflation adjusted for WGR and Boot Hill.

Exhibit 2–3 Boot Hill Casino & Resort
Gaming Revenue Projections for 2012 - SW Trade Area

Casino Revenues	Residential	Tourist	Total
Boot Hill Casino & Resort Application	\$41,964,900	\$25,363,000	\$67,327,900
WGR 2012 Projections for Southwest Casino			
Scenario 1 - Existing Casinos + Boot Hill Casino & Resort			
Casino Revenues	Low	Mid	High
Boot Hill Casino & Resort - Task 4			
w/o Inflation	\$61,116,000	\$75,333,000	\$83,258,000
w/ Inflation	\$67,472,064	\$83,167,632	\$91,916,832
Generic Ford County			
w/o Inflation	\$32,464,000	\$44,239,000	\$52,385,000
w/ Inflation	\$35,840,256	\$48,839,856	\$57,833,040
Difference in WGR Projections w/ Inflation	\$31,631,808	\$34,327,776	\$34,083,792
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	-\$144,164	-\$15,839,732	-\$24,588,932
Scenario 3 - Scenario 1 + Other Proposed Casinos			
Casino Revenues	Low	Mid	High
Boot Hill Casino & Resort - Task 4			
w/o Inflation	\$45,313,000	\$58,634,000	\$66,779,000
w/ Inflation	\$50,025,552	\$64,731,936	\$73,724,016
Generic Ford County			
w/o Inflation	\$24,985,000	\$34,181,000	\$40,957,000
w/ Inflation	\$27,583,440	\$37,735,824	\$45,216,528
Difference in WGR Projections w/ Inflation	\$22,442,112	\$26,996,112	\$28,507,488
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$17,302,348	\$2,595,964	-\$6,396,116

Data Source: Wells Gaming Research, August 2008.

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

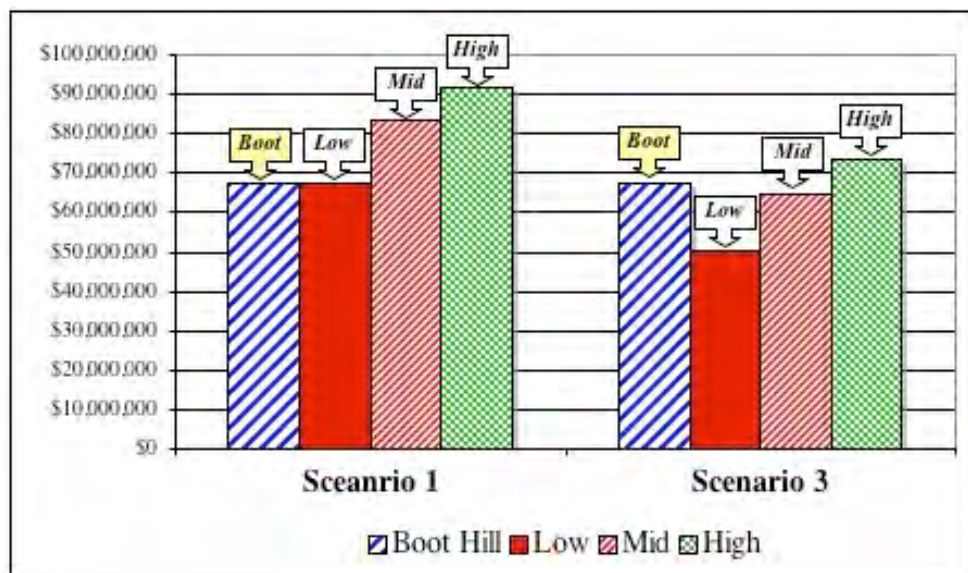
Scenario 1 - Revenue

The key assumption of scenario 1 (Exhibit 2-3, page 2-8) is that the Boot Hill Casino & Resort would be located in the southwest trade area with the existing casinos and that no other new casinos or casino expansions would be added.

Exhibit 2-3 illustrates that given the scenario 1 assumptions Boot Hill's forecast of \$67.3 million in gaming revenues was:

- \$144 thousand lower (0.21%) than WGR's scenario 1 low case forecast of \$67.5 thousand in gaming revenues
- \$15.8 million (19.05%) lower than WGR's scenario 1 mid case of \$83.2 million in gaming revenues
- \$24.6 million (26.75%) lower than WGR's scenario 1 high case of \$91.9 million in gaming revenues

The relationships between Boot Hill's gaming revenue projections and WGR's low, mid, and high case forecasts are graphically illustrated below.



Scenario 3 - Revenue

The scenario 3 assumptions incorporate the scenario 1 assumptions (existing casinos and Boot Hill), as well as the expansions and other proposed new casinos (refer to Exhibit 2-3).

Exhibit 2-3 illustrates that Boot Hill's forecast of \$67.3 million in gaming revenues was:

- \$17.3 million (34.59%) higher than WGR's scenario 3 low case projections of \$50.0 million
- \$2.6 million (4.01%) higher than WGR's mid case scenario 3 projection of \$64.7 million
- \$6.4 million (8.68%) lower than WGR high case scenario 3 forecast of \$73.7 million

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Financial Statement Analyses

WGR used the following research methodology to analyze the applicant's financial statements.

Financial Statement Comparisons were Conducted

All Nevada casinos are required to file annual *NGC-17 Reports* with the Nevada Gaming Control Board (NGCB). The *NGC-17 Reports* contain detailed financial data and operating statistics for each reporting casino. These reports are the primary source of information used by the NGCB to compile the *Nevada Gaming Abstracts*. The *Abstracts* contain consolidated balance sheets and income statements for casinos that have annual gross gaming revenues of a million dollars or more. Nevada statutes prohibit disclosure of financial information for individual casinos. As a result, all financial data were reported in the *Abstracts* by market group (for example, the market group made up of casinos with *\$1 Million and Above in Annual Gaming Revenues*).

Each line item in the applicant's pro forma income statement was calculated as a percent of total revenues (for example, each line item in the casino department was calculated as a percent of total gaming revenues for the casino department). The applicant's line item percentages were compared with equivalent percentages developed for the following three Nevada revenue groups:

- Elko County/Wendover \$1 Million and Above in Annual Gaming Revenues (income statement numbers represent an average for six casinos in this revenue category)
- Statewide \$36-to-\$72 Million in Annual Gaming Revenues with Hotel Rooms (income statement numbers represent an average for 36 casinos in this revenue category)
- Washoe County Reno Sparks \$36 Million and Above in Annual Gaming Revenues (income statement numbers represent an average for nine casinos in this revenue category)

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Income Statement

Revenues

Exhibit 2-4, pages 2-15 through 2-18, shows the income statement comparisons for the Boot Hill Resort & Casino and the three Nevada casino groups. Some key differences include the following:

Casino/Gaming (G&A) pro forma estimates showed \$67.7 million in gaming revenues. This was 84.9% of total revenues for the Boot Hill Resort & Casino, which was 12.0 percentage points above the Nevada high and 31.2 percentage points above the low.

Room revenue, projected at \$3.7 million, made up 4.7% of total revenues. The room revenue percentage was 13.5 percentage points lower than the comparative high and 2.1 percentage points less than the low.

It is important to note that the room counts were substantially different. Boot Hill's pro forma included 124 hotel rooms (100 standard, 24 suites). This compares with the Nevada benchmark averages of:

- 289 rooms for the Elko County/Wendover Gaming Market with \$1 Million and Over in Annual Gaming Revenues
- 743 rooms for the Nevada Statewide Revenue Category and \$36-to-\$72 Million in Annual Gaming Revenues
- 1,179 rooms for the Washoe County Reno/Sparks Market with \$36 Million and Above in Annual Gaming Revenues

Food revenue, projected at \$4.0 million, represented 5.1% of total revenues. It was 11.2 percentage points lower than the highest group for Nevada and 6.7 percentage points less than the low.

Beverage revenue was forecasted at 3.0 million. This was 3.8% of total revenue (2.6 percentage points lower than the comparative high and 0.5 percentage points less than the low.

Complimentary Expenses were not included in the G & A portion of the income statement.

Total G & A Expenses were projected at \$33.6 million, 42.2% of revenues, which was 2.3 percentage points below the comparative high and 10.2 percentage points above the low.

EBITDAR was projected at approximately \$17.0 million, 21.3% of revenues. This was 4.6 percentage points below the comparative Nevada high and 2.2 percentage points higher than the low.

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Casino Department

Slot machines (coin-operated) represented 92.1% of the gaming revenue projections for the Boot Hill Resort & Casino. Poker and pan (non-house banked card games) makes up the remaining 7.9%.

Slot Machine revenue was forecasted at \$62.4 million (92.1% of the total). The percentage comparison showed that this was 13.4 percentage points greater than the high and 18.1 percentage points above the low.

Poker and Pan at \$5.3 million (7.9% of the total) was 6.3 percentage points above the high and 6.7 percentage points above the low.

Total Casino Revenues show that Boot Hill projected \$67.7 million in total gaming revenues. This compares with the following annual gaming revenues for the three Nevada benchmark groups:

- \$29.9 Million for Elko/Wendover Casinos with \$1 Million & Above
- \$49.2 for Nevada Statewide Casinos with \$36 to \$72 Million
- \$78.2 Million for Washoe County Reno/Sparks Casinos with \$36 Million and Above

Complimentary Expenses for the casino at \$896 thousand were 1.3% of gaming Revenues. This was 19.7 percentage points below the comparative Nevada high and 11.2 percentage points below the low.

Gaming Taxes & Licenses were estimated at \$18.3 million for Boot Hill (27.0% of the casino revenues). On a percentage basis, the \$18.3 million was 18.7 percentage points above the highest for the Nevada groups used and 18.9 percentage points greater than the low.

Departmental Income (Loss) was estimated at \$35.2 million (52.0% of total casino revenues). A percentage comparison showed that the 52.0% was 13.2 percentage points below the comparative high and 7.4 percentage points above the low.

Room Revenues

The split between room sales and comps for the Boot Hill Resort & Casino relative to the three Nevada groups showed:

Room Sales were projected at \$3.4 million (90.9% of the total room revenue). This was 10.4 percentage points above the high for the comparative groups and 13.7 percentage points above the low.

Complimentary Rooms were forecasted at \$339 thousand (9.1% of total room revenues). On a percentage basis, this was 13.7 percentage points less than the comparative high and 10.4 percentage points less than the low.

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Complimentary Expenses were not included in the projections.

Payroll-Other Employees was projected at \$815 thousand (21.9% of revenues). This was 22.7 percentage points below the Nevada high and 1.7 percentage points above the Nevada low.

Departmental Income (Loss) was projected at \$2.6 million (69.2% of total room revenues). The percentage points analyses showed that this was 7.1 above the comparative high and 39.9 greater than the low.

Food Department

Combined, food sales and comps totaled \$4 million (\$3.7 million in sales versus \$300 thousand in comps). Food sales were 92.6% of total revenues (18.9 percentage points above the comparative high average and 40.6 percentage points above the comparative low). Food comps were 7.4 of total revenues (40.6 percentage points below the highest comparative group and 18.9 percentage points less than the lowest).

Bad Debts & Comps Expenses were not included in the food expense total.

Payroll – Employee Benefits was projected at nearly 384 thousand (9.5% of total food revenue). This was 5.2 percentage points lower than highest comparative groups and 7.5 percentage points greater than the lowest group.

Payroll – Officers was forecasted \$228 thousand, which was 5.7% of total food revenue. As a percentage comparison the 5.7% was 5.2 percentage points above the comparative high and 5.7 above the low.

Payroll – Other Employees was projected at \$1.9 million (47.4% of the total food revenues). This was 3.8 percentage points above the comparative high and 13.9 percentage points more than the low.

Departmental Income (Loss) was forecasted at a loss of \$340 thousand (-8.4% of total revenue). This was 12.7 percentage points less than the comparative high for the Nevada groups and 5.1 percentage points higher than the low.

Beverage Department

Combined, beverage sales and comps totaled \$3.0 million (\$2.8 million in sales versus \$260 thousand in comps). Beverage sales were 91.4% of total revenues (41.9 percentage points above the comparative high average and 69.0 percentage points above the comparative low). Beverage comps were 8.6% of the total beverage revenue (69.0 percentage points below the highest comparative group and 41.9 percentage points less than the low).

Bad Debts, Comps Expenses, and Payroll for Officers were not included in the food expense total.

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Payroll – Other Employees was projected at \$807 thousand (26.6% of total beverage revenue). On a percentage point basis, this was 5.0 percentage points greater than the highest group and 8.8 percentage points greater than the lowest group.

Departmental Income (Loss) was forecasted at \$1.2 million (38.4% of total revenue). This was 4.5 percentage points below the comparative high for the Nevada groups and 5.3 percentage points greater than the low.

Other Departments

Other departments included convention, entertainment, retail, spa, health club, vending, and ATMs. Combined revenue totaled to \$1.2 million (9.0 percentage points above the comparative high and 39.5 percentage points greater than the low). No complimentary items were shown in Boot Hill's pro forma for other departments.

Total Departmental Expenses were projected at \$210 thousand. This was 17.3% of total revenue, which was 28.1 percentage points lower compared to the highest benchmark group and 6.1 percentage points less than the lowest group.

Departmental Income (Loss) was estimated at \$609 thousand (50.3% of total other department revenue). The percentage point comparison showed that this was 2.9 percentage points above the Nevada high and 25.1 above the Nevada low.

FTE (Full Time Equivalents)

The Boot Hill Resort & Casino has estimated that 557 FTE's would be required to operate the casino hotel facility proposed for the southwest gaming zone of Kansas. In summary, the three Nevada benchmark groups reported:

- 459 FTEs for casinos in the Elko/Wendover Market with \$1 Million & Above in Annual Gaming Revenues
- 865 FTEs for the Nevada Statewide Market with \$36 to \$72 Million in Annual Gaming Revenues & Hotel Rooms
- 1,701 FTEs for casinos located in the Washoe County Reno/Sparks Market with \$36 Million and Above in Annual Gaming Revenues

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Exhibit 2-4 Profit & Loss Comparison Boot Hill Resort & Casino Versus Three Nevada Casino Groups										
Description	Elko County Wendover 1M+ FY @ June 30, 2007		Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007		Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007		Boot Hill Resort & Casino Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
REVENUE										
Gaming	\$29,880,279	73.0%	\$49,151,320	55.3%	\$78,242,015	53.7%	\$67,666,000	84.9%	12.0%	31.2%
Rooms	\$2,754,115	6.7%	\$13,897,417	15.6%	\$26,532,016	18.2%	\$3,720,000	4.7%	-13.5%	-2.1%
Food	\$4,825,698	11.8%	\$11,200,793	12.6%	\$23,618,742	16.2%	\$4,025,000	5.1%	-11.2%	-6.7%
Beverage	\$1,751,018	4.3%	\$5,444,995	6.1%	\$9,280,812	6.4%	\$3,037,000	3.8%	-2.6%	-0.5%
Other	\$1,729,314	4.2%	\$9,107,547	10.3%	\$7,963,577	5.5%	\$1,211,000	1.5%	-8.7%	-2.7%
Total Revenue	\$40,940,423	100.0%	\$88,802,072	100.0%	\$145,637,162	100.0%	\$79,659,000	100.0%		
Cost of Sales	\$3,404,542	8.3%	\$9,558,762	10.8%	\$13,282,268	9.1%	\$2,952,000	3.7%	-7.1%	-4.6%
Gross Margin	\$37,535,881	91.7%	\$79,243,311	89.2%	\$132,354,894	90.9%	\$76,707,000	96.3%	4.6%	7.1%
Departmental Expenses	\$15,664,060	38.3%	\$42,189,732	47.5%	\$73,869,191	50.7%	\$37,532,000	47.1%	-3.6%	8.9%
Departmental Income (Loss)	\$21,871,821	53.4%	\$37,053,579	41.7%	\$58,485,702	40.2%	\$39,175,000	49.2%	-4.2%	9.0%
GENERAL & ADMINISTRATIVE EXPENSES										
Advertising & Promotion	\$1,888,840	4.6%	\$1,902,228	2.1%	\$3,527,482	2.4%	\$2,199,000	2.8%	-1.9%	0.6%
Bad Debt Expense	\$0	0.0%	\$15,402	0.0%	(\$12,832)	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$882,773	2.2%	\$2,210,735	2.5%	\$1,562,316	1.1%	\$0	0.0%	-2.5%	-1.1%
Depreciation - Buildings	\$889,596	2.2%	\$1,612,948	1.8%	\$4,916,386	3.4%	\$3,155,000	4.0%	0.6%	2.1%
Depreciation & Amort - Other	\$3,788,498	9.3%	\$3,856,117	4.3%	\$4,818,863	3.3%	\$2,971,000	1.3%	-8.0%	-2.0%
Energy Exp. (elec., gas, etc.)	\$976,527	2.4%	\$1,932,945	2.2%	\$3,769,642	2.6%	\$1,038,000	5.6%	3.0%	3.4%
Equipment Rental or Lease	\$60,435	0.1%	\$99,745	0.1%	\$235,741	0.2%	\$4,465,000	5.6%	5.4%	5.5%
Interest Expense	\$2,178,273	5.3%	\$3,220,505	3.6%	\$5,720,978	3.9%	\$5,263,000	6.6%	1.3%	3.0%
Music & Entertainment	\$501,793	1.2%	\$230,749	0.3%	\$775,494	0.5%	\$0	0.0%	-1.2%	-0.3%
Payroll Taxes	\$274,451	0.7%	\$505,167	0.6%	\$680,735	0.5%	\$288,000	0.4%	-0.3%	-0.1%
Payroll - Employee Benefits	\$232,826	0.6%	\$1,537,411	1.7%	\$1,654,028	1.1%	\$739,000	0.9%	-0.8%	0.4%
Payroll - Officers	\$260,168	0.6%	\$153,490	0.2%	\$137,879	0.1%	\$1,053,000	1.3%	0.7%	1.2%
Payroll - Other Employees	\$3,272,240	8.0%	\$5,423,425	6.1%	\$7,913,548	5.4%	\$3,054,000	3.8%	-4.2%	-1.6%
Rent of Premises	\$60,609	0.1%	\$1,125,965	1.3%	\$482,407	0.3%	\$0	0.0%	-1.3%	-0.1%
Taxes - Real Estate	\$343,279	0.8%	\$559,171	0.6%	\$1,440,222	1.0%	\$2,450,000	3.1%	2.1%	2.4%
Taxes & Licenses - Other	\$408,036	1.0%	\$239,404	0.3%	\$243,961	0.2%	\$0	0.0%	-1.0%	-0.2%
Utilities (other than energy exp.)	\$253,204	0.6%	\$494,857	0.6%	\$638,536	0.4%	\$0	0.0%	-0.6%	-0.4%
Other General & Admin. Exp.	\$1,939,436	4.7%	\$4,794,795	5.4%	\$8,115,640	5.6%	\$6,934,000	8.7%	3.1%	4.0%
Total G&A Expenses	\$18,210,982	44.5%	\$29,915,058	33.7%	\$46,621,026	32.0%	\$33,609,000	42.2%	-2.3%	10.2%
Net Income (Loss) Before Federal Income Taxes & Extraordinary Items	\$3,660,839	8.9%	\$7,138,521	8.0%	\$11,864,676	8.1%	\$5,566,000	7.0%	-2.0%	-1.1%
EBITDAR	\$10,577,815	25.8%	\$16,954,056	19.1%	\$27,803,310	19.1%	\$16,955,000	21.3%	-4.6%	2.2%

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Exhibit 2-4 Profit & Loss Comparison Boot Hill Resort & Casino Versus Three Nevada Casino Groups										
Description	Elko County Wendover 1M+ FY @ June 30, 2007		Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007		Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007		Boot Hill Resort & Casino Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
CASINO DEPARTMENT										
Revenue										
Pit Revenue (Incl Keno & Bingo)	\$6,143,853	20.6%	\$9,115,707	18.5%	\$17,940,008	22.9%	\$0	0.0%	-22.9%	-18.5%
Slot Machines (Coin Operated)	\$22,951,868	76.8%	\$38,719,322	78.8%	\$57,945,430	74.1%	\$62,350,000	92.1%	13.4%	18.1%
Poker and Pan	\$471,051	1.6%	\$580,724	1.2%	\$1,087,078	1.4%	\$5,316,000	7.9%	6.3%	6.7%
Race Book	\$87,893	0.3%	\$301,383	0.6%	\$531,304	0.7%	\$0	0.0%	-0.7%	-0.3%
Sports Pool	\$225,615	0.8%	\$434,185	0.9%	\$738,195	0.9%	\$0	0.0%	-0.9%	-0.8%
Total Revenue	\$29,880,279	100.0%	\$49,151,320	100.0%	\$78,242,015	100.0%	\$67,666,000	100.0%		
Departmental Expenses										
Bad Debt Expense	\$13,996	0.0%	\$6,369	0.0%	\$289,092	0.4%	\$0	0.0%	-0.4%	0.0%
Commissions	\$143,706	0.5%	\$818,003	1.7%	\$196,056	0.3%	\$0	0.0%	-1.7%	-0.3%
Complimentary Expense	\$3,997,079	13.4%	\$6,147,093	12.5%	\$16,440,138	21.0%	\$896,000	1.3%	-19.7%	-11.2%
Gaming Taxes and Licenses	\$2,484,886	8.3%	\$4,021,539	8.2%	\$6,335,704	8.1%	\$18,270,000	27.0%	18.7%	18.9%
Preferred Guest Expenses	\$0	0.0%	\$219,501	0.4%	\$79,223	0.1%	\$0	0.0%	-0.4%	0.0%
Payroll Taxes	\$334,444	1.1%	\$725,636	1.5%	\$1,284,862	1.6%	\$356,000	0.5%	-1.1%	-0.6%
Payroll - Employee Benefits	\$265,579	0.9%	\$1,665,861	3.4%	\$2,112,592	2.7%	\$916,000	1.4%	-2.0%	0.5%
Payroll - Officers	\$0	0.0%	\$86,954	0.2%	\$0	0.0%	\$294,000	0.4%	0.3%	0.4%
Payroll - Other Employees	\$2,037,826	6.8%	\$5,449,170	11.1%	\$9,571,930	12.2%	\$4,797,000	7.1%	-5.1%	0.3%
Race Wire Fees	\$14,929	0.0%	\$38,197	0.1%	\$126,728	0.2%	\$0	0.0%	-0.2%	0.0%
Other Departmental Expenses	\$1,127,826	3.8%	\$3,268,718	6.7%	\$6,949,166	8.9%	\$6,972,000	10.3%	-19.2%	6.5%
Total Departmental Expenses	\$10,420,270	34.9%	\$22,447,038	45.7%	\$43,385,491	55.5%	\$32,501,000	48.0%	-7.4%	13.2%
Departmental Income (Loss)	\$19,460,010	65.1%	\$26,704,282	54.3%	\$34,856,525	44.5%	\$35,165,000	52.0%	-13.2%	7.4%
ROOMS DEPARTMENT										
Revenue										
Room Sales	\$2,125,042	77.2%	\$11,191,408	80.5%	\$21,117,924	79.6%	\$3,381,000	90.9%	10.4%	13.7%
Complimentary Rooms	\$629,073	22.8%	\$2,706,009	19.5%	\$5,414,092	20.4%	\$339,000	9.1%	-13.7%	-10.4%
Total Revenue	\$2,754,115	100.0%	\$13,897,417	100.0%	\$26,532,016	100.0%	\$3,720,000	100.0%		
Departmental Expenses										
Bad Debt Expense	\$0	0.0%	\$8,318	0.1%	\$19,501	0.1%	\$0	0.0%	-0.1%	0.0%
Complimentary Expense	\$13,168	0.5%	\$117,407	0.8%	\$335,535	1.3%	\$0	0.0%	-1.3%	-0.5%
Payroll - Taxes	\$112,827	4.1%	\$307,609	2.2%	\$516,277	1.9%	\$62,000	1.7%	-2.4%	-0.3%
Payroll - Employee Benefits	\$78,130	2.8%	\$1,108,649	8.0%	\$1,170,156	4.4%	\$158,000	4.2%	-3.7%	1.4%
Payroll - Officers	\$0	0.0%	\$26,714	0.2%	\$0	0.0%	\$64,000	1.7%	1.5%	1.7%
Payroll - Other Employees	\$1,228,793	44.6%	\$3,156,162	22.7%	\$5,372,127	20.2%	\$815,000	21.9%	-22.7%	1.7%
Other Departmental Expenses	\$514,834	18.7%	\$1,491,321	10.7%	\$2,637,928	9.9%	\$46,000	1.2%	-17.5%	-8.7%
Total Departmental Expenses	\$1,947,752	70.7%	\$6,216,180	44.7%	\$10,051,524	37.9%	\$1,145,000	30.8%	-39.9%	-7.1%
Departmental Income (Loss)	\$806,363	29.3%	\$7,681,237	55.3%	\$16,480,493	62.1%	\$2,575,000	69.2%	7.1%	39.9%

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Exhibit 2-4 Profit & Loss Comparison Boot Hill Resort & Casino Versus Three Nevada Casino Groups										
Description	Elko County Wendover 1M+ FY @ June 30, 2007		Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007		Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007		Boot Hill Resort & Casino Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
FOOD DEPARTMENT										
Revenue										
Food Sales	\$2,508,814	52.0%	\$8,252,768	73.7%	\$17,027,028	72.1%	\$3,728,000	92.6%	18.9%	40.6%
Complimentary Food Sales	\$2,316,884	48.0%	\$2,948,025	26.3%	\$6,591,714	27.9%	\$297,000	7.4%	-40.6%	-18.9%
Total Revenue	\$4,825,698	100.0%	\$11,200,793	100.0%	\$23,618,742	100.0%	\$4,025,000	100.0%		
Cost of Sales	\$2,256,660	46.8%	\$4,850,588	43.3%	\$8,983,016	38.0%	\$1,698,000	42.2%	-4.6%	4.2%
Gross Margin	\$2,569,038	53.2%	\$6,350,205	56.7%	\$14,635,726	62.0%	\$2,327,000	57.8%	-4.2%	4.6%
Departmental Expenses										
Bad Debt Expense	\$0	0.0%	\$113	0.0%	\$467	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$150,221	3.1%	\$79,586	0.7%	\$145,813	0.6%	\$0	0.0%	-3.1%	-0.6%
Payroll - Taxes	\$163,201	3.4%	\$531,842	4.7%	\$1,047,868	4.4%	\$149,000	3.7%	-1.0%	0.3%
Payroll - Employee Benefits	\$100,451	2.1%	\$1,654,233	14.8%	\$1,828,019	7.7%	\$384,000	9.5%	-5.2%	7.5%
Payroll - Officers	\$0	0.0%	\$52,675	0.5%	\$0	0.0%	\$228,000	5.7%	5.2%	5.7%
Payroll - Other Employees	\$1,615,345	33.5%	\$4,876,144	43.5%	\$9,250,539	39.2%	\$1,906,000	47.4%	3.8%	13.9%
Other Departmental Expenses	\$332,447	6.9%	\$671,978	6.0%	\$1,711,115	7.2%	\$0	0.0%	-7.2%	-6.0%
Total Departmental Expenses	\$2,361,664	48.9%	\$7,866,571	70.2%	\$13,983,821	59.2%	\$2,667,000	66.3%	-4.0%	17.3%
Departmental Income (Loss)	\$207,374	4.3%	(\$1,516,366)	-13.5%	\$651,905	2.8%	-\$340,000	-8.4%	-12.7%	5.1%
BEVERAGE DEPARTMENT										
Revenue										
Beverage Sales	\$392,310	22.4%	\$2,699,435	49.6%	\$3,998,448	43.1%	\$2,776,000	91.4%	41.9%	69.0%
Complimentary Beverage Sales	\$1,358,708	77.6%	\$2,745,560	50.4%	\$5,282,364	56.9%	\$260,000	8.6%	-69.0%	-41.9%
Total Revenue	\$1,751,018	100.0%	\$5,444,995	100.0%	\$9,280,812	100.0%	\$3,036,000	100.0%		
Cost of Sales	\$643,664	36.8%	\$1,384,131	25.4%	\$2,470,588	26.6%	\$863,000	28.4%	-8.3%	3.0%
Gross Margin	\$1,107,354	63.2%	\$4,060,864	74.6%	\$6,810,224	73.4%	\$2,173,000	71.6%	-3.0%	8.3%
Departmental Expenses										
Bad Debt Expense	\$0	0.0%	\$0	0.0%	\$2	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$1,804	0.1%	\$2,799	0.1%	\$42,212	0.5%	\$0	0.0%	-0.5%	-0.1%
Payroll - Taxes	\$53,581	3.1%	\$156,812	2.9%	\$231,788	2.5%	\$56,000	1.8%	-1.2%	-0.7%
Payroll - Employee Benefits	\$62,978	3.6%	\$458,452	8.4%	\$446,388	4.8%	\$145,000	4.8%	-3.6%	1.2%
Payroll - Officers	\$0	0.0%	\$8,015	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$338,653	19.3%	\$1,175,504	21.6%	\$1,649,901	17.8%	\$807,000	26.6%	5.0%	8.8%
Other Departmental Expenses	\$71,660	4.1%	\$370,950	6.8%	\$459,703	5.0%	\$0	0.0%	-6.8%	-4.1%
Total Departmental Expenses	\$528,676	30.2%	\$2,172,532	39.9%	\$2,829,994	30.5%	\$1,008,000	33.2%	-6.7%	3.0%
Departmental Income (Loss)	\$578,678	33.0%	\$1,888,332	34.7%	\$3,980,229	42.9%	\$1,165,000	38.4%	-4.5%	5.3%

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Exhibit 2-4 Profit & Loss Comparison Boot Hill Resort & Casino Versus Three Nevada Casino Groups										
Description	Elko County Wendover 1M+ FY @ June 30, 2007		Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007		Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007		Boot Hill Resort & Casino Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
OTHER DEPARTMENTS										
Revenue										
Other Oper/Non-Oper Income	\$1,045,532	60.5%	\$8,284,150	91.0%	\$6,992,899	87.8%	\$1,211,000	100.0%	9.0%	39.5%
Other Complimentary Items	\$683,782	39.5%	\$823,396	9.0%	\$970,678	12.2%	\$0	0.0%	-39.5%	-9.0%
Total Revenue	\$1,729,314	100.0%	\$9,107,547	100.0%	\$7,963,577	100.0%	\$1,211,000	100.0%		
Cost of Sales	\$504,218	29.2%	\$3,324,042	36.5%	\$1,828,664	23.0%	\$392,000	32.4%	-4.1%	9.4%
Gross Margin	\$1,225,096	70.8%	\$5,783,504	63.5%	\$6,134,913	77.0%	\$819,000	67.6%	-9.4%	4.1%
Departmental Expenses										
Bad Debt Expense	\$0	0.0%	\$48	0.0%	\$565	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$3,015	0.2%	\$340,329	3.7%	\$73,477	0.9%	\$0	0.0%	-3.7%	-0.2%
Payroll - Taxes	\$8,705	0.5%	\$123,213	1.4%	\$151,724	1.9%	\$12,000	1.0%	-0.9%	0.5%
Payroll - Employee Benefits	\$4,621	0.3%	\$296,763	3.3%	\$291,795	3.7%	\$30,000	2.5%	-1.2%	2.2%
Payroll - Officers	\$0	0.0%	\$10,791	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$83,812	4.8%	\$1,193,032	13.1%	\$1,471,955	18.5%	\$168,000	13.9%	-4.6%	9.0%
Other Departmental Expenses	\$305,547	17.7%	\$1,523,234	16.7%	\$1,628,846	20.5%	\$0	0.0%	-20.5%	-16.7%
Total Departmental Expenses	\$405,700	23.5%	\$3,487,410	38.3%	\$3,618,361	45.4%	\$210,000	17.3%	-28.1%	-6.1%
Departmental Income (Loss)	\$819,396	47.4%	\$2,296,094	25.2%	\$2,516,551	31.6%	\$609,000	50.3%	2.9%	25.1%

AVERAGE NUMBER OF EMPLOYEES FOR THE YEAR										
Casino Department	135	29.3%	235	27.2%	418	24.6%	227	40.8%	11.4%	16.2%
Rooms Department	76	16.6%	136	15.8%	253	14.9%	34	6.1%	-10.5%	-8.8%
Food Department	101	22.1%	225	26.0%	601	35.4%	181	32.5%	-2.9%	10.4%
Beverage Department	28	6.1%	60	7.0%	127	7.4%	0	0.0%	-7.4%	-6.1%
G&A Department	110	24.0%	170	19.6%	252	14.8%	87	15.6%	-8.4%	0.8%
Other Departments	8	1.8%	39	4.5%	49	2.9%	28	5.0%	0.5%	3.2%
Total	459	100.0%	865	100.0%	1,701	100.0%	557	100.0%		

AVERAGE NUMBER OF ROOMS AVAILABLE PER DAY										
Available Rooms	289		743		1,179		124			

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Section 3

Dodge City Casino & Resort

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Dodge City Casino & Resort

The Dodge City Resort & Gaming Company, LLC is competing for the opportunity to build a casino hotel project on a 281-acre development site located at 10888 112th Road in Dodge City, Kansas. The property touches the northeast corner of the limits of Dodge City, between 112 Street East, Avenue P, and 113th Street West on the north side of US Highway 50. A major advantage of the proposed site is that the \$30-to-\$35 million Dodge City Events and Convention Center would be located next to the casino. Refer to the map on page 3-3.

Dodge City's application included a total estimated project cost of \$90 million.

Temporary Casino

An existing 30,000 square foot building, currently on the development site, could be converted into a small functional casino. Key capacity estimates for the temporary casino include:

- 25,000 square feet of gaming space
- 500 slot machines
- 6 table games including 4 Blackjack and 2 other tables (type unspecified)

The temporary casino could open by May of 2009, and start an early flow of revenue to the state, city, and county, as well as for the Dodge City Casino & Resort.

Permanent Casino

The permanent casino has been targeted for opening in July of 2011. It would be an expansion of the temporary casino and would include the following gaming capacities and customer amenities:

- 87,043 square feet of gaming space
- 800 slot machines
- 20 table games including 12 Blackjack, 2 Craps, 1 Roulette, 1 Pai Gow Poker, and 4 others (types unspecified)

Hotel

The project's hotel would offer 125 guest rooms (114 standard rooms with 404 square feet and 11 suites with 608 square feet).

Restaurant Options

- Steak House (seating capacity for 178)
- Casual Dining Room (seating capacity for 134)
- Deli (seating capacity for 17)

Task- 4 Project Specific Gaming Revenue Projections **Southwest Gaming Zone of Kansas**

Bars & Lounges

- Cabaret Bar (seating capacity for 70)

Event - Entertainment Venues

- Event Venue (with seating capacity for 800-to-1,200)
- Multi Purpose Room (seating capacity ranging from 470-to-1,340)

Convention Facilities

The Dodge City Casino & Resort would offer 9,390 square feet of convention/meeting space with four breakout rooms. Each room would accommodate 118 in a schoolroom seating configuration and 335 in a theater seating setup.

Sports & Recreation Facilities

300,000 square feet would be provided for three sporting event centers (seating capacity to be determined).

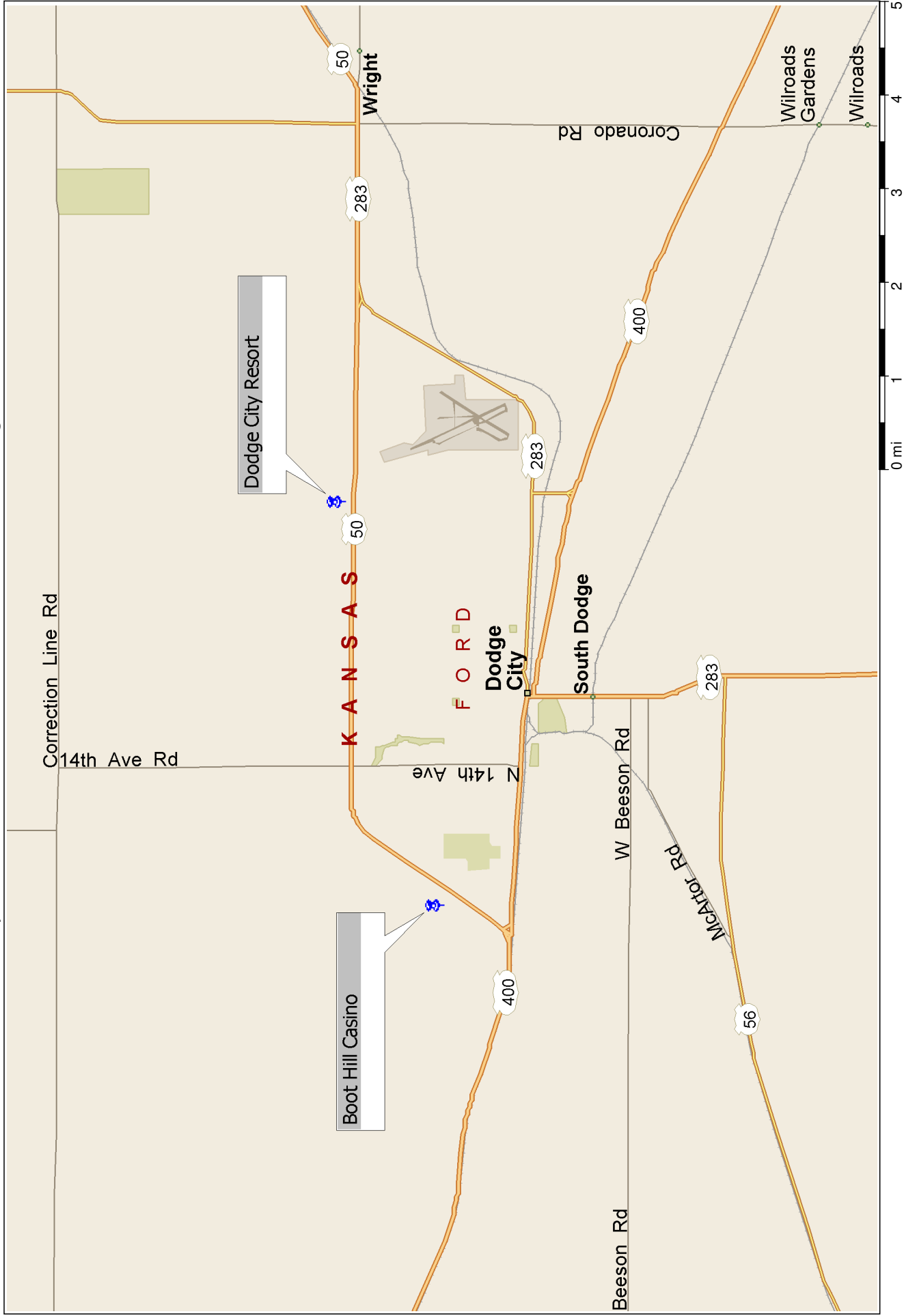
Retail Outlets (retail and commercial would be developed early & have one mile of frontage on Highway 30)

- Hotel Gift Shop (720 square feet)
- Convenience Store (705 square feet)
- Apparel & Casino Gift Shop (700 square feet)
- Boutique Retail Outlets (square feet to be determined)
- Additional Retail Outlets (square feet to be determined)
- Travel/ Truck Stop & Center Store (square feet to be determined)

Parking

- 1,500 surface spaces (included would be 150 valet spaces, 250 employee spaces, and 100 parking spaces for recreational vehicles)

Proposed Casino Locations for the SW Gaming Zone



Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Gaming Capacity with the Dodge City Casino & Resort

Exhibit 3-1 profiles a summary of the existing casino capacity, the addition of the Dodge City Casino & Resort, the expansions, and the other proposed (new) casinos.

Exhibit 3-1 Capacity Statistics with the Existing Casinos, Dodge City Casino & Resort, the Expansion, & the Proposed New Casinos

# of Loc	Casino	# of Slots	# of Pit Tables	# of Poker Tables	# of Total Tables	# of Bingo Seats	Casino S.F.	Con-vention S.F.	# of Rooms	# of Restau-rants	Enter-tain-ment	Park-ing
Current Capacity for Existing Casinos												
11	Existing Casinos w/in 200 miles	4,806	39	25	64	1,000	204,837	0	0	11	0	4,504
Scenario 1 - Dodge City Resort and Gaming												
1	Dodge City Casino & Resort	800	20	0	20	0	87,043	13,005	125	3	2	1,600
	Subtotal of Scenario 1	800	20	0	20	0	87,043	13,005	125	3	2	1,600
Scenario 3 - Expansions and Other Proposed												
1	Feather Warrior Casino - Canton	112	0	0	0	0	0	0	0	0	0	75
2	First Council Casino	900	8	8	16	0	40,000	0	0	2	1	950
3	Sumner County Planned	2,000	50	0	50	0	0	30,000	275	4	3	3,700
	Subtotal of Scenario 3	3,012	58	8	66	0	40,000	30,000	275	6	4	4,725
	Total Existing, Expansions & New	8,618	117	33	150	1,000	331,880	43,005	400	20	6	10,829
	% Increase over Current	79%	200%	32%	134%	0%	62%	100%	100%	82%	100%	140%

Data Source Wells Gaming Research, August 2008.

Exhibit 3-1 shows that the existing capacity includes 4,806 slot machines and 64 table games (refer to the top row of capacity statistics). Also shown is the addition of the Dodge City Casino & Resort, the expansions, and the other proposed casinos. The total impact of growth would increase slot capacity to 8,618 machines (up by 79%), total table games to 150 (up by 134%), and casino square footage to 332 thousand (up by 62%). In addition, 43 thousand square feet of convention/meeting space would be added (100% increase), 400 rooms (100%), 20 restaurants (up by 82%), 6 entertainment venues (up by 100%), and approximately 11 thousand parking spaces (an increase of 140%).

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

WGR's Gravity Model Forecasts Compared w/ Pro Forma Projections
For the Dodge City Resort & Gaming Company, LLC

Following is a comparison of WGR's gravity model forecasts of the number of casino visits and gaming revenues with the projections submitted by Dodge City Resort & Gaming Company, LLC in their application to the Kansas Lottery Gaming Facility Review Board.

Casino Visits

Dodge City's application included 723,919 casino visits for 2012 (627,071 for the residential population and 96,848 for the tourist population). Refer to top row of data in Exhibit 3-2. WGR's projections for casino visits, labeled *Dodge City Resort & Gaming-Task-4*, are reflected in scenarios 1 and 3.

Exhibit 3-2 Dodge City Resort & Gaming Company, LLC
Casino Visit Projections for 2012 SW Trade Area

Casino Visits	Residential	Tourist	Total
Dodge City Resort & Gaming Application	627,071	96,848	723,919
WGR 2012 Projections for Southwest Casino			
Scenario 1 - Existing Casinos + Dodge City Resort & Gaming			
Casino Visits	Low	Mid	High
Dodge City Resort & Gaming - Task 4	868,161	1,059,963	1,166,523
Generic Ford County	506,945	668,740	778,827
Difference in WGR Projections	361,216	391,223	387,696
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	-144,242	-336,044	-442,604
Scenario 3 - Scenario 1 + Other Proposed Casinos			
Casino Visits	Low	Mid	High
Dodge City Resort & Gaming - Task 4	655,428	837,966	950,046
Generic Ford County	402,616	532,055	625,861
Difference in WGR Projections	252,812	305,911	324,185
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	68,491	-114,047	-226,127

Data Source: Wells Gaming Research, August 2008.

Task- 4 Project Specific Gaming Revenue Projections

Southwest Gaming Zone of Kansas

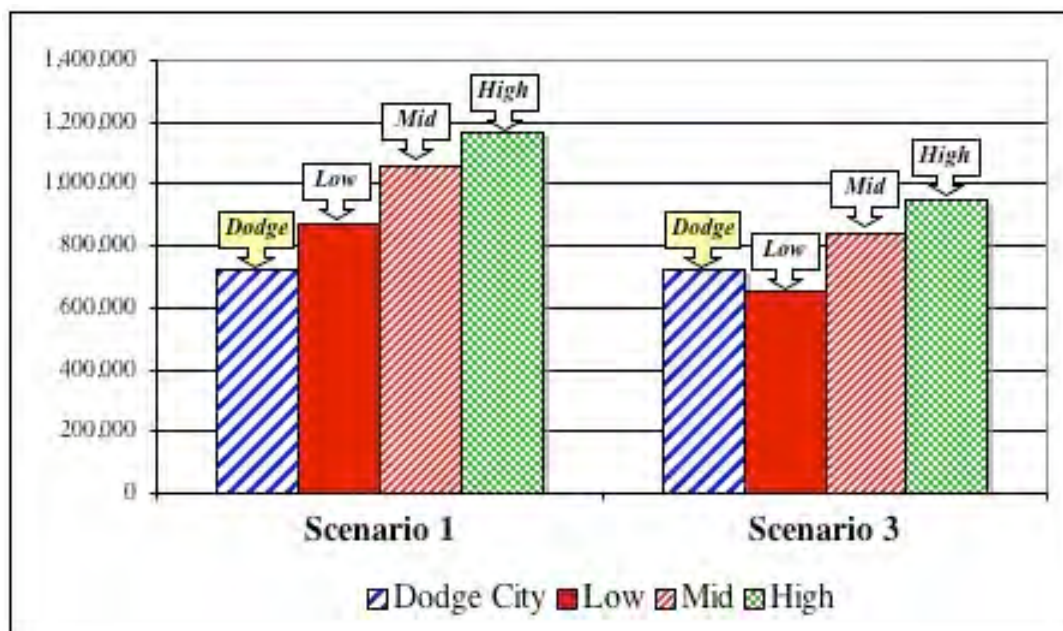
Scenario 1

The key assumptions of scenario 1 are that the Dodge City Resort & Gaming Company, LLC would be the only new casino added to the southwest trade area, and that none of the existing casinos would expand.

Scenario 1 (Exhibit 3-2, page 3-5) illustrates that Dodge City's forecast of 724 thousand casino visits was:

- 144 thousand (16.6%) lower than WGR's low case projection of 868 thousand visits
- 336 thousand (31.7%) lower than WGR's mid case forecast of 1.1 million casino visits
- 443 thousand (37.9%) lower than WGR's high case forecast of 1.2 million casino visits

The relationship between the Dodge City's casino visit forecast and WGR's low, mid, and high case projections are illustrated graphically below:



Scenario 3 – Casino Visits

The scenario 3 assumptions include the existing casinos, the addition of Dodge City Resort & Gaming, and all other proposed casinos for the southwest trade area (refer to the lower section of Exhibit 3-2, page 3-5). Scenario 3 (Exhibit 3-2) illustrates that Dodge City's forecast of 724 thousand casino visits was:

- 68 thousand (10.4%) higher than WGR's low case of 655 thousand casino visits
- 114 thousand (13.6%) lower than WGR's mid case of 838 thousand casino visits
- 226 thousand (23.8%) lower than WGR's high case of 950 thousand casino visits

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Gaming Revenue Projections

Dodge City Resort & Gaming Company, LLC forecasted gaming revenues of \$46,118,283 for 2012 (refer to the top row of data in Exhibit 3-3). WGR's gaming revenue forecasts for scenarios 1 and 3 and labeled *Dodge City Resort & Gaming-Task 4* (both WGR's and Dodge City's have been inflation adjusted).

Exhibit 3-3 Dodge City Resort & Gaming Company, LLC
Gaming Revenue Projections for 2012 - SW Trade Area

Casino Revenues	Residential	Tourist	Total
Dodge City Resort & Gaming Application	\$33,804,701	\$12,313,582	\$46,118,283
WGR 2012 Projections for Southwest Casino			
Scenario 1 - Existing Casinos + Dodge City Resort & Gaming			
Casino Revenues	Low	Mid	High
Dodge City Resort & Gaming - Task 4			
w/o Inflation	\$59,645,000	\$74,189,000	\$82,320,000
w/ Inflation	\$65,848,080	\$81,904,656	\$90,881,280
Generic Ford County			
w/o Inflation	\$32,464,000	\$44,239,000	\$52,385,000
w/ Inflation	\$35,840,256	\$48,839,856	\$57,833,040
Difference in WGR Projections w/ Inflation	\$30,007,824	\$33,064,800	\$33,048,240
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	-\$19,729,797	-\$35,786,373	-\$44,762,997
Scenario 3 - Scenario 1 + Other Proposed Casinos			
Casino Revenues	Low	Mid	High
Dodge City Resort & Gaming - Task 4			
w/o Inflation	\$43,570,000	\$57,056,000	\$65,389,000
w/ Inflation	\$48,101,280	\$62,989,824	\$72,189,456
Generic Ford County			
w/o Inflation	\$24,985,000	\$34,181,000	\$40,957,000
w/ Inflation	\$27,583,440	\$37,735,824	\$45,216,528
Difference in WGR Projections w/ Inflation	\$20,517,840	\$25,254,000	\$26,972,928
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	-\$1,982,997	-\$16,871,541	-\$26,071,173

Data Source: Wells Gaming Research, August 2008.

Scenario 1 - Revenue

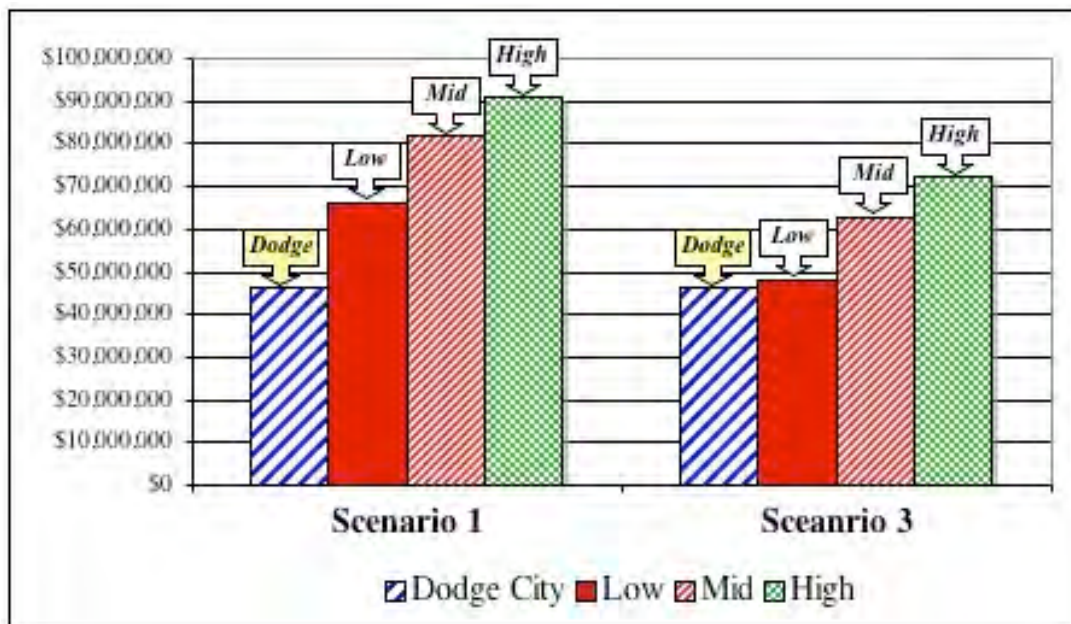
The key assumption of scenario 1 is that Dodge City Resort & Gaming Company, LLC would be located in the southwest trade area with the existing casinos (no other new casinos or casino expansions would be added).

Task- 4 Project Specific Gaming Revenue Projections **Southwest Gaming Zone of Kansas**

Dodge City's forecast of \$46.1 million in gaming revenues compared with WGR's low, mid, and high case projections for scenario 1 illustrates that Dodge City's forecast was:

- \$19.7 million (30.0%) lower than WGR's low case of \$65.8 million in gaming revenues
- \$35.8 million (43.7%) lower than WGR's mid case of \$81.9 million in gaming revenues
- \$44.8 million (49.3%) lower than WGR's high case of \$90.9 million in gaming revenues

The relationships between the Dodge City's gaming revenue forecast and WGR's low, mid, and high projections are shown graphically below:



Scenario 3 - Revenue

The scenario 3 assumptions include scenario 1 (existing casinos with the addition of Dodge City Resort & Gaming Company, LLC) and the other proposed casinos (refer to Exhibit 3-3, page 3-8).

A head-to-head comparison of the projections shows that Dodge City's forecast of \$46.1 million was:

- Approximately \$2 million (4.1%) lower than WGR's low case of \$48.1 million in gaming revenue
- \$16.9 million (26.8%) lower than WGR's mid case of approximately \$63 million in gaming revenue
- \$26.1 million (36.1%) lower than WGR's high case of \$72.2 million in gaming revenue

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Financial Statement Analyses

WGR used the following research methodology to analyze the applicant's financial statements.

Financial Statement Comparisons were Conducted

All Nevada casinos are required to file annual *NGC-17 Reports* with the Nevada Gaming Control Board (NGCB). The *NGC-17 Reports* contain detailed financial data and operating statistics for each reporting casino. These reports are the primary source of information used by the NGCB to compile the *Nevada Gaming Abstracts*. The *Abstracts* contain consolidated balance sheets and income statements for casinos that have annual gross gaming revenues of a million dollars or more. Nevada statutes prohibit disclosure of financial information for individual casinos. As a result, all financial data were reported in the *Abstracts* by market group (for example, the market group made up of casinos with *\$1 Million and Above in Annual Gaming Revenues*).

Each line item in the applicant's pro forma income statement was calculated as a percent of total revenues (for example, each line item in the casino department was calculated as a percent of total gaming revenues for the casino department). The applicant's line item percentages were compared with equivalent percentages from the following three Nevada revenue groups:

- Elko County/Wendover \$1 Million and Above in Annual Gaming Revenues (income statement numbers represent an average for six casinos in this revenue category)
- Statewide \$36-to-\$72 Million in Annual Gaming Revenues with Hotel Room (income statement numbers represent an average for 36 casinos in this revenue category)
- Washoe County Reno Sparks \$36 and Above Million in Annual Gaming Revenues (income statement numbers represent an average for nine casinos in this revenue category)

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Income Statement

Revenue

Exhibit 3-4 (pages 3-15 through 3-18) shows the income statement comparisons for the Dodge City Casino Resort and the three Nevada casino groups listed on page 3-9. A discussion of the key variations follows:

Casino/Gaming pro forma estimates for Dodge City showed \$46.1 million in gaming revenues. This was 80.3% of their total revenues, which was 7.3 percentage points above the Nevada high and 26.6 percentage points above the low.

Room Revenue was projected at \$4.4 million and made up 7.7% of total revenues. This room revenue was 10.5 percentage points lower than the comparative high and 1.0 percentage point above the low. It is important to note that the room counts were significantly different. Dodge City's pro forma included 125 hotel rooms (114 standard, 11 suites) compared with Nevada benchmark averages of:

- 289 rooms for the Elko County/Wendover Gaming Market with \$1 Million and Over in Annual Gaming Revenues
- 743 rooms for the Nevada Statewide Revenue Category with Rooms and \$36 to \$72 Million in Annual Gaming Revenues
- 1,179 rooms for the Washoe County Reno/Sparks Market with \$36 Million and Above in Annual Gaming Revenues

Food revenue, projected at \$4.2 million, represented 7.2% of total revenues. It was 9.0 percentage points lower than the highest group for Nevada and 4.5 percentage points less than the lowest group.

Beverage revenue, projected at \$1.5 million, represented 2.6% of total revenues. It was 3.8 percentage points lower than the highest group used and 1.7 percentage points less than the low.

Taxes & Licenses (Other) includes \$12.5 million (21.7% of total revenues). Apparently, the larger portion of the gaming taxes were charged to G&A rather than to the casino department where gaming taxes and licenses belong.

Total G & A Expenses were projected at \$29.8 million, 51.8% of revenues, which was 7.3 percentage points above the comparative high and 19.8 percentage points above the low.

EBITDAR was projected at approximately \$12.3 million, 21.5% of revenues. This was 4.4 percentage points below the comparative Nevada high and 2.4 percentage points higher than the low.

Task- 4 Project Specific Gaming Revenue Projections

Southwest Gaming Zone of Kansas

Casino Department

Table games and slot machines combined represented 100% of the gaming revenue projections for the Dodge City Casino Resort versus approximately 97% for the three Nevada casino groups used as a point of reference. The split between table games and slot machines showed more variability.

Pit Revenue (includes keno and bingo in Nevada) was projected at \$6.4 million, 13.8% of total gaming revenues. The percentage comparison shows that the 13.8% was 9.1 percentage points below the high and 4.7 percentage points below the low.

Slot Machine (Coin-Operated Devices) revenues were forecasted at \$39.8 million (86.2% of total gaming revenue). The percentage comparison showed that this was 7.4 percentage points above the high for Nevada groups and 12.1 percentage points above the low.

Total Casino Revenues show that the Dodge City projected \$46.1 million in total gaming revenues. This compares with the following annual gaming revenues for the three Nevada benchmark groups:

- \$29.9 Million for Elko/Wendover Casinos with \$1 Million & Above
- \$49.2 for Nevada Statewide Casinos with \$36 to \$72 Million & Hotel Rooms
- \$78.2 Million for Washoe County Reno/Sparks Casinos with \$36 Million and Above

Complimentary Expenses were estimated at \$2.5 million (5.3% of total casino revenues). This 5.3% was 15.7 percentage points below the high for Nevada and 7.2 percentage points less than the low. Complimentary expenses included in G & A were only \$179 thousand so it appears that Dodge City's budgeted complimentary expenses are low.

Gaming Taxes & Licenses were estimated at nearly \$1.6 million for Dodge City (3.4% of the casino revenues). On a percentage point basis, the \$1.6 million was 4.9 percentage points below the highest for the Nevada groups used and 4.6 percentage points less than the lowest. The majority of these fees were charged to G&A expenses rather than the casino department where they belong.

Payroll – Other Employees was projected at \$8.1 million (17.6% of total casino revenues). This was 5.3 percentage points above the comparative Nevada high and 10.8 percentage points higher than the low.

Other Departmental Expenses were projected at \$1.3 million (2.8% of total casino revenues). The percentage comparison showed that this was 11.7 percentage points below the Nevada high and 1.0 percentage point less than the low.

Task- 4 Project Specific Gaming Revenue Projections **Southwest Gaming Zone of Kansas**

Departmental Income (Loss) was estimated at approximately \$28.0 million (60.6% of total casino revenues). A percentage comparison showed that the 60.6% was 4.5 percentage points below the comparative high and 16.1 percentage points above the low.

Room Department

The split between room sales and comps for the Dodge City Casino Resort relative to the three Nevada groups showed:

Room Sales were projected at \$3.8 million (86.0% of the total room revenue). This was 5.5 percentage points above the high for the comparative groups and 8.8 percentage points above the low.

Complimentary Rooms were forecasted at \$621 thousand (14.0% of total room revenues). On a percentage point basis, this was 8.8 percentage points less than the comparative high and 5.5 percentage points less than the low.

Complimentary Expenses were not included in Dodge City's pro forma projections.

Payroll-Other Employees was projected at \$932 thousand, 21.0% of revenues. This was 23.6 percentage points below the Nevada high and 0.7 percentage points above the Nevada low.

Total Departmental Expenses were forecasted at \$1.7 million (37.5% of total revenues). This was 33.2 percentage points below the comparative high and 0.4 percentage points below the comparative low.

Departmental Income (Loss) was projected at \$2.8 million (62.5% of total room revenues). This was 0.4 percentage points above the comparative high and 33.2 percentage points greater than the low.

Food Department

Food sales totaled \$4.2 million (26.3 percentage points above the comparative high average and 48.0 percentage points above the comparative low).

Complimentary Food Sales No complimentary food sales were reported. This is highly unusual for a casino operation.

Comp Expenses, Bad Debts, & Payroll for Officers were not included in the food expense total.

Payroll – Employee Benefits was projected at \$291 thousand (7.0% of the total food revenues). This was 7.8 percentage points below the comparative high and 4.9 percentage points greater than the low.

Task- 4 Project Specific Gaming Revenue Projections **Southwest Gaming Zone of Kansas**

Payroll – Other Employees was forecasted at \$1.0 million, which was 24.1% of total food revenue (19.5 percentage points lower than the comparative high and 9.4 percentage points less than the low).

Departmental Income (Loss) was forecasted at slightly over a \$1.1 million (25.7% of total revenue). On a percentage point basis, this was 21.4 more than the comparative high for the Nevada groups and 39.2 higher than the low.

Beverage Department

Total beverage departmental revenue was evenly split between beverage sales and comps. Together, the revenue totaled \$1.5 million (\$740 thousand for each category).

Comps Expenses, Bad Debts, & Payroll for Officers were not included in the beverage expense total.

Payroll – Other Employees were projected at \$499 thousand (33.7% of total beverage revenues). The percentage comparison showed that this was 12.2 percentage points above the Nevada high and 16.0 percentage points greater than the low.

Departmental Income (Loss) was forecasted at \$393 thousand. This was 26.5% of total revenue (16.4 percentage points below the comparative high for the Nevada groups and 6.5 percentage points less than the low).

Other Income - Department

The other department category included the retail department. Retail sales and comps totaled \$1.2 million (98% for sales and 2% for comps).

Total Departmental Expenses were projected at \$329 thousand, which was 26.8% of total revenue for other department. This was 18.6 percentage points lower than the comparative high and 3.4% percentage points greater than the low.

Departmental Income (Loss) was estimated at \$222 thousand (18.2% of total other department revenue). The percentage point comparison showed that this was 29.2 percentage points below the highest Nevada group and 7.0 percentage points less than the lowest group.

FTE (Full Time Equivalents)

The Dodge City Resort Casino has estimated that 441 FTE's would be required to operate the casino hotel facility proposed for the southwest gaming zone of Kansas. The Dodge City estimate is close to the 459 FTE average experienced in the Elko/Wendover market. In summary, the three Nevada benchmark groups reported:

- 459 FTEs for casinos in the Elko/Wendover Market with \$1 Million & Above in Annual Gaming Revenues

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

- 865 FTEs for the Nevada Statewide Market with \$36 to \$72 Million in Annual Gaming Revenues and Hotel Rooms
- 1,701 FTEs for casinos located in the Washoe County Reno/Sparks Market with \$36 Million and Above in Annual Gaming Revenues

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Exhibit 3-4 Profit & Loss Comparison Dodge City Casino Resort Versus Three Nevada Casino Groups										
Description	Elko County Wendover 1M+ FY @ June 30, 2007		Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007		Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007		Dodge City Casino Resort Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
REVENUE										
Gaming	\$29,880,279	73.0%	\$49,151,320	55.3%	\$78,242,015	53.7%	\$46,118,283	80.3%	7.3%	26.6%
Rooms	\$2,754,115	6.7%	\$13,897,417	15.6%	\$26,532,016	18.2%	\$4,438,609	7.7%	-10.5%	1.0%
Food	\$4,825,698	11.8%	\$11,200,793	12.6%	\$23,618,742	16.2%	\$4,160,227	7.2%	-9.0%	-4.5%
Beverage	\$1,751,018	4.3%	\$5,444,995	6.1%	\$9,280,812	6.4%	\$1,479,553	2.6%	-3.8%	-1.7%
Other	\$1,729,314	4.2%	\$9,107,547	10.3%	\$7,963,577	5.5%	\$1,224,391	2.1%	-8.1%	-2.1%
Total Revenue	\$40,940,423	100.0%	\$88,802,072	100.0%	\$145,637,162	100.0%	\$57,421,063	100.0%		
Cost of Sales	\$3,404,542	8.3%	\$9,558,762	10.8%	\$13,282,268	9.1%	\$2,452,699	4.3%	-6.5%	-4.0%
Gross Margin	\$37,535,881	91.7%	\$79,243,311	89.2%	\$132,354,894	90.9%	\$54,968,364	95.7%	4.0%	6.5%
Departmental Expenses	\$15,664,060	38.3%	\$42,189,732	47.5%	\$73,869,191	50.7%	\$22,559,704	39.3%	-11.4%	1.0%
Departmental Income (Loss)	\$21,871,821	53.4%	\$37,053,579	41.7%	\$58,485,702	40.2%	\$32,408,660	56.4%	3.0%	16.3%
GENERAL & ADMINISTRATIVE EXPENSES										
Advertising & Promotion	\$1,888,840	4.6%	\$1,902,228	2.1%	\$3,527,482	2.4%	\$2,369,016	4.1%	-0.5%	2.0%
Bad Debt Expense	\$0	0.0%	\$15,402	0.0%	(\$12,832)	0.0%	\$31,923	0.1%	0.0%	0.1%
Complimentary Expense	\$882,773	2.2%	\$2,210,735	2.5%	\$1,562,316	1.1%	\$178,740	0.3%	-2.2%	-0.8%
Depreciation - Buildings	\$889,596	2.2%	\$1,612,948	1.8%	\$4,916,386	3.4%	\$0	0.0%	-3.4%	-1.8%
Depreciation & Amort - Other	\$3,788,498	9.3%	\$3,856,117	4.3%	\$4,818,863	3.3%	\$6,158,526	0.0%	-9.3%	-3.3%
Energy Exp. (elec., gas, etc.)	\$976,527	2.4%	\$1,932,945	2.2%	\$3,769,642	2.6%	\$0	0.3%	-2.3%	-1.9%
Equipment Rental or Lease	\$60,435	0.1%	\$99,745	0.1%	\$235,741	0.2%	\$163,277	0.3%	0.1%	0.2%
Interest Expense	\$2,178,273	5.3%	\$3,220,505	3.6%	\$5,720,978	3.9%	\$3,506,735	6.1%	0.8%	2.5%
Music & Entertainment	\$501,793	1.2%	\$230,749	0.3%	\$775,494	0.5%	\$0	0.0%	-1.2%	-0.3%
Payroll Taxes	\$274,451	0.7%	\$505,167	0.6%	\$680,735	0.5%	\$0	0.0%	-0.7%	-0.5%
Payroll - Employee Benefits	\$232,826	0.6%	\$1,537,411	1.7%	\$1,654,028	1.1%	\$0	0.0%	-1.7%	-0.6%
Payroll - Officers	\$260,168	0.6%	\$153,490	0.2%	\$137,879	0.1%	\$0	0.0%	-0.6%	-0.1%
Payroll - Other Employees	\$3,272,240	8.0%	\$5,423,425	6.1%	\$7,913,548	5.4%	\$0	0.0%	-8.0%	-5.4%
Rent of Premises	\$60,609	0.1%	\$1,125,965	1.3%	\$482,407	0.3%	\$0	0.0%	-1.3%	-0.1%
Taxes - Real Estate	\$343,279	0.8%	\$559,171	0.6%	\$1,440,222	1.0%	\$1,040,636	1.8%	0.8%	1.2%
Taxes & Licenses - Other	\$408,036	1.0%	\$239,404	0.3%	\$243,961	0.2%	\$12,451,936	21.7%	20.7%	21.5%
Utilities (other than energy exp.)	\$253,204	0.6%	\$494,857	0.6%	\$638,536	0.4%	\$453,512	0.8%	0.2%	0.4%
Other General & Admin. Exp.	\$1,939,436	4.7%	\$4,794,795	5.4%	\$8,115,640	5.6%	\$3,398,215	5.9%	0.3%	1.2%
Total G&A Expenses	\$18,210,982	44.5%	\$29,915,058	33.7%	\$46,621,026	32.0%	\$29,752,516	51.8%	7.3%	19.8%
Net Income (Loss) Before Federal Income Taxes & Extraordinary Items	\$3,660,839	8.9%	\$7,138,521	8.0%	\$11,864,676	8.1%	\$2,656,144	4.6%	-4.3%	-3.4%
EBITDAR	\$10,577,815	25.8%	\$16,954,056	19.1%	\$27,803,310	19.1%	\$12,321,405	21.5%	-4.4%	2.4%

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Exhibit 3-4 Profit & Loss Comparison Dodge City Casino Resort Versus Three Nevada Casino Groups										
Description	Elko County Wendover 1M+ FY @ June 30, 2007		Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007		Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007		Dodge City Casino Resort Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
CASINO DEPARTMENT										
Revenue										
Pit Revenue (Incl Keno & Bingo)	\$6,143,853	20.6%	\$9,115,707	18.5%	\$17,940,008	22.9%	\$6,364,323	13.8%	-9.1%	-4.7%
Slot Machines (Coin Operated)	\$22,951,868	76.8%	\$38,719,322	78.8%	\$57,945,430	74.1%	\$39,753,960	86.2%	7.4%	12.1%
Poker and Pan	\$471,051	1.6%	\$580,724	1.2%	\$1,087,078	1.4%	\$0	0.0%	-1.6%	-1.2%
Race Book	\$87,893	0.3%	\$301,383	0.6%	\$531,304	0.7%	\$0	0.0%	-0.7%	-0.3%
Sports Pool	\$225,615	0.8%	\$434,185	0.9%	\$738,195	0.9%	\$0	0.0%	-0.9%	-0.8%
Total Revenue	\$29,880,279	100.0%	\$49,151,320	100.0%	\$78,242,015	100.0%	\$46,118,283	100.0%		
Departmental Expenses										
Bad Debt Expense	\$13,996	0.0%	\$6,369	0.0%	\$289,092	0.4%	\$0	0.0%	-0.4%	0.0%
Commissions	\$143,706	0.5%	\$818,003	1.7%	\$196,056	0.3%	\$0	0.0%	-1.7%	-0.3%
Complimentary Expense	\$3,997,079	13.4%	\$6,147,093	12.5%	\$16,440,138	21.0%	\$2,448,474	5.3%	-15.7%	-7.2%
Gaming Taxes and Licenses	\$2,484,886	8.3%	\$4,021,539	8.2%	\$6,335,704	8.1%	\$1,590,158	3.4%	-4.9%	-4.6%
Preferred Guest Expenses	\$0	0.0%	\$219,501	0.4%	\$79,223	0.1%	\$1,689,543	3.7%	3.2%	3.7%
Payroll Taxes	\$334,444	1.1%	\$725,636	1.5%	\$1,284,862	1.6%	\$791,394	1.7%	0.1%	0.6%
Payroll - Employee Benefits	\$265,579	0.9%	\$1,665,861	3.4%	\$2,112,592	2.7%	\$2,241,636	4.9%	1.5%	4.0%
Payroll - Officers	\$0	0.0%	\$86,954	0.2%	\$0	0.0%	\$0	0.0%	-0.2%	0.0%
Payroll - Other Employees	\$2,037,826	6.8%	\$5,449,170	11.1%	\$9,571,930	12.2%	\$8,108,057	17.6%	5.3%	10.8%
Race Wire Fees	\$14,929	0.0%	\$38,197	0.1%	\$126,728	0.2%	\$0	0.0%	-0.2%	0.0%
Other Departmental Expenses	\$1,127,826	3.8%	\$3,268,718	6.7%	\$6,949,166	8.9%	\$1,295,879	2.8%	-11.7%	-1.0%
Total Departmental Expenses	\$10,420,270	34.9%	\$22,447,038	45.7%	\$43,385,491	55.5%	\$18,165,141	39.4%	-16.1%	4.5%
Departmental Income (Loss)	\$19,460,010	65.1%	\$26,704,282	54.3%	\$34,856,525	44.5%	\$27,953,142	60.6%	-4.5%	16.1%
ROOMS DEPARTMENT										
Revenue										
Room Sales	\$2,125,042	77.2%	\$11,191,408	80.5%	\$21,117,924	79.6%	\$3,817,204	86.0%	5.5%	8.8%
Complimentary Rooms	\$629,073	22.8%	\$2,706,009	19.5%	\$5,414,092	20.4%	\$621,405	14.0%	-8.8%	-5.5%
Total Revenue	\$2,754,115	100.0%	\$13,897,417	100.0%	\$26,532,016	100.0%	\$4,438,609	100.0%		
Departmental Expenses										
Bad Debt Expense	\$0	0.0%	\$8,318	0.1%	\$19,501	0.1%	\$0	0.0%	-0.1%	0.0%
Complimentary Expense	\$13,168	0.5%	\$117,407	0.8%	\$335,535	1.3%	\$0	0.0%	-1.3%	-0.5%
Payroll - Taxes	\$112,827	4.1%	\$307,609	2.2%	\$516,277	1.9%	\$71,063	1.6%	-2.5%	-0.3%
Payroll - Employee Benefits	\$78,130	2.8%	\$1,108,649	8.0%	\$1,170,156	4.4%	\$265,176	6.0%	-2.0%	3.1%
Payroll - Officers	\$0	0.0%	\$26,714	0.2%	\$0	0.0%	\$0	0.0%	-0.2%	0.0%
Payroll - Other Employees	\$1,228,793	44.6%	\$3,156,162	22.7%	\$5,372,127	20.2%	\$931,971	21.0%	-23.6%	0.7%
Other Departmental Expenses	\$514,834	18.7%	\$1,491,321	10.7%	\$2,637,928	9.9%	\$397,256	9.0%	-9.7%	-1.0%
Total Departmental Expenses	\$1,947,752	70.7%	\$6,216,180	44.7%	\$10,051,524	37.9%	\$1,665,466	37.5%	-33.2%	-0.4%
Departmental Income (Loss)	\$806,363	29.3%	\$7,681,237	55.3%	\$16,480,493	62.1%	\$2,773,143	62.5%	0.4%	33.2%

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Exhibit 3-4 Profit & Loss Comparison Dodge City Casino Resort Versus Three Nevada Casino Groups										
Description	Elko County Wendover 1M+ FY @ June 30, 2007		Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007		Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007		Dodge City Casino Resort Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
FOOD DEPARTMENT										
Revenue										
Food Sales	\$2,508,814	52.0%	\$8,252,768	73.7%	\$17,027,028	72.1%	\$4,160,227	100.0%	26.3%	48.0%
Complimentary Food Sales	\$2,316,884	48.0%	\$2,948,025	26.3%	\$6,591,714	27.9%	\$0	0.0%	-48.0%	-26.3%
Total Revenue	\$4,825,698	100.0%	\$11,200,793	100.0%	\$23,618,742	100.0%	\$4,160,227	100.0%		
Cost of Sales	\$2,256,660	46.8%	\$4,850,588	43.3%	\$8,983,016	38.0%	\$1,428,681	34.3%	-12.4%	-3.7%
Gross Margin	\$2,569,038	53.2%	\$6,350,205	56.7%	\$14,635,726	62.0%	\$2,731,546	65.7%	3.7%	12.4%
Departmental Expenses										
Bad Debt Expense	\$0	0.0%	\$113	0.0%	\$467	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$150,221	3.1%	\$79,586	0.7%	\$145,813	0.6%	\$1,314	0.0%	-3.1%	-0.6%
Payroll - Taxes	\$163,201	3.4%	\$531,842	4.7%	\$1,047,868	4.4%	\$76,302	1.8%	-2.9%	-1.5%
Payroll - Employee Benefits	\$100,451	2.1%	\$1,654,233	14.8%	\$1,828,019	7.7%	\$291,440	7.0%	-7.8%	4.9%
Payroll - Officers	\$0	0.0%	\$52,675	0.5%	\$0	0.0%	\$0	0.0%	-0.5%	0.0%
Payroll - Other Employees	\$1,615,345	33.5%	\$4,876,144	43.5%	\$9,250,539	39.2%	\$1,000,682	24.1%	-19.5%	-9.4%
Other Departmental Expenses	\$332,447	6.9%	\$671,978	6.0%	\$1,711,115	7.2%	\$294,382	7.1%	-0.2%	1.1%
Total Departmental Expenses	\$2,361,664	48.9%	\$7,866,571	70.2%	\$13,983,821	59.2%	\$1,664,120	40.0%	-30.2%	-8.9%
Departmental Income (Loss)	\$207,374	4.3%	(\$1,516,366)	-13.5%	\$651,905	2.8%	\$1,067,426	25.7%	21.4%	39.2%
BEVERAGE DEPARTMENT										
Revenue										
Beverage Sales	\$392,310	22.4%	\$2,699,435	49.6%	\$3,998,448	43.1%	\$739,776	50.0%	0.4%	27.6%
Complimentary Beverage Sales	\$1,358,708	77.6%	\$2,745,560	50.4%	\$5,282,364	56.9%	\$739,776	50.0%	-27.6%	-0.4%
Total Revenue	\$1,751,018	100.0%	\$5,444,995	100.0%	\$9,280,812	100.0%	\$1,479,552	100.0%		
Cost of Sales	\$643,664	36.8%	\$1,384,131	25.4%	\$2,470,588	26.6%	\$350,603	23.7%	-13.1%	-1.7%
Gross Margin	\$1,107,354	63.2%	\$4,060,864	74.6%	\$6,810,224	73.4%	\$1,128,949	76.3%	1.7%	13.1%
Departmental Expenses										
Bad Debt Expense	\$0	0.0%	\$0	0.0%	\$2	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$1,804	0.1%	\$2,799	0.1%	\$42,212	0.5%	\$0	0.0%	-0.5%	-0.1%
Payroll - Taxes	\$53,581	3.1%	\$156,812	2.9%	\$231,788	2.5%	\$38,067	2.6%	-0.5%	0.1%
Payroll - Employee Benefits	\$62,978	3.6%	\$458,452	8.4%	\$446,388	4.8%	\$172,459	11.7%	3.2%	8.1%
Payroll - Officers	\$0	0.0%	\$8,015	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$338,653	19.3%	\$1,175,504	21.6%	\$1,649,901	17.8%	\$499,233	33.7%	12.2%	16.0%
Other Departmental Expenses	\$71,660	4.1%	\$370,950	6.8%	\$459,703	5.0%	\$26,632	1.8%	-5.0%	-2.3%
Total Departmental Expenses	\$528,676	30.2%	\$2,172,532	39.9%	\$2,829,994	30.5%	\$736,391	49.8%	9.9%	19.6%
Departmental Income (Loss)	\$578,678	33.0%	\$1,888,332	34.7%	\$3,980,229	42.9%	\$392,558	26.5%	-16.4%	-6.5%

Task-4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Exhibit 3-4 Profit & Loss Comparison Dodge City Casino Resort Versus Three Nevada Casino Groups										
Description	Elko County Wendover 1M+ FY @ June 30, 2007		Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007		Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007		Dodge City Casino Resort Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
OTHER DEPARTMENTS										
Revenue										
Other Oper/Non-Oper Income	\$1,045,532	60.5%	\$8,284,150	91.0%	\$6,992,899	87.8%	\$1,199,903	98.0%	7.0%	37.5%
Other Complimentary Items	\$683,782	39.5%	\$823,396	9.0%	\$970,678	12.2%	\$24,488	2.0%	-37.5%	-7.0%
Total Revenue	\$1,729,314	100.0%	\$9,107,547	100.0%	\$7,963,577	100.0%	\$1,224,391	100.0%		
Cost of Sales	\$504,218	29.2%	\$3,324,042	36.5%	\$1,828,664	23.0%	\$673,415	55.0%	18.5%	32.0%
Gross Margin	\$1,225,096	70.8%	\$5,783,504	63.5%	\$6,134,913	77.0%	\$550,976	45.0%	-32.0%	-18.5%
Departmental Expenses										
Bad Debt Expense	\$0	0.0%	\$48	0.0%	\$565	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$3,015	0.2%	\$340,329	3.7%	\$73,477	0.9%	\$0	0.0%	-3.7%	-0.2%
Payroll - Taxes	\$8,705	0.5%	\$123,213	1.4%	\$151,724	1.9%	\$16,149	1.3%	-0.6%	0.8%
Payroll - Employee Benefits	\$4,621	0.3%	\$296,763	3.3%	\$291,795	3.7%	\$72,491	5.9%	2.3%	5.7%
Payroll - Officers	\$0	0.0%	\$10,791	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$83,812	4.8%	\$1,193,032	13.1%	\$1,471,955	18.5%	\$211,788	17.3%	-1.2%	12.5%
Other Departmental Expenses	\$305,547	17.7%	\$1,523,234	16.7%	\$1,628,846	20.5%	\$28,161	2.3%	-18.2%	-14.4%
Total Departmental Expenses	\$405,700	23.5%	\$3,487,410	38.3%	\$3,618,361	45.4%	\$328,589	26.8%	-18.6%	3.4%
Departmental Income (Loss)	\$819,396	47.4%	\$2,296,094	25.2%	\$2,516,551	31.6%	\$222,387	18.2%	-29.2%	-7.0%

AVERAGE NUMBER OF EMPLOYEES FOR THE YEAR										
Casino Department	135	29.3%	235	27.2%	418	24.6%	196	44.4%	15.0%	19.8%
Rooms Department	76	16.6%	136	15.8%	253	14.9%	38	8.5%	-8.1%	-6.4%
Food Department	101	22.1%	225	26.0%	601	35.4%	90	20.3%	-15.0%	-1.8%
Beverage Department	28	6.1%	60	7.0%	127	7.4%	0	0.0%	-7.4%	-6.1%
G&A Department	110	24.0%	170	19.6%	252	14.8%	6	1.4%	-22.7%	-13.5%
Other Departments	8	1.8%	39	4.5%	49	2.9%	112	25.4%	20.9%	23.6%
Total	459	100.0%	865	100.0%	1,701	100.0%	441	100.0%		

AVERAGE NUMBER OF ROOMS AVAILABLE PER DAY										
Available Rooms	289		743		1,179		125			

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Section 4

Information on Wells Gaming Research & Richard H. Wells

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Southwest Gaming Zone of Kansas

Information on Wells Gaming Research & Richard H. Wells

Following is detailed information regarding Wells Gaming Research's many services, as well as personal information about Richard H. Wells, WGR's president:

- Professional Services Offered (**page 4-2**)
- Casino Feasibility Studies (**page 4-3**)
- Casino Gaming Market Studies (**page 4-3**)
- Competitive Gaming Equipment Inventories (**page 4-4**)
- Litigation & Legislative Support (**page 4-4**)
- Marketing Research (**page 4-4**)
- Marketing Surveys (**page 4-5**)
- Market & Financial Due Diligence (**page 4-5**)
- Financial Benchmark Studies (**page 4-5**)
- Special Projects (**page 4-5**)
- Other Casino Gaming Services (**page 4-6**)
- Corporate Background (**page 4-6**)
- Online Casino Player Count Service™ (**page 4-7**)
- Richard H. Wells, Experience and Qualifications (**page 4-8**)
- Client List, including current and previous WGR clients (**page 4-9**)

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Professional Services Offered:

Wells Gaming Research (hereinafter referred to as WGR) is a highly respected provider of a wide-range of research and advisory services for the casino gaming industry.

Casino Player Count Service™:

WGR's Casino Player Count Service™ has become the standard for measuring relative player count performance within the casino gaming industry. Our player count service is widely used by casinos, as well as by equity analysts who track public gaming companies. WGR's weekly online player count reports are accompanied by a host of powerful, user friendly analytical tools that make it quick and easy for a client casino to monitor the competition. Client casinos can log on to WGR's website and evaluate their competitors using the following performance criteria:

- Casino rankings based on player count volume
- Number of table game and/or slot machine players
- Percent distribution of players
- Gaming capacity inventory for both table games and slot machines
- Percent distribution of market capacity
- Percent of capacity utilized
- User defined market fair share percentages

Fair Share Goal Setting Targets for User Defined Markets

One of the newest and most exciting features of WGR's Casino Player Count Service™ is fair share goal setting for user-defined markets. WGR's online player count service automatically calculates the number of players required for a casino to reach a series of fair market share targets (for example, 100%, 105%, and 110%).

Gaming Capacity Inventories

WGR updates the gaming capacity inventory statistics for the player count service on a quarterly basis. Client casinos can easily monitor capacity adjustments for both table games and slot machines for their casino, as well as for their competitors. WGR's website also provides a capacity trend analysis feature.

Equity Analysts

Equity analysts use WGR's Casino Player Count Service™ reports to monitor player counts for individual casinos owned by public companies, and to track entire market areas. WGR's player count statistics are also given consideration by equity analysts when forecasting quarterly casino revenues.

Data Collection for WGR's Casino Player Count Service

WGR's field representatives physically count casino players five or more times per week in 164 casinos located throughout the U.S. WGR's current player count service areas include California, Louisiana, Mississippi, Nevada, and New Mexico.

Task- 4 Project Specific Gaming Revenue Projections **Southwest Gaming Zone of Kansas**

Casino Feasibility Studies

WGR's databases contain a detailed history of casino player counts collected in eleven major gaming markets located throughout the U.S. This exclusive player count information provides WGR with a proprietary resource that is unmatched for projecting player volume, which is a key variable in the revenue function.

WGR has conducted casino feasibility studies and financial projections for a number of new casinos, including those proposed in:

- **Mississippi** – Tunica.
- **Nevada** - Las Vegas (the Strip, the Offstrip, and North Las Vegas), as well as for Reno, Henderson, and Jackpot.
- **Nova Scotia** - Halifax and Sydney.

Casino Gaming Market Studies

WGR's databases contain over 350,000 casino player counts collected between 1990 and 2007. Capacity information is collected and updated regularly on each casino's inventory capacity mix of slot machines and table games. The player count data allows WGR to track individual casinos, groups of casinos, and casino markets more closely and accurately than any other organization except the state gaming regulatory authorities.

WGR has developed a custom casino gravity modeling system designed to forecast casino revenues while taking into account the impacts that new or expanded competing casinos could have on the project. The model is customized to include the appropriate trade area and competitive casinos for each project.

Major market studies include:

- Las Vegas, Nevada area (Strip, Offstrip, North Las Vegas, & Henderson)
- Reno & Sparks, Nevada
- Minden/Gardnerville, Nevada
- Carson City, Nevada
- Northern California
- South Lake Tahoe
- Mississippi (Tunica, Natchez, & Vicksburg)
- Shreveport, Louisiana
- Iowa (Spencer, Ottumwa, Emmetsburg, Waterloo, Davenport, & Bettendorf)
- Sugar Creek, Missouri
- Southern Kansas
- Southern Indiana
- North-East Kentucky

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Southwest Gaming Zone of Kansas

Competitive Gaming Equipment Inventories

WGR conducts capacity inventories of slot machines, electronic player tracking systems, and other gaming equipment located in casinos throughout the U.S. The client selects the casinos to be inventoried. Then, WGR conducts the equipment inventories and does the comparative analyses. WGR's clients include both casinos and major slot machine manufacturers. Slot machine inventory projects include:

- 38 Tribal casinos in California.
- 108,000 slot machines located in 50 U.S. casinos, as well as five Canadian casinos (inventories are conducted twice each year).
- 18,000 slot machines located in eight large Las Vegas casinos.

Litigation & Legislative Support

WGR provides a host of gaming related services to attorneys in the form of:

- Financial and market analyses
- Expert testimony and depositions
- Analyses of opposing expert reports
- Development of questions for depositions
- Development of exhibits for use in court
- Competitive analyses for anti-trust issues
- Exhibits, documents, and expert testimony for legislative issues

Marketing Research

WGR has conducted a wide variety of gaming related marketing research studies for casino clients, as well as for proprietary internal use. For example, WGR has analyzed:

- The demographics and gambling characteristics of golfers on a nationwide basis.
- The gambling and demographic characteristics of local residents in both Reno and Las Vegas.
- The growth of various forms of gaming in Reno's four major feeder markets (California, Oregon, Washington, and British Columbia).

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Southwest Gaming Zone of Kansas

Marketing Surveys

Recent market research surveys include:

- 600 Las Vegas Strip visitors for a casino client
- 465 slot directors for a slot manufacturer
- 900 gaming establishments for a slot manufacturer
- 600 telephone inquiries to casino slot departments regarding online slot machine systems

Market & Financial Due Diligence

WGR is well positioned to assist casino buyers in evaluating gaming markets in terms of:

- Competition
- Financial and operating performance
- Improvement potential of casino acquisition candidates

Financial Benchmark Studies

WGR conducts financial benchmark studies for existing casinos. Both revenue and expense line items are compared with a casino's peer group of competitors. Differences are flagged. One such study greatly aided the Client in improving its financial performance and in turning losses into profits.

Special Projects

WGR conducts special projects on an ongoing basis. Some examples include:

- Casino market supply and demand analyses
- Slot and table game trends
- Casino player trend analyses
- Utilization analyses (table games including Caribbean Stud and Let-It-Ride, as well as slot machines and automatic shuffler)
- Competitive analyses of slot machine inventories and utilization
- Table game instruction programs
- Average bets by table minimums for blackjack and craps
- Player counts by ethnic groups

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Other Casino Gaming Services

Slot Payback Certification

WGR provides verification and certification of win percentages for slot machines and video poker machines. Casinos have successfully used the win percentages in advertising campaigns.

Pedestrian Traffic Counts

WGR has conducted pedestrian traffic studies to determine pedestrian volumes, directions, and other characteristics of pedestrian traffic behavior in targeted areas in Las Vegas and Reno. Two specific locations were the intersection of Las Vegas Boulevard and Tropicana Avenue in Las Vegas and on Virginia Street in downtown Reno.

Special Event Attendance

WGR conducts attendance counts at special events, primarily in Nevada (Reno, Las Vegas, and Laughlin) for convention authorities and other clients. WGR has conducted attendance counts at most of Reno's special events.

Corporate Background

WGR was established in 1990. In 1995, WGR was incorporated under the laws of the State of Nevada.

WGR is a privately held corporation. The principal officers include Richard H. Wells, President and Peggy P. Wells, Vice President and Secretary/Treasurer.

WGR's president, Richard H. Wells, has over thirty years of experience in conducting financial and market feasibility studies for the casino, hotel, banking, and oil and gas industries. Wells is supported by a well-trained staff with experience and expertise in computer programming, finance, economics, and market analyses.

In addition to the staff, WGR subcontracts, on an as-needed basis, with highly qualified and respected professionals who specialize in a wide-range of technical disciplines including marketing research, statistics, demographic statistics and data analyses, economic and social impact analyses, and legal counsel.

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Online Casino Player Count Service™

WGR has converted its player count reporting system from a weekly hard copy report to a suite of powerful, online, easy-to-use reporting and analysis tools. The Internet now makes it possible for WGR to share these tools with our clients.

WGR not only provides the Casino Player Count Service™ Reports online via the Internet, we also provide our clients with a host of online analytical tools. For example, WGR's clients can now select a specific set of competitive casinos and time periods to conduct custom analyses.

A total of seven (7) online reporting menu options are offered:

1. Monthly
2. Weekly
3. Daily
4. Multi-Month Trend Analysis
5. User Defined Two-Period Comparisons
6. Capacity Trend Analysis
7. Average Counts by Day-of-Week or Time-of-Day

Four (4) options are provided for viewing, downloading, and printing the user defined reports:

1. Web Browser,
2. Tab Delimited Download (Excel or other spreadsheet compatible)
3. PDF file uncompressed
4. PDF file compressed (ZIP)

Weekend player counts are now available to our clients by Monday afternoon, 5PM Pacific Time. All weekly player count data is audited and finalized by Thursday afternoon, 5PM Pacific Time. This puts the player count data in the clients hands several days earlier than the hard copy reports.

Online Access & Client Training:

Each person in our Client's organization who needs access to WGR online service will be assigned a username and password for secure website access. WGR's clients are allowed an unlimited number of users, at no additional cost.

WGR will conduct a training session to acquaint Client users with the new online system. WGR's new online reporting system is easy-to-use and quick at creating user defined custom player count reports. A half-hour training/orientation session is all that is needed for a user to get started with WGR's new online reporting system.

Task- 4 Project Specific Gaming Revenue Projections
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Richard H. Wells, Experience & Qualifications

Wells is founder and president of **Wells Gaming Research**, a Nevada Corporation that provides Casino Player Count Service™, a market share tracking service, to over 160 casino clients in Nevada, Mississippi, Louisiana, New Mexico, and California.

Wells Gaming Research also performs a wide range of consulting and gaming research assignments including casino market studies, financial feasibility studies, financial projections, due diligence, litigation support, legislative issue support, and gaming industry expert witness services for the gaming industry.



Wells has fifteen years experience as a senior executive in the casino-hotel industry with Holiday Inns, Harrah's, and Bally's. Wells has also held positions in management, planning, and financial analysis for a large regional bank and a major international oil company.

Wells has a B.S. degree in business from Oklahoma State University and completed a post-graduate program in Systems Dynamics at M.I.T. Wells has participated in a wide range of community service activities and is listed in Marquis Who's Who in Finance and Industry and Marquis Who's Who in America.

Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Wells Gaming Research Client List
(Current and/or Prior Customers)

Aladdin Gaming, LLC:

Aladdin Resort & Casino ~ Las Vegas, Nevada

Ameristar Casinos, Inc. ~ Las Vegas, Nevada

Alamo Travel Center ~ Sparks, Nevada

Aristocrat Technologies, Inc. ~ Las Vegas, Nevada

Arizona Charlie's Casino Hotel ~ Las Vegas, Nevada

Arizona Charlie's East Casino Hotel ~ Las Vegas, Nevada

Avi Resort & Casino ~ Laughlin, Nevada

Baldini's Sports Casino ~ Reno, Nevada

Bear Stearns Companies, Inc.

Binion's Horseshoe ~ Tunica, Mississippi

Boyd Gaming Corporation:

California Hotel & Casino ~ Las Vegas, Nevada

Fremont Hotel & Casino ~ Las Vegas, Nevada

Main Street Station Hotel Casino ~ Las Vegas, Nevada

Sam's Town Hotel & Gambling Hall ~ Las Vegas, NV

Sam's Town Tunica Hotel & Gambling Hall ~ Tunica, MS

Stardust Resort & Casino ~ Las Vegas, Nevada

Bronco Billy's Sports Bar & Casino ~ Cripple Creek, CO

Caesars Palace Hotel & Casino ~ Las Vegas, Nevada

Cannery Casino Hotel ~ Las Vegas, Nevada

Clay County Gaming Initiative, Inc. ~ Clay Co, Iowa

Club Cal-Neva/Virginian Hotel Casino ~ Reno, Nevada

Coast Hotel & Casinos, Inc.:

Gold Coast Hotel Casino ~ Las Vegas, Nevada

Suncoast Hotel & Casino ~ Las Vegas, Nevada

The Orleans Hotel & Casino ~ Las Vegas, Nevada

Copa Casino ~ Gulfport, Mississippi

DRKW - Grantchester, Inc. ~ New York, New York

Eldorado Hotel Casino ~ Reno, Nevada

Fallon Paiute-Shoshone Tribe ~ Fallon, Nevada

Fidelity Investments ~ Boston

Fitzgeralds Hotel Casino ~ Reno, Nevada

Four Queens Hotel Casino ~ Las Vegas, Nevada

Greenspun Corporation ~ Las Vegas, Nevada

Guild, Russell, Gallagher, & Fuller, LTD ~ Reno, Nevada

Galleria Associates ~ Henderson, Nevada

Golden Phoenix Hotel Casino ~ Reno, Nevada

GEM, LLC ~ Reno, Nevada

Harrah's Casino Hotel ~ Lake Tahoe, Nevada

Harrah's Casino Hotel ~ Laughlin, Nevada

Harrah's Hotel Casino ~ Reno, Nevada

Harrah's Hotel Casino ~ Tunica, Mississippi

Hollywood Casino ~ Tunica, Mississippi

Horseshoe Casino & Hotel ~ Bossier City, Louisiana

Innovative Gaming Corporation of America

International Gaming Technology

Isle of Capri Casinos, Inc.:

Isle of Capri Casino ~ Bossier City, Louisiana

Isle of Capri Casino ~ Biloxi, Mississippi

Isle of Capri Casino - Lula, Mississippi

Isle of Capri Casino - Vicksburg, Mississippi

Isleta Casino & Resort - Albuquerque, New Mexico

ITT Sheraton Gaming Division

John Ascuaga's Nugget ~ Reno, Nevada

Lady Luck Hotel Casino ~ Las Vegas, Nevada

Little Creek Casino ~ Shelton, Washington

Majestic Star Casinos:

Fitzgeralds Hotel Casino ~ Las Vegas, Nevada

Fitzgeralds Hotel Casino ~ Tunica, Mississippi

Mandalay Resort Group:

Circus Circus Hotel Casino ~ Reno, Nevada

Circus Circus Hotel Resort & Casino ~ Las Vegas, NV

Colorado Belle Hotel & Casino ~ Laughlin, Nevada

Edgewater Hotel & Casino ~ Laughlin, Nevada

Excalibur Resort Hotel & Casino ~ Las Vegas, Nevada

Gold Strike Casino & Resort ~ Tunica, Mississippi

Luxor Resort Hotel & Casino ~ Las Vegas, Nevada

Mandalay Bay Resort & Casino ~ Las Vegas, Nevada

Monte Carlo Resort & Casino ~ Las Vegas, Nevada

Silver City ~ Las Vegas, Nevada

Silver Legacy Resort & Casino ~ Reno, Nevada

Slots-A-Fun ~ Las Vegas, Nevada

Monarch Casino & Resort, Inc.:

Atlantis Casino Resort ~ Reno, Nevada

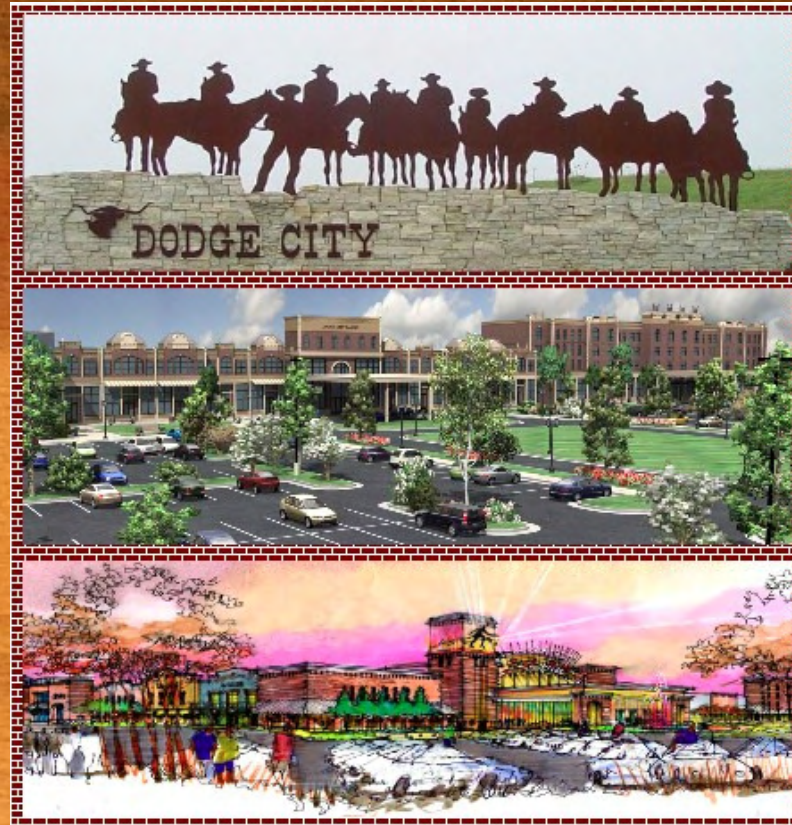
Task- 4 Project Specific Gaming Revenue Projections
Southwest Gaming Zone of Kansas

Wells Gaming Research Client List (Continued)
(Current and/or Prior Customers)

Mikhon Gaming Corporation	Ramada Inn Speakeasy Casino ~ Reno, Nevada
Nevada Resort Association ~ Las Vegas, Nevada	Rampart Casino ~ Las Vegas, Nevada
MGM • Mirage:	Reno/Sparks Convention & Visitor's Authority
Beau Rivage Hotel & Casino ~ Biloxi, Mississippi	Rio Suite Hotel Casino ~ Las Vegas, Nevada
Bellagio Hotel & Casino ~ Las Vegas, Nevada	River Palms Resort Casino ~ Laughlin, Nevada
Golden Nugget Hotel & Casino ~ Laughlin, Nevada	Riverside Resort Hotel Casino ~ Laughlin, Nevada
MGM Grand Hotel Casino ~ Las Vegas, Nevada	Riviera Hotel & Casino ~ Las Vegas, Nevada
New York New York Hotel & Casino ~ Las Vegas, NV	Sands Regency Hotel Casino ~ Reno, Nevada
The Mirage Hotel & Casino ~ Las Vegas, Nevada	Seven Circle Resorts, Inc.
Treasure Island at the Mirage ~ Las Vegas, Nevada	Sheraton Casino ~ Halifax, Nova Scotia
Palms Casino Hotel ~ Las Vegas, Nevada	Sheraton Hotel Casino ~ Tunica, Mississippi
Park Place Entertainment:	Showboat Hotel Casino ~ Las Vegas, Nevada
Bally's Casino Las Vegas ~ Las Vegas, Nevada	Si Redd's Oasis Hotel & Casino ~ Mesquite, Nevada
Bally's Casino Tunica ~ Tunica, Mississippi	Silicon Gaming, Inc.
Flamingo Las Vegas ~ Las Vegas, Nevada	Silver Club Hotel Casino ~ Sparks, Nevada
Flamingo Laughlin ~ Laughlin, Nevada	Silverton Hotel & Casino ~ Las Vegas, Nevada
Grand Casino Biloxi ~ Biloxi, Mississippi	Station Casinos, Inc.:
Grand Casino Gulfport ~ Gulfport, Mississippi	Boulder Station Hotel & Casino ~ Las Vegas, NV
Grand Casino Tunica ~ Tunica, Mississippi	Fiesta Henderson ~ Las Vegas, Nevada
Las Vegas Hilton ~ Las Vegas, Nevada	Fiesta Rancho Casino Hotel ~ Las Vegas, Nevada
Oshea's ~ Las Vegas, Nevada	Green Valley Ranch Resort & Spa ~ Las Vegas, NV
Paris Las Vegas ~ Las Vegas, Nevada	Palace Station Hotel & Casino ~ Las Vegas, Nevada
Reno Hilton ~ Reno, Nevada	Santa Fe Station Hotel Casino ~ Las Vegas, Nevada
Sheraton Casino ~ Tunica, Mississippi	Sunset Station Hotel & Casino ~ Las Vegas, Nevada
Peppermill, Inc.:	Texas Station Gambling Hall & Hotel ~ Las Vegas, NV
Peppermill Hotel Casino ~ Reno, Nevada	Stratosphere Casino Hotel & Tower ~ Las Vegas, Nevada
Western Village Inn & Casino ~ Sparks, Nevada	Terrible's Casino Hotel ~ Las Vegas, Nevada
Penn National Gaming, Inc.	Thunder Valley Casino ~ Lincoln, California
Boomtown Casino ~ Biloxi, Mississippi	Treasure Bay Casino Resort ~ Biloxi, Mississippi
Casino Magic ~ Bay St. Louis, Mississippi	Tropicana Hotel Casino ~ Las Vegas, Nevada
Pinnacle Entertainment, Inc.:	Tuscany Hotel & Casino ~ Las Vegas, Nevada
Boomtown Hotel • Casino • RV Park ~ Reno, Nevada	Venetian Resort Hotel Casino ~ Las Vegas, Nevada
Casino Magic ~ Biloxi, Mississippi	WMS Gaming Inc. ~ Waukegan, Illinois
Boomtown Casino ~ Bossier City, Louisiana	Wild Game NG:
R&R Advertising	Siena Hotel Spa & Casino ~ Reno, Nevada
Rail City Casino ~ Sparks	Wynne Resorts, LTD ~ Las Vegas, Nevada
Ramada Express Hotel & Casino ~ Laughlin, Nevada	Zeh Saint-Aubin Spoo ~ Reno, Nevada

Task 4 - Project Specific Gaming Revenue Projections

Southwest Gaming Zone - Ford County, Kansas



Prepared For:
Kansas Lottery Gaming Facility Review Board
September 2-3, 2008

Wells Gaming Research

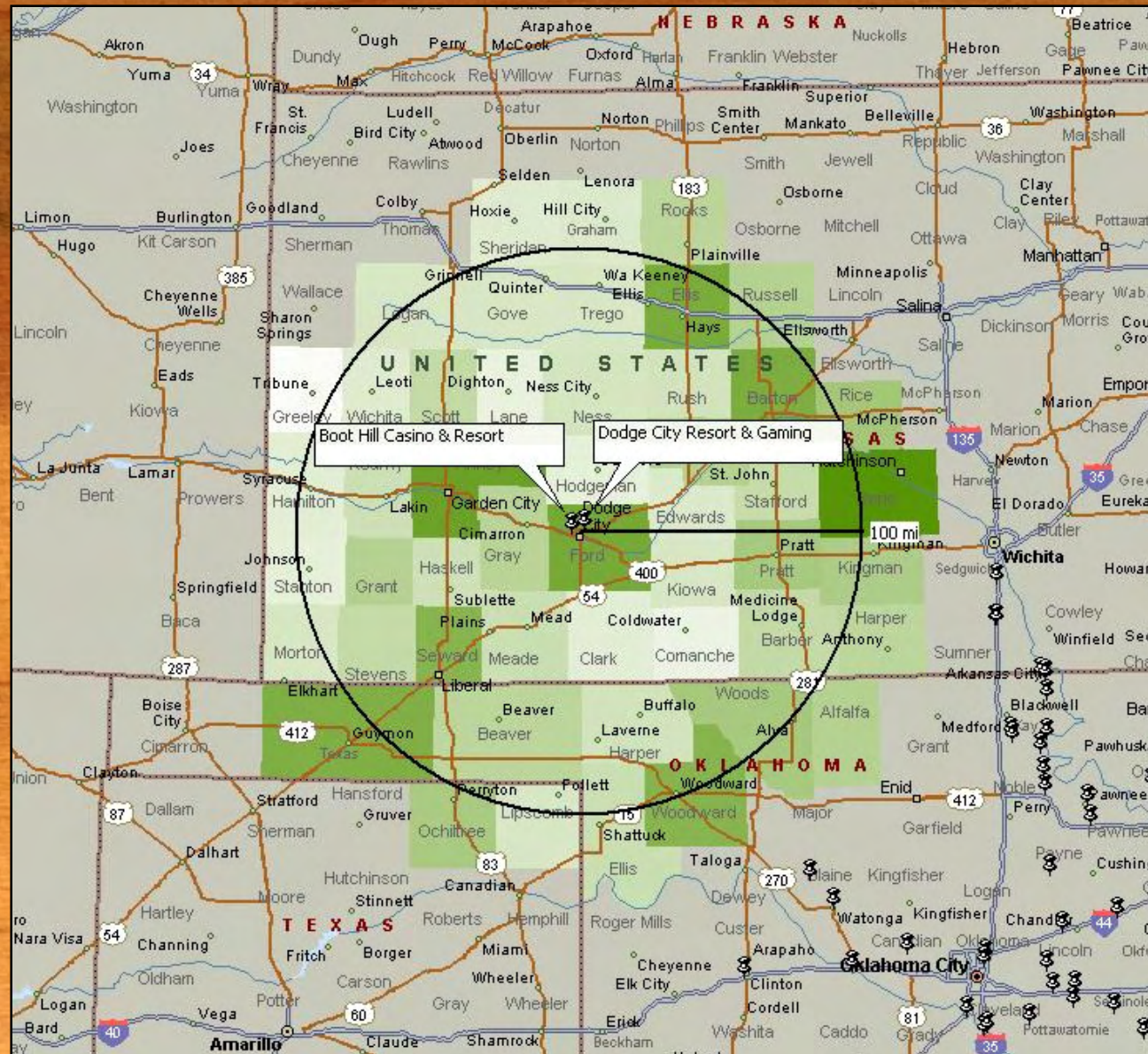
Methodology

- Used WGR's proprietary gravity model
- Defined trade area to include all counties that a 100-mile radius of Ford County encompasses or touches
- Used 2007 data as status quo for baseline projections
- Population data at census tract level 2000 through 2012

Methodology

- Utilized Boot Hill's and Dodge City's size, scope, and location assumptions for the proposed Ford County casino
- Developed a custom gravity model for Boot Hill and Dodge City proposed casino projects
- Defined and ran 2 scenarios with low, mid, and high cases for each site

Ford County Map



9/2-3/08

Wells Gaming Research

3

SW Kansas - Ford

- Trade area (approximate 125-mile radius) includes 51 counties in Kansas, 7 counties in northwestern Oklahoma, and 2 counties in northern Texas
- This trade area overlaps with the South Central Kansas gaming zone

SW Kansas - Ford

- The trade area population is 504,936; of which 343,002 are adults
- Of the adult population, only 60,767 (17.7%) live in Ford County and the surrounding seven counties

Visits to Competing Casinos

- Visited existing casinos within the trade area and made the following changes in assumptions:

Reduced Attraction Factors:

1 Kaw Southwind Casino	-50%
2 Tonkawa Casino	-20%

Removed Proposed Casinos:

- 1 Pawnee Nation Pawnee Planned
- 2 Ponca Fancy Dance Casino

- Limited competition to 200 miles
- These changes resulted in additional \$25M to \$27M in revenues, depending on applicant

Casinos Competing in the Trade Area

- Existing Casinos:
 - 11 casinos with 4,806 slots, 39 pit tables, and 25 poker tables within an approximate 200 mile radius
- Proposed New Casinos:
 - 4 casinos with 3,887 slots, 73 pit tables, and 13 poker tables (including Boot Hill Casino & Resort)
 - 4 casinos with 3,812 slots, 78 pit tables, and 8 poker tables (including Dodge City Casino & Resort)

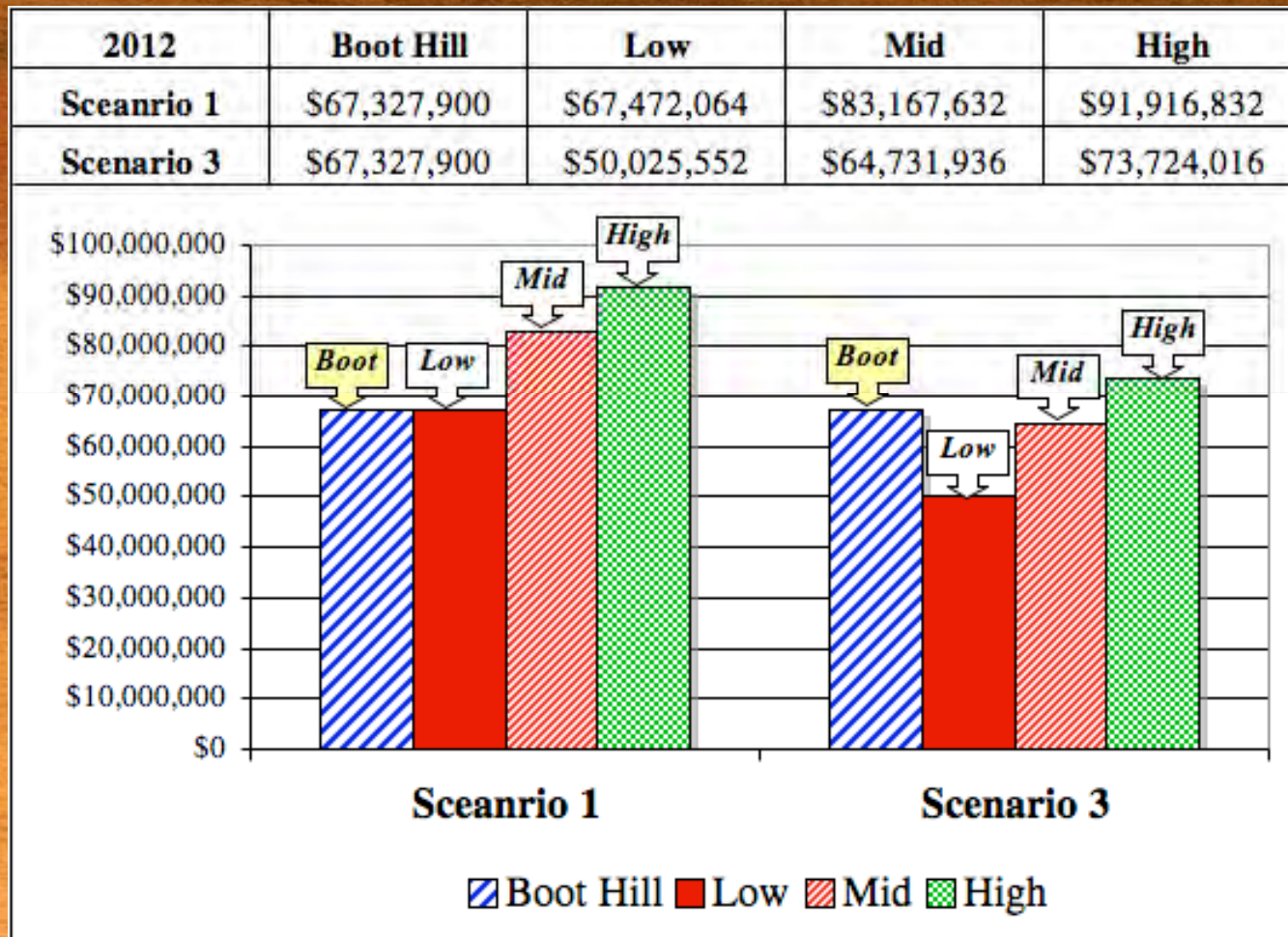
Visitor Projections

Visitor Projections of Each Applicant & WGR's Projections of Each Applicant WGR's Projections are based on Task 4, Scenario 3								
Applicant's Projections	2010	2011	2012	2013	2014	2015	CAGR	Periods
Boot Hill Casino & Resort	767,900	894,900	1,207,000	1,227,900	1,227,900		11.1%	3
Dodge City Resort & Gaming	660,196	708,615	723,919	739,499	755,359	771,504	2.1%	4
WGR's Projections*	2010	2011	2012				CAGR	Periods
Boot Hill Casino & Resort								
Low	678,195	680,223	682,311				0.30%	2
Mid	858,472	860,547	862,700				0.25%	2
High	968,062	970,090	972,207				0.21%	2
Dodge City Resort & Gaming								
Low	651,770	653,571	655,428				0.28%	2
Mid	834,223	836,058	837,966				0.22%	2
High	946,394	948,178	950,046				0.19%	2

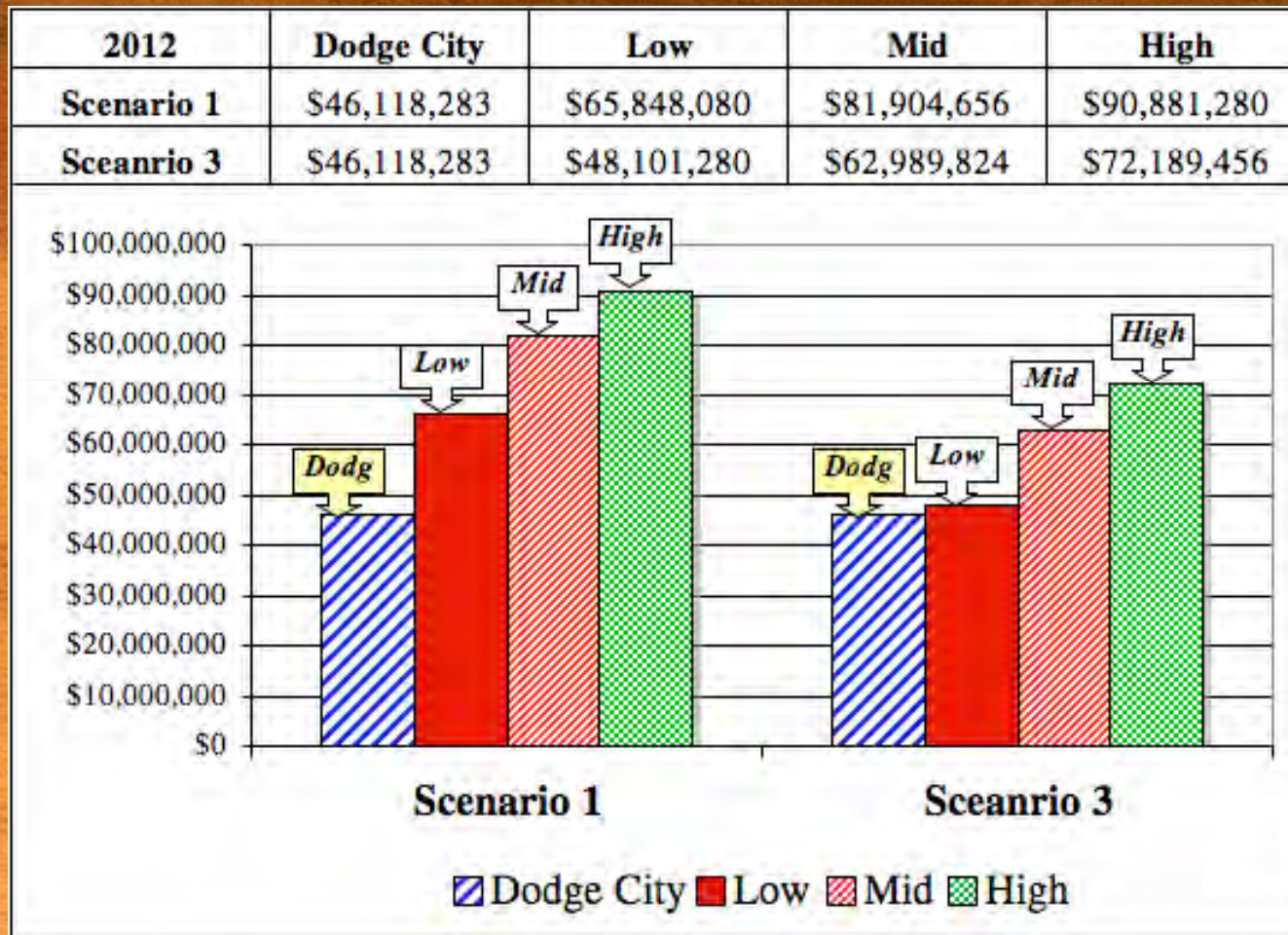
Revenue Projections

Revenue Projections of Each Applicant & WGR's Projections of Each Applicant WGR's Projections are based on Task 4, Scenario 3 data adjusted for inflation								
Applicant's Projections	2010	2011	2012	2013	2014	2015	CAGR	Periods
Boot Hill Casino & Resort	\$40,582,000	\$48,827,000	\$67,666,000	\$70,895,000	\$72,478,000		14.1%	3
Dodge City Resort & Gaming	\$34,981,000	\$44,559,000	\$46,118,000	\$47,732,000	\$48,926,000	\$50,149,000	3.0%	4
WGR's Projections w/ Inflation	2010	2011	2012				CAGR	Periods
Boot Hill Casino & Resort								
Low	\$49,747,344	\$49,884,240	\$50,025,552				0.28%	2
Mid	\$64,442,688	\$64,584,000	\$64,731,936				0.22%	2
High	\$73,438,080	\$73,577,184	\$73,724,016				0.19%	2
Dodge City Resort & Gaming								
Low	\$47,853,984	\$47,975,424	\$48,101,280				0.26%	2
Mid	\$62,731,488	\$62,857,344	\$62,989,824				0.21%	2
High	\$71,935,536	\$72,059,184	\$72,189,456				0.18%	2

Boot Hill Casino & Resort



Dodge City Casino & Resort



Attraction/Mass Factor Comparison

WGR Attraction Factor Comparison where Boot Hill Casino & Resort Mid is 100 %				
Scenario 3	Low	Mid	High	Tuned
Boot Hill Casino & Resort	50%	100%	150%	112%
Dodge City Resort & Gaming	47%	94%	141%	43%
WGR Revenue Projections for 2012 w/ Inflation				
Scenario 3	Low	Mid	High	Tuned
Boot Hill Casino & Resort	\$50,025,552	\$64,731,936	\$73,724,016	\$67,217,040
Dodge City Resort & Gaming	\$48,101,280	\$62,989,824	\$72,189,456	\$46,189,152

Summary Income Statement

Summary Income Statement Accounts

As a Percent of Total Revenue

Boot Hill Resort & Dodge City Casino Resort 2011 v FY 2007 NV Gaming Abstract

	Gaming Revenue	Department Expenses	Adv & Prom	Interest Exp	G&A Payroll	Total G&A Exp	EBITDAR
Elko County Wendover 1M+ FY @ June 30,2007	73.0%	38.3%	4.6%	5.3%	9.9%	44.5%	25.8%
Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007	55.3%	47.5%	2.1%	3.6%	8.6%	33.7%	19.1%
Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007	53.7%	50.7%	2.4%	3.9%	7.1%	32.0%	19.1%
Boot Hill Resort & Casino Butler Pro Forma for 2012	84.9%	47.1%	2.8%	6.6%	6.4%	42.2%	21.3%
Dodge City Casino Resort Pro Forma for 2012	80.3%	39.3%	4.1%	6.1%	0.0%	51.8%	21.5%

Source: WGR, NV Gmg Abst, & Applicants Data

Casino Department Income Statement

Casino Department Income Statement Account

As a Percent of Total Casino Revenue

Boot Hill Resort & Dodge City Casino Resort 2011 v FY 2007 NV Gaming Abstract

	Table Revenue	Comp Expense	Payroll	Tax & Lic	Dept Expense	Dept Profit
Elko County Wendover 1M+ FY @ June 30,2007	20.6%	13.4%	8.8%	8.3%	34.9%	65.1%
Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007	18.5%	12.5%	16.1%	8.2%	45.7%	54.3%
Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007	22.9%	21.0%	16.6%	8.1%	55.5%	44.5%
Boot Hill Resort & Casino Butler Pro Forma for 2012	0.0%	1.3%	9.4%	27.0%	48.0%	52.0%
Dodge City Casino Resort Pro Forma for 2012	13.8%	5.3%	24.2%	3.4%	39.4%	60.6%

Source: WGR, NV Gmg Abst, & Applicants Data

Rooms Department Income Statement

Rooms Department Income Statement Account As a Percent of Total Room Revenue Boot Hill Resort & Dodge City Resort 2011 v FY 2007 NV Gaming Abstract				
	Rooms as % of Total Rev	Comp Room Sales	Payroll	Dept Profit- Loss
Elko County Wendover 1M+ FY @ June 30, 2007	6.7%	22.8%	51.6%	29.3%
Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007	15.6%	19.5%	33.1%	55.3%
Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007	18.2%	20.4%	26.6%	62.1%
Boot Hill Resort & Casino Butler Pro Forma for 2012	4.7%	9.1%	29.5%	69.2%
Dodge City Casino Resort Pro Forma for 2012	7.7%	14.0%	28.6%	62.5%
Source: WGR, NV Gmg Abst, & Applicants Data				

Food Department Income Statement

Food Department Income Statement Account

As a Percent of Total Food Revenue

Boot Hill Resort & Dodge City Casino Resort 2011 v FY 2007 NV Gaming Abstract

	Food as % of Total Rev	Comp Food Sales	Cost of Goods	Payroll	Dept Profit- Loss
Elko County Wendover 1M+ FY @ June 30,2007	11.8%	48.0%	46.8%	38.9%	4.3%
Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007	12.6%	26.3%	43.3%	63.5%	-13.5%
Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007	16.2%	27.9%	38.0%	51.3%	2.8%
Boot Hill Resort & Casino Butler Pro Forma for 2012	5.1%	7.4%	42.2%	66.3%	-8.4%
Dodge City Casino Resort Pro Forma for 2012	7.2%	0.0%	34.3%	32.9%	25.7%
Source: WGR, NV Gmg Abst, & Applicants Data					

Beverage Department Income Statement

Beverage Department Income Statement Account

As a Percent of Total Beverage Revenue

Boot Hill Resort & Dodge City Casino Resort 2011 v FY 2007 NV Gaming Abstract

	Beverages as % of Total Rev	Comp Beverage Sales	Cost of Goods	Payroll	Dept Profit- Loss
Elko County Wendover 1M+ FY @ June 30,2007	4.3%	77.6%	36.8%	26.0%	33.0%
Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007	6.1%	50.4%	25.4%	33.0%	34.7%
Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007	6.4%	56.9%	26.6%	25.1%	42.9%
Boot Hill Resort & Casino Butler Pro Forma for 2012	3.8%	8.6%	28.4%	33.2%	38.4%
Dodge City Casino Resort Pro Forma for 2012	2.6%	50.0%	23.7%	48.0%	26.5%
Source: WGR, NV Gmg Abst, & Applicants Data					

Other Department Income Statement

Other Department Income Statement Account

As a Percent of Total Other Revenue

Boot Hill Resort & Dodge City Casino Resort 2011 v FY 2007 NV Gaming Abstract

	Other as % of Total Rev	Comp Other Sales	Cost of Goods	Payroll	Dept Profit- Loss
Elko County Wendover 1M+ FY @ June 30,2007	4.2%	39.5%	29.2%	5.6%	47.4%
Statewide \$36M-\$72M w/ Hotel Rooms FY @ June 30, 2007	10.3%	9.0%	36.5%	17.8%	25.2%
Washoe County Reno/Sparks \$36M+ FY @ June 30, 2007	5.5%	12.2%	23.0%	24.1%	31.6%
Boot Hill Resort & Casino Butler Pro Forma for 2012	1.5%	0.0%	32.4%	17.3%	50.3%
Dodge City Casino Resort Pro Forma for 2012	2.1%	2.0%	55.0%	24.5%	18.2%
Source: WGR, NV Gmg Abst, & Applicants Data					

Richard H. Wells, Experience & Qualifications

Wells is founder and president of **Wells Gaming Research**, a Nevada Corporation that provides Casino Player Count Service™, a market share tracking service, to over 160 casino clients in Nevada, Mississippi, Louisiana, New Mexico, and California.

Wells Gaming Research also performs a wide range of consulting and gaming research assignments including casino market studies, financial feasibility studies, financial projections, due diligence, litigation support, legislative issue support, and gaming industry expert witness services for the gaming industry.



Wells has fifteen years experience as a senior executive in the casino-hotel industry with Holiday Inns, Harrah's, and Bally's. Wells has also held positions in management, planning, and financial analysis for a large regional bank and a major international oil company.

Wells has a B.S. degree in business from Oklahoma State University and completed a post-graduate program in Systems Dynamics at M.I.T. Wells has participated in a wide range of community service activities and is listed in Marquis Who's Who in Finance and Industry and Marquis Who's Who in America.

**Financial Evaluation of the
Ford County Proposals**

A report for the
Kansas Lottery Gaming Facility Review Board

By

John R. Mills, Ph.D., MBA, CPA
Professor of Accounting
College of Business Administration
University of Nevada, Reno

August 26, 2008, 2008

Ford County Proposals

Exhibit 1 Overview	Boothill Casino And Resort	Dodge City Casino Resort
Hotel Rooms	124	125
Casino SF	48,457	87,000
Slots	875	800
Table Games	20	20
Total Cost	\$102,000,000	\$60,300,000
Debt	\$70,000,000	\$40,000,000
Equity	\$32,000,000	\$30,300,000
Debt/Equity	2.18	1.32

Gaming Zone:	South West	
County:	Ford	
Property Name:	Boot Hill Casino & Resort	
Company Name	Butler National AO, LLC	
Parent Company	Butler National Service Corp.	60% ownership
	Larry J Woolf & Associates	40% ownership

Amended Submission per Kansas State Lottery website

1. Cost of Project	Phrase 1	Interim Facility	\$22.3 million
	Phrase 2	Permanent Facility	\$70.6 million
	Total Investment		\$92.9 million

Per Amended Financial Template

2. Funding for Project	
Butler National Corp	\$5.0 million
Larry J Woolf, Sale of Stock	\$20 million
Debt financing for facilities and equipment	\$69 million
Cash flow from Interim Facility	\$ 8 million
Total	\$102 million

The Ford County proposal provides a temporary interim structure to be completed in ten to twelve months. The permanent facility will be completed in the second phrase of the project. It is expected that when the second phrase is completed, the facility will have a 124 room hotel with a 48,457 square foot casino handling 875 slot machines and 20 tables.

The first phrase will provide an initial gaming area of more than 15,250 square feet as part of a 43,000 square foot retail facility. The second phrase would add an additional casino floor of 35,000 square feet plus the 124 room hotel and several restaurants.

Butler National Corporation issued their April 30, 2008 Financial Statements on July 29, 2008. This information has been added to the present analysis.

Overview of Butler National Corporation (as of 4/30/2008)

Butler National Corporation (BUKS) is a company who is classified as being in the Aerospace and Defense industry. The company is diversified and operates in six industry segments. These are 1) Aircraft Modifications, 2) Avionics, 3) Aircraft-Acquisition, Modification and Sales, 4) Monitoring Services, 5) Corporate and Professional Services, and 6) Gaming.

Industry Segment	Assets	Revenue
Aircraft Modifications	18.2%	49.0%
Avionics	21.9%	28.5%
Aircraft	17.9%	0.0%
Monitoring Services	1.3%	8.8%
Corporate and Professional	24.8%	5.2%
Gaming	15.9%	8.5%

Butler National Corporation has a market capitalization of \$26 million and assets over \$27 million. It generated \$17.6 million in revenues in 2008 and had net income of \$1.3 million. Cash flow from operations was \$610,739. The company had \$2.970 million in cash on 4/30/2008.

Gaming Segment

The gaming segment principally includes business management services and advances to Indian tribes in connection with the Indian Gaming Regulatory Act of 1988. These management services and advances are provided through the subsidiary, Butler National Service Corporation ("Management Services", "Gaming" or "BNSC").

Butler National Financial Condition

In terms of revenues and income, Butler National has exhibited wide swings from year to year. For 2008, revenues are up by 20% with income before taxes up by 128%.

Revenues and Earnings	2008	2007	2006	2005	2004
Revenues	17,647	14,681	15,307	23,390	10,123
Income before taxes	1,635	717	437	2,496	747

A comparison of Butler National Corporation with its peer group, Aerospace and Defense, shows that the company is stronger than many of its peers. For 2008, the profitability ratio table shows that the company outperformed the industry in every category.

Profitability Ratios	Industry	2008	2007	2006	2005	2004

Gross margin	0.23	0.43	0.34	n/a	n/a	n/a
Operating margin	0.11	0.12	0.09	0.06	0.12	0.09
EBITDA return	0.11	0.15	0.11	0.08	0.12	0.10
Return before taxes	0.08	0.09	0.05	0.03	0.11	0.07
Return on assets	0.06	0.06	0.04	0.02	0.14	0.06
return on equity	0.2	0.13	0.07	0.04	0.27	0.11

Exhibit 1 provides liquidity and solvency ratios for Butler National. The company has a high current ratio that runs close to 2 to 1 compared to industry norms of 1.4 times. On the other hand, between 70 to 80 percent of the current assets are inventory items. The CFO/CL ratio shows that cash flows from operations can barely cover its current liabilities and in two of the last five years, additional debt or equity had to be used to meet current commitments. The interest charge ratio is also below its peer group norm.

Exhibit 1		30-Apr					
Liquidity & Solvency Ratios		Industry	2008	2007	2006	2005	2004
Current Ratio	1.4	1.99	2.03	1.96	1.98	1.88	
CFO/ CL		0.07	0.05	-0.13	0.08	-0.27	
Interest Charge	16.2	3.55	2.26	1.86	9.26	5.47	
Debt/Equity	0.6	0.91	0.65	0.43	0.28	0.30	
CFO/Capital Expend		0.23	4.25	-3.97	0.36	-13.87	
Free Cash Flow		-2,049	263	1,083	-887	-1,279	

The industry norm for debt/equity at 60% is substantially lower than the casino and gaming norm of 160%. Butler maintained a very low ratio but had a large debt increase in 2008.

The change in the debt of the company is caused by its interest in the Dodge City proposal. It has invested \$2, 659,520 for the purchase of land in Dodge. The company took out a note payable in the amount of \$1,363,175.

Current Commitments

As of April 30, 2008, Butler National stated that it has no other major projects beside the Dodge City proposal. But it does have \$11 million in debt with maturities in the near future.

Maturities of LTD

Year End 4/30	Amount
2009	4,643,567
2010	1,027,870
2011	970,331
2012	985,499
2013	1,215,294
Thereafter	1,836,720
Total	11,059,751

At April 30, 2008, the Company had one line of credit totaling \$1,000,000. The unused line at April 30, 2008 was \$288,919. During the current year these funds were primarily used for the development of the Gaming segment.

On June 24, 2008, the gaming subsidiary Butler National Service Corporation borrowed a total of \$5,500,000 from a bank and an investor to advance the privilege fee deposit to the Kansas Lottery.

Current ability to provide equity funding

According to the amended submission on the Kansas State Lottery website (July 27, 2008) the proposed facility will be developed in two phrases. The first phrase would cost \$22.3 million with the second costing \$70.6 million.

Per discussions at the July 31, 2008 Dodge City meeting, it appears that costs for the project have increased. Costs for the Interim facility are now \$36 million. When combined with the Permanent facility, the total costs are now at \$103 million.

If bank financing requires a minimum of a 20% equity contribution, that calls for cash of \$7.2 m for the Interim facility and an additional \$20.6 m for a total of \$27.8 m. If a 35% equity contribution is required, the total needed cash is \$36 million.

Per the discussions at the July 31, 2008 Dodge City meeting, Butler stated that the firm would contribute \$30 million toward equity. But, a week later at the conference call on August 7th, the President of Butler, Clark Stewart indicated that at this time, the company did not have the financing to complete the project.

The latest submission (8/10/2008) shows that Butler has teamed up with Larry Woolf and Associates and given them a 40% interest for their \$20 million equity investment. Butler

now suggests that Larry J. Woolf and associates can come up with the possible equity funding and is contributing \$20 million. Both believe that they can raise an additional \$10 million if needed.

At this time, no information has been provided that suggests that Larry J. Woolf and Associates has the ability to fund the needed equity contribution.

The revised financial template shows the following contributions:

Member Contributions

Name	Initial Capital Contribution	Number and Class of Interests
Butler National Service Corporation 60%	Personal Property valued at \$5,000,000	30,000,000 Class A Common Interests
Larry J. Woolf & Associates, LLC 40%	Obligation to fund \$5,500,000 plus obligation to fund an additional \$14,500,000 cash all as provided on Schedule A-2	20,000,000 Class A Preferred Interests*

* If \$20,000,000 is not funded by the Class A Preferred Investors on or before December 31, 2009, then the number of Preferred Interests will be reduced pro rata based on the amount actually funded.

Current ability to provide debt financing

Included in Butler National's submittal are two letters of Intent for \$110 million and \$40 million. There is also a letter of interest from a third bank.

Conclusion

While Butler National appears to be a well run company, it also appears that the company does not have the current capability to come up with the necessary \$30 million plus funding to construct the facility that they have proposed. At this time, Butler has provided additional information that suggests that Larry J Woolf and Associates have agreed to fund \$20 to \$25 million for a 40% ownership.

At this time, there is no financial information that substantiates the ability of Larry J Woolf and Associates to provide such funding.

Gaming Zone: South West
County: Ford
Property Name: Dodge City Casino Resort
Company Name: Dodge City Resort and Gaming Company, LLC
Parent Company: Group of LLCs and individuals

1. Cost of Project \$60,300,000

2. Funding of project

a. Equity funding \$30,300,000

b. Debt Funding \$40,000,000

This resort will be developed in two phases. The initial phase will change the existing building on the site by converting it to a simple but functional operating casino that can be open in under seven months from contract execution. When it opens, it will have 25,000 square feet of casino with 500 slot machines and 6 table games.

The second phase will take an additional 18 months for completion. The finished product will have 87,000 square feet of casino that supports 800 slot machines and 20 table games. In addition, there will be a three star hotel with 125 rooms, restaurants and a convention center.

Dodge City Resort and Gaming Company is a newly formed Kansas LLC. The investors are a combination of other LLCs, individual investors, and revocable trusts.

Equity Contribution

This group of investors initially contributed start-up costs equal to \$875,000 as class C and D members. The group has also entered into a formal contract that if given the Kansas license, they have a Funding Agreement to provide a total \$30,000,000 in equity capital to develop, construct, and operate the proposed gaming enterprise.

The application states that the net worth (and available liquid assets) of the members is sufficient that they have the financial capacity, without any third-party financial assistance, to finance the total development and construction of this project. (see page 411 in the application)

I have not been given the net worth or liquid asset statements to verify that their statement is accurate.

Debt Contribution

The Dodge City Resort and Gaming Company has included a conditional commitment for debt financing from Wells Fargo Bank, N.A. Mr. Brad Peterson, Executive Vice President that concludes that he is highly confident in putting together the debt financing.

Conclusion

The Dodge City Resort and Gaming Company have stated they have the financial capacity to fully fund this project. Verification of this fact would go a long way toward providing assurances that they are capable of doing so.

***Kansas Lottery
Gaming Facility Review Board
Southwest Gaming Zone***

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Introduction

The Kansas Lottery Gaming Facility Review Board engaged the partners of Probe Strategic Services to conduct an assessment of the ancillary development and amenities associated with the management proposals for the Lottery Gaming Facilities (LGF) located in the four gaming zones.

To conduct this analysis, Probe examined the characteristics of the market. Based upon the market customer characteristics, the available products in the market area, and the data produced in the gaming market assessments generated in Task 1, a list of possible amenities was developed. In the case of the South West Gaming Zone, we have examined the customer characteristics in 30, 60 and 100 miles radii and rings from a point located between the two proposed casinos.

Next, we examined each proposal's amenity package by considering the appropriateness of the individual amenity to the property, market, and customer characteristics. We then reviewed the entire amenity package and its alignment with the market and the operating strategy proposed by the prospective managers.

Finally, we compared consolidated versions of the prospective applicants' pro-formas in relation to each other and the stated visitation estimates to ascertain any differences or identify possible inconsistencies in assumptions.

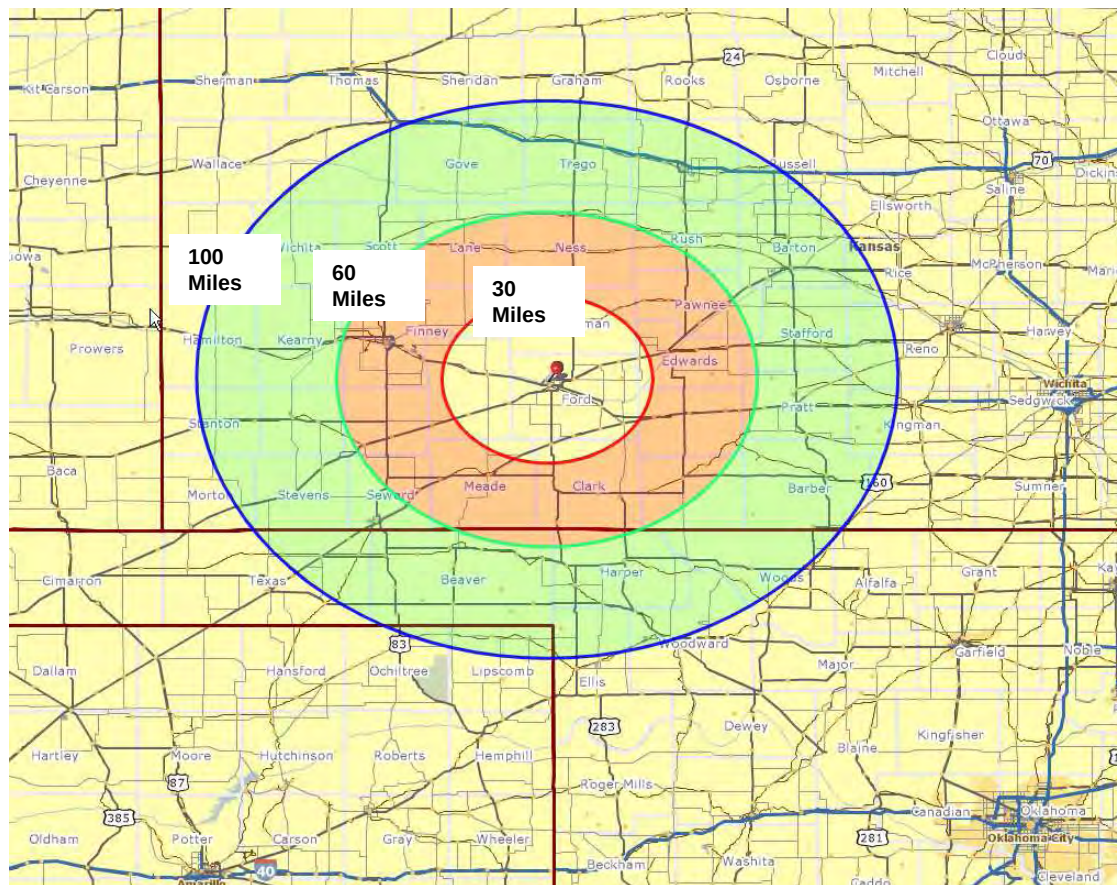
The proposals were examined in the overall context of their ability to fulfill the goals set out in Senate Bill 66:

- Maximize Revenues for the state of Kansas.
- Promote Tourism.
- Serve the best interests of the state of Kansas.

In our professional opinion, each of the amenity and ancillary development packages that are being proposed by the prospective managers are appropriate for their market and overall operating strategy and are sufficient to meet the needs of the visitor volume projected in Tasks 1 and 4 and by the separate market assessments presented by the applicants.

Market Assessment

Market Area



Two applications to manage a Lottery Gaming Facility were submitted and endorsed for the South West Gaming Zone in Ford County. One is located close to the western start of the Highway 50 bypass on the western edge of Dodge City, while the other is located on 112th street just north of the Highway 50 bypass on the northeast corner of Dodge City.

In the regional market, the midpoint between the two proposed casino exits is located approximately 2 hours and 51 minutes from Wichita, 5 hours and 7 minutes from Oklahoma City and 4 hours and 35 minutes from Amarillo, Texas.

We have examined demographic data within radius miles from the midpoint between the locations (hereafter referred to as 'locations'), using 30 mile, 60 mile and 100 mile radii. In the map to the left, the shaded areas depict the different distance radii from the midpoint between the sites while the circles depict the radii.

Data is presented for the 0-30, 0-60 and 0-100 mile radii as well as the 31-60, and 61-100 mile rings.

Market Assessment

Demographic Composition – Population / Age

Population by Age	Demographic Data Population Within						Demographic Data Population Within			
	0-30 Miles		0-60 Miles		0-100 Miles		31-60 Miles		61-100 Miles	
	2008	2013	2008	2013	2008	2013	2008	2013	2008	2013
Total Population	43,525	44,668	114,188	113,596	285,200	282,728	70,662	68,928	171,012	169,132
Average Age	32	32.8	32.7	33.4	35.4	36.1	33.2	33.8	37.4	38.1
Adult Population Over 21	28,927	29,785	75,844	75,700	197,187	196,609	46,807	45,823	121,897	120,828
Population 45 Years +	14,450	14,830	38,938	40,667	108,376	111,960	24,378	25,021	69,773	71,205
Population 45 Years + %	50%	50%	51%	54%	55%	57%	52%	55%	57%	59%

Within 30 miles of the locations, there are 43,525 residents with an average age of 32 years; by 2013 the population is expected to rise to 44,668 with an average age of 32.8 years. At this distance from the locations, there are 28,927 Adults over the age of 21, increasing to 29,785 by 2013. Fifty percent of the Adult population is over 45 years of age and totals 14,450; the comparable numbers for 2013 are 14,830 and 50%.

Within 60 miles of the locations, there are 114,188 residents with an average age of 32.7 years; by 2013 the population is expected to decrease to 113,596 with an average age of 33.4 years. At this distance from the locations, there are 75,844 Adults over the age of 21, decreasing to 75,700 by 2013. Fifty-one percent of the Adult population is over 45 years of age and totals 38,938; the comparable numbers for 2013 are 40,667 and 54%.

Within 100 miles of the locations, there are 285,200 residents with an average age of 35.4 years; by 2013 the population is expected to decrease to 282,728 with an average age of 36.1 years. At this distance from the locations, there are 197,187 Adults over the age of 21, decreasing to 196,609 by 2013. Fifty-five percent of the Adult population is over 45 years of age and totals 108,376; the comparable numbers for 2013 are 111,960 and 57%.

Market Assessment

Demographic Composition - Race

Percent of Total Population by Race/Ethnicity	Demographic Data Population Within						Demographic Data Population Within			
	0-30 Miles		0-60 Miles		0-100 Miles		31-60 Miles		61-100 Miles	
	2008	2013	2008	2013	2008	2013	2008	2013	2008	2013
White	75%	72%	75%	73%	82%	80%	75%	73%	86%	85%
Black	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
American Indian	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Asian or Pacific Islander	2%	2%	2%	2%	1%	2%	2%	2%	1%	1%
Some Other Race	19%	21%	18%	20%	13%	14%	18%	20%	9%	10%
Two or More Races	3%	3%	3%	3%	2%	2%	2%	3%	2%	2%
Hispanic Origin	39%	43%	36%	40%	24%	27%	34%	37%	17%	19%

Within 30 miles of the locations, the percentages of the White residents is expected to decrease from 75% in 2008 to 72% in 2013; Black residents (1%) American Indian (1%), and Asian or Pacific Islander (2%) populations are expected to remain in the same proportions in 2013 as in 2008. Within 30 miles of the locations, 33% of the population is of Hispanic Origin and is expected to increase to 43% by 2013.

Within 60 miles of the locations, the percentages of the White residents is expected to decrease from 75% in 2008 to 73% in 2013; Black residents (1%) American Indian (1%), and Asian or Pacific Islander (2%) populations are expected to remain in the same proportions in 2013 as in 2008. Within 60 miles of the locations, 36% of the population is of Hispanic Origin and is expected to increase to 40% by 2013.

Within 100 miles of the locations, the percentages of the White residents is expected to decrease from 82% in 2008 to 80% in 2013; Black residents (1%) and American Indian (1%) populations are expected to remain in the same proportions in 2013 as in 2008. Within 100 miles of the locations, 24% of the population is of Hispanic Origin and is expected to increase to 27% by 2013 while Asian or Pacific Islander is expected to increase from 1% to 2%.

Market Assessment

Demographic Composition – Educational Attainment

Percent of + 25 Age Population by Educational Attainment	Demographic Data Population Within					
	0-30 Miles	0-60 Miles	0-100 Miles		31-60 Miles	61-100 Miles
	2008	2008	2008		2008	2008
No High School Diploma	23%	24%	20%		24%	17%
High School Graduate	26%	27%	30%		28%	32%
Some College	33%	31%	31%		31%	31%
Bachelor Degree	19%	18%	19%		17%	20%

Within 30 miles of the locations, 23% of the population does not have a High School Diploma; 26% are High School graduates; 33% have some college, and 19% have a Bachelor Degree.

Within 60 miles of the locations, 24% of the population does not have a High School Diploma; 27% are High School graduates; 31% have some college, and 18% have a Bachelor Degree.

Within 100 miles of the locations, 20% of the population does not have a High School Diploma; 30% are High School graduates; 31% have some college, and 19% have a Bachelor Degree.

Market Assessment

Demographic Composition – Financial

Per Capita	2008 Demographic Data Population Within				
	0-30 Miles	0-60 Miles	0-100 Miles	31-60 Miles	61-100 Miles
	2008	2008	2008	2008	2008
Median Disposable Income	\$ 13,091	\$ 13,230	\$ 13,682	\$ 13,328	\$ 14,012
Indexed to US	0.78	0.79	0.82	0.80	0.84
Mean Disposable Income	\$ 16,203	\$ 16,556	\$ 17,045	\$ 16,783	\$ 17,416
Indexed to US	0.72	0.74	0.76	0.75	0.77
Median Net Worth	\$ 26,398	\$ 26,885	\$ 28,407	\$ 27,201	\$ 29,411
Indexed to US	0.65	0.66	0.70	0.67	0.72
Mean Net Worth	\$ 128,192	\$ 134,098	\$ 133,977	\$ 137,829	\$ 134,265
Indexed to US	0.65	0.68	0.68	0.70	0.68

Within 30 miles of the locations, half the population (median) earns \$13,091 or more in disposable (after tax) income; within 60 miles, \$13,320 or more; within 100 miles, \$13,682 or more. The average (mean) disposable income within 30 miles of the locations is \$16,203; within 60 miles \$16,556; within 100 miles, \$17,045.

Within 30 miles of the locations, half the population (median) possesses a net worth of \$26,398 or more; within 60 miles, \$26,885 or more; within 100 miles, \$28,407 or more. The average (mean) net worth within 30 miles of the locations is \$128,192; within 60 miles \$134,098; within 100 miles, \$133,977.

We can compare the mean disposable incomes and net worth at various distances from the locations to the U.S. Index. At 30 miles radius, the median income is 78% of the US level while the mean is 72%. The median and mean net worth are both 65% of the US average. The levels of these data rise slightly at greater distances from the locations, but remain below the US level. These data imply that per trip spending will be lower at this location compared to locations with income and worth closer to the US levels. Note that this is reflected in the applicant spreadsheet submissions as well as the Task 1 and Task 4 reports.

Market Assessment

Data Note on Index Construction and Sources

The following slides detail the resident population's **Market Potential Index** (MPI). This measures the relative likelihood of the adults in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. average. An MPI of 100 represents the U.S. average.

These data are based upon national propensities to use various products and services, applied to local demographic composition. Thus, consumer behaviors in an area are inferred from the known behavior of persons with similar characteristics obtained from a representative national survey.

Usage data were collected by Mediamark Research Inc. in a nationally representative survey of U.S. households.

Market Assessment

Entertainment and Leisure Activities

Based Upon Propensity of US Population with Demographics similar to Market Area

Per Capita	2008 Demographic Data Population Within					
	0-30 Miles	0-60 Miles	0-100 Miles		31-60 Miles	61-100 Miles
	2008	2008	2008		2008	2008
Bought lottery ticket in last 12 months	95	93	93		91	92
Bought lottery ticket in last 12 mo: Instant Game	103	103	104		103	105
Played lottery: <2 times in last 30 days	92	86	84		82	84
Played lottery: 2-6 times in last 30 days	95	93	94		92	95
Played lottery: 7+ times in last 30 days	104	107	108		109	108
Gambled at casino in last 12 months	89	88	87		88	86
Gambled at casino 6+ times in last 12 months	78	82	87		84	90

This table presents, in part, the casino gambling and bingo playing indices that compare the market area of the study to the propensities of the national population. Generally, the propensity of this population is less likely to have gambled at a casino last year and less likely to have gambled frequently at a casino, and at closer distances even less likely to be frequent casino gamblers. The propensity to visit a casino multiple times increases with distance from the locations. While a portion of this propensity is access to gaming, a significant portion is due to the population characteristics.

Similarly, the propensity to purchase lottery tickets is slightly below the national level. While overall lottery play is below the national levels, frequent play is slightly above the national level. Instant ticket purchases are slightly above the national levels.

Market Assessment

Entertainment and Leisure Activities

Based Upon Propensity of US Population with Demographics similar to Market Area

Per Capita	2008 Demographic Data Population Within					
	0-30 Miles	0-60 Miles	0-100 Miles		31-60 Miles	61-100 Miles
	2008	2008	2008		2008	2008
Dined out in last 12 months	85	87	90		88	92
Dine out < once a month	122	126	126		129	126
Dine out once a month	95	95	98		96	100
Dine out 2-3 times a month	88	89	96		90	100
Dine out once a week	72	72	77		71	81
Dine out 2+ times per week	78	79	83		80	85
Went to bar/night club in last 12 months	95	99	103		101	106
Danced/went dancing in last 12 months	98	97	98		96	99

The population demographics are less likely to dine out compared to the US average. Among those who do dine out, they tend to do so less frequently in comparison to the US average.

The propensity to attend a bar/night club in the last year and to go dancing is roughly similar to the US average, with the propensity to visit a bar increasing with distance from the locations.

Market Assessment

Entertainment and Leisure Activities

Based Upon Propensity of US Population with Demographics similar to Market Area

Per Capita	2008 Demographic Data Population Within				
	0-30 Miles	0-60 Miles	0-100 Miles	31-60 Miles	61-100 Miles
	2008	2008	2008	2008	2008
Attend sports event: auto racing (not NASCAR)	104	107	109	108	110
Attend sports event: auto racing (NASCAR)	97	100	101	102	102
Attend sports event: football game (college)	85	84	93	84	99
Attended movies in last 6 months	90	87	86	86	86
Attended movies in last 90 days: once/week or more	104	99	94	95	92
Attended country music performance in last 12 months	119	121	129	123	133
Attended rock music performance in last 12 months	82	78	79	76	79

The area demographics forecasts a population likely to attend racing events, college football games and country music shows. The population is slightly less likely to attend rock music concerts. Movie attendance is above the US level within 30 miles of the locations, decreasing as the distance from the locations increases.

Market Assessment

Entertainment and Leisure Activities

Based Upon Propensity of US Population with Demographics similar to Market Area

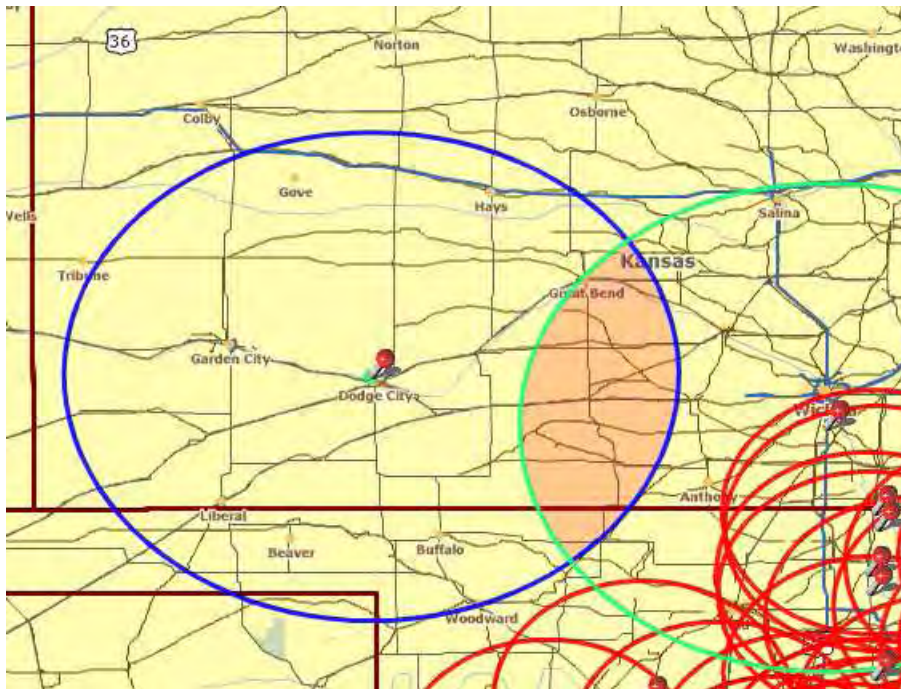
Per Capita	2008 Demographic Data Population Within					
	0-30 Miles	0-60 Miles	0-100 Miles		31-60 Miles	61-100 Miles
	2008	2008	2008		2008	2008
Participated in basketball	96	99	103		100	106
Participated in football	112	105	105		100	106
Participated in bowling	94	97	99		98	101
Participated in fishing (fresh water)	126	134	142		139	148
Participated in horseback riding	119	124	127		127	128
Participated in hunting with rifle	147	165	184		176	195
Participated in hunting with shotgun	93	103	115		109	122
Participated in motorcycling	102	103	108		103	111
Participated in target shooting	112	117	125		120	130
Participated in yoga	62	63	69		63	72
Participated in aerobics	78	74	73		71	73

The demographics suggest a population in this area is less likely to participate in individual physical activities such as yoga and aerobics. Participation in bowling is just below average. However, the population is more likely to participate in team activities and sports, such as football.

The population participates in certain outdoor activities at a level significantly above the national average, such as hunting, target shooting, horseback riding and fishing.

Market Assessment

Regional Casino Competition



As reported in the Wells Task 1 *Kansas Casino Market Study* there are no gaming facilities located in the 150 mile trade area from the proposed property locations. For illustrative purposes, we present the following map of the greater regional trade area which includes Oklahoma City, and the Wichita areas to visualize some of the trade overlap. The 100 mile radius for the Lottery Gaming Facility in the South Central zone is shown in Green, while the 100 mile radius for the South West locations is in Blue. The shaded area represents the overlap between the South West and South Central trade areas. Approximately 14% of the residents in the South West Trade area are located in this overlap area.

All the other gaming facilities in the greater regional area are depicted with a 50 mile red radius surrounding the property to illustrate the ubiquity of the competition in the area and the overlapping effects. The Oklahoma properties are almost all considered to be convenience properties with lesser amenities and more restrictive games and will have differential gravitational pulls in their area proportionate to their size and attractiveness. The market is well served at the convenience level with the availability of basic Indian facilities. Convenience will not be a driving reason for Oklahomans to visit Ford County; other enticements must be offered to those Oklahoma customers who can be influenced to visit a Ford County casino.

Market Assessment

Market Area Offerings – Hotel and Convention

Hotel Supply

Total Hotels within 50 Miles	13
Total Rooms in MSA	815
Upper Level Hotels within 50 Miles	0
Upper Level Rooms within 50 Miles	0

According to the Dodge City Visitors and Convention Bureau, there are approximately 100,000 visits to the area each year, including overnights in hotels and in residences.

There are 13 hotels within 50 miles of the Dodge City area, with 815 rooms.

There are currently no Luxury or upper market chain hotels in the market.

Utilizing Smith Travel Research data and Probe projections, we believe that the Average Daily Rate (ADR) in 2013 for a room in the Dodge City area will be \$83 and the occupancy rate will be 70%.

Hotels with Convention Supply

Hotels with Convention/Meeting (any)	5
Hotels with 4,000 sq ft or greater	2

Of the 13 hotels in the market, 5 have some convention or meeting space. One property has approximately 8,000 square feet of space and another approximately 5,000 square feet. The remaining properties have limited meeting rooms. There is an additional 15,000 sq ft of space in the Dodge City Civic Center that has theatre seating for 2,800. There is also a variety of non-traditional spaces located outside hotels throughout the city including colleges, the Boot Hill Museum, and other facilities.

Market Assessment

Market Area Offerings – Entertainment and Attractions

- Boot Hill Museum and Front Street
- Depot Theater Co and Santa Fe Depot
- Dodge City Raceway Park
- Dodge City Rodeo Arena
- Various outdoor sports activities such as hunting and fishing.
- A variety of historical sites in around the city which currently attract visitors to the area.
- Two Golf Courses
- A variety of local bars and restaurants throughout town providing nightlife and dining opportunities.
- Dodge City Days, held each summer, providing the single largest event currently in the county.

The LGF will compete locally with other entertainment options. The casino will be a unique offering in the local area, and Probe expects that it will provide a significant entertainment option for the regional area

Dodge City has entertainment options and activities for visitors that we believe the LGF will compliment. A selected list of entertainment and local attractions is found in the box on this page.

Initially, the restaurants, bars and entertainment at LGF will provide reasons for trial and repeat use among non-gaming customers. It will be necessary to maintain these amenities at a quality level which meets or exceeds the area offerings.

Product Assessment

Potential Products

2013 Task 4 Estimates
 Inflated at 2.5% per annum

Measure	Wells		Cummings		Average Across
	Boot Hill	Dodge City	Boot Hill	Dodge City	
Visitors	862,700	837,966	618,217	606,596	731,370
2013 Revenue	\$64,720,965	\$62,979,148	\$46,048,314	\$45,369,469	\$54,779,474

Probe has been asked to examine the potential amenities assuming the consultant gaming revenue estimates. Operating under this instruction, we make the following assumptions:

Casino Size, 800-900 slot machines with 20 table games.

The Task 4 estimates of visitation for this facility are located in the accompanying table. The average win per patron is estimated at \$76. This is higher than either applicant at approximately \$60 in 2013 dollars. While the consultant spend per trip are similar with each other and the applicant spend per trip are also consistent with each other, they each provide significantly different estimates of the number of trips.

Given these estimates from Task 4, the average daily attendance across the two facilities would be 2,005. In a local environment such as this, approximately 55% to 60% of the visits to the property would occur over weekends and holidays. Visitation will peak on Saturday at about 1.6 times the daily average, or an expected 3,206 patrons on a typical Saturday. Facilities should be planned to meet this typical pattern, with excess capacity for peak days and times.

The number, level, and type of amenities proposed by any prospective manager will be dependent on company strengths, its interpretation of the market, and its operating strategy.

Product Assessment

Potential Products

F&B:

Buffet: (150-200 Seats). Utilizing as much of a live action exciting food product as is financially feasible.

Café: (150-200 Seats) Local influenced dining establishment, could be utilized as a buffet as well, dual use.

Specialty Restaurant: (75-100 seats) Steakhouse or other specialty restaurant.

Food Court/Quick Serve: (20-40 Seats) Appeal to the budget/convenience gambler looking for an inexpensive and fast alternative.

One main bar: A center or main bar attraction with the ability for live entertainment, either as a full lounge or a stage set back behind the bar.

Hotel:

Rooms: Similarly sized, Non-destination resort areas outside Nevada would contain 125-225 Midscale to Upscale rooms. The typical (modeled) number of rooms for a casino of this size outside a destination market with convention space would be towards the upper end of the range, however adjusting for the local market conditions, the lower end of the range would be appropriate initially, moving towards the upper range and possibly beyond if the Sports Center is co-located or market conditions permit.

Other Possible Hotel Amenities: Pool; Exercise facilities; Executive meeting space

Retail:

Sundry and Gift Shop: Convenience items and logo gift items.

Dual Use Convention/Entertainment space: Would be sized for use in entertainment as well as convention space, however space in excess of 10,000 square feet would be difficult to fully utilize.

Additional Features:

Truck, and Bus Parking – Traffic intercept from and marketed bus trips to outer regional markets.

Truck stop C-Store should be considered.

RV parking with full hook-ups.

Local Market:

Given the impact that this product will have initially on the community, we believe that additional entertainment products targeted at the community in the initial phases would be excessive and would not be warranted in the initial phases.

Proposal Assessment

The following pages contain Probe's assessment of each of the prospective managers' amenities.

For each proposal, we present an overview of the amenities offered, and then offer comments by area.

In addition to a description of the amenities, the consolidated pro forma for the third year of each operation are displayed where available. We present 2013 as this will be the time when most properties would achieve stable operations. In relation to the prospective managers' estimates of gaming revenue, the proposals contain reasonable, albeit optimistic at times, estimates of performance.

The revenue projections for the ancillary products are relative to the amount of visitation each property would achieve. Should the properties achieve the visitation projected as an average of Task 4, ancillary revenue would decline or rise in a proportionate manner.

Note that since this will be a true monopoly, and that casino credits are not subject to revenue sharing, the applicants have both proposed a strategy that primarily uses complimentary casino credits for slot players with minimal or no complimentary rooms or food.

It is worth highlighting for the board a potential difference that can emerge among the pro formas based upon the pricing of hotel rooms and the corporate strategy for accounting for revenue.

Utilizing Smith Travel Research data for the Dodge City area market, we believe that a 125 room casino property with the amenities described could achieve an ADR of \$127 in the third year of operations, or 2013. It is expected that the property will be the nicest of any available within a 50 mile radius and will be able to capture a significant amount of business travel to the area.

Casinos will offer complimentary and discounted rooms to its casino segment of customers. Internally, the hotel department will charge the casino department a transfer price for the complimentary goods and services provided in the hotel for casino customers. Depending on the corporate strategy, the hotel may charge the casino a rate that yields up or down with the market, or a standard below market rate to the casino.

How this internal transfer price is set can affect the overall average daily rate as reported or projected. If the corporate strategy is to report revenue in the hotel, a higher market drive transfer price would be used. If the strategy is to show greater income in the casino department, there would be a larger differential between the transfer price and the market price. Consequently, differences in average daily rates contained in the different proposals may not reflect actual prices paid in the market.

Proposal Assessment

Butler National Service Corporation

Ancillary Products Summary

Butler National Service Corporation has proposed a property operating as Boot Hill Casino and Resort. The property will be located on the west side of the Highway 50 Bypass on the western side of Dodge City. The casino will be 89,758 sq ft with 875 slot machines and 20 table games. The following is an overview of the amenities and ancillary developments that will be available.

There will be three dining outlets on property – with 1 additional bar.

Located on the property will be a 124 room hotel including 100 standard rooms at 462 sq ft and 24 luxury suites at 789 sq ft. The hotel will include a 3,000 sq ft spa, a 4,000 sq ft indoor pool area in addition to an outside pool.

There is 11,000 sq ft of convention space that can be divided into four different sized break-out rooms and converted into a 1,000 seat entertainment venue. In addition to this space, the feature bar will have entertainment seating for fifty.

The proposal includes 1,104 sq ft of retail space. Note that the separate temporary facility will be converted into 60,000 square feet of retail space.

RV parking will be created with the city events center.

Proposal Assessment

Butler National Service Corporation

Hotel

Hotel Rate and Occupancy Data	
Number of Rooms	124
Occupancy Rate	81.0%
2013 Average Daily Rate (ADR)	\$ 117.69
Leisure Percent of Occupied	58%
Business Percent of Occupied	42%
Percentage residents (<100 miles)	27%
Percentage Tourists (>100 miles)	73%
2013 Consolidated Pro Forma	
Room Sales	\$ 3,965
Complimentary Rooms	349
TOTAL REVENUE	4,313
TOTAL HOTEL EXPENSES	1,246
TOTAL HOTEL INCOME	\$ 3,067
Hotel Revenue Ratios	
Comp sales as percent of Revenue	8%
Expenses as percent of Revenue	29%
Income as Percent of Revenue	71%

The Boot Hill hotel property is appropriate for the market and for the plan as proposed by Butler National.

Consistent with its stated policy to limit complimentaries, and with an expected 42% business occupancy, it is planning to comp 8% of the rooms sold. Note that with an expected occupancy rate of 81%, this provides some product to be comped in excess of the original plan while still meeting the original cash customer estimates.

The ADR of \$117.69 projected for year three of operation is slightly below the Probe projected market price of \$127 for a casino property in Ford County. We note that expenses as a percent of revenue are among the lowest of any applicant and income as a percent of revenue is among the highest.

Proposal Assessment

Butler National Service Corporation

Food

Outlet	Seating Capacity	Mean Spend/ Cover	Theme/Description
Fine Dining / Steakhouse	66	\$ 25.00	On those special occasions, guests will enjoy the warmly appointed 50-seat Fine Dining/Steakhouse. Guests will savor a classic menu of tender steaks from the finest cuts of beef, seafood specialties, and fine wines---a culinary experience.
24 Hour Café/ Buffet	150	\$ 10.00	The 24 hour Café / 150-seat buffet will serve American classics for breakfast, lunch, and dinner. It will open to the casino floor and provide a cozy atmosphere with a spectacular array of food from "Americana" to ethnic offerings. Guests will also enjoy the excitement of "action station" cooking, fresh salads, and their favorite dessert selections.
Snack Bar	25	\$ 7.50	The snack bar is designed for those guests who don't have time for a multi-course meal or prefer a more casual atmosphere.
Total	241	\$ 10.72	Average weighted by expected covers/day

2013 Consolidated Pro Forma	
Food Sales	\$ 4,174
Complimentary Food Sales	305
TOTAL REVENUE	4,479
Cost of Sales	1,889
GROSS MARGIN	2,590
TOTAL FOOD EXPENSES	2,969
TOTAL FOOD INCOME	\$ (379)
Food Revenue Ratios	
Comp sales as percent of Revenue	7%
Cost of Sales as percent of Revenue	42%
Expenses as percent of Revenue	66%
Income as Percent of Revenue	-8%

The Butler National food outlets are appropriate to the market, and would complement its master brand.

The average price point of \$10.72 is appropriate to the market. Given its estimate of the number of annual covers, it would expect to serve 27% of all visitors to the property (assuming one meal per visitor), which may be appropriate given the limited comping planned for the property.

Comp sales are estimated at 7% of total food revenue. Overall, the department is projected to post a loss, consistent with the industry, and with the comping policy.

Proposal Assessment

Butler National Service Corporation

Beverage

Outlet	Seating Capacity	Theme/Description
Cabaret Lounge	50	Centrally located within the main casino floor, the feature bar provides an iconic destination for meeting friends and family for a cocktail before heading to the next big jackpot.

The Butler National Service Corporation beverage outlet is appropriate to the market.

Comp sales are estimated at 8% of total beverage revenue. This would be more consistent with the inability to comp alcohol.

2013 Consolidated Pro Forma	
Beverage Sales	\$ 3,111
Complimentary Beverage Sales	268
TOTAL REVENUE	3,379
Cost of Sales	960
GROSS MARGIN	2,419
TOTAL Beverage EXPENSES	1,122
TOTAL Beverage INCOME	\$ 1,297
Beverage Revenue Ratios	
Comp sales as percent of Revenue	8%
Cost of Sales as percent of Revenue	28%
Expenses as percent of Revenue	33%
Income as Percent of Revenue	38%

Proposal Assessment

Butler National Service Corporation

Convention/Entertainment

Butler National Service Corporation has proposed a 11,040 sq ft Multi-Purpose Entertainment Venue - capable of hosting a variety of convention, meeting and entertainment events. The space can be configured for four different room sizes in addition to the full space.

The Multi-Purpose Entertainment Venue can be used for live entertainment and seat 1,000.

As a mixed use facility, Butler National will have the ability to utilize the space for entertainment or conventions as it sees fit and can adapt to market conditions as they develop. This is an appropriate use of this space for the market. While there may be plans to use the facility for entertainment, no pro forma for this use was submitted.

There will be live entertainment capabilities in the Feature Bar.

2013 Consolidated Pro Forma	
Convention Sales	\$ 661
Complimentary Sales	-
TOTAL REVENUE	661
Cost of Sales	231
GROSS MARGIN	429
TOTAL CONVENTION EXPENSES	234
TOTAL CONVENTION INCOME	\$ 195
Convention Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	35%
Expenses as percent of Revenue	35%
Income as Percent of Revenue	30%

Proposal Assessment

Butler National Service Corporation

Retail

The Butler National Service Corporation Retail outlet is appropriate to the facility.

There are no Complimentary retail sales projected in the retail department. This is consistent with the plan to engage in a minimal complimentary policy.

Cost of Goods Sales ratios are consistent with industry norms. No Expenses for retail were submitted.

As noted previously, the temporary facility will be converted into 60,000 square feet of separate retail space when the permanent facility is opened. Pro Forma details were not submitted as this is assumed to be a separate development from the LGF.

Outlet	Square Feet
Casino Logo Shop	1,104

2013 Consolidated Pro Forma	
Retail Sales	\$ 528
Complimentary Retail Sales	-
TOTAL REVENUE	528
Cost of Sales	264
GROSS MARGIN	264
TOTAL Retail EXPENSES	
TOTAL Retail INCOME	\$ 264
Retail Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	50%
Expenses as percent of Revenue	0%
Income as Percent of Revenue	50%

Proposal Assessment

Butler National Service Corporation

Additional Amenities

Butler National will offer a 3,000 sq ft spa in the hotel, an amenity becoming standard across the industry which can be used for packages, and adds to the stature of the facility, but will not drive significant additional tourism as an operating entity. However, in the context of the current property and the size of the property, the planned spa will need to have significant penetration into the community as a day spa. The applicant intends to lease the facility to a third party for \$8,000 a month.

Butler National will have an indoor and an outdoor pool, consistent with the strategy of operating a year round resort in the area.

RV parking is planned for the co-located Events Center.

Proposal Assessment

Dodge City Resort & Gaming Company, LLC

Ancillary Products Summary

Dodge City Resort and Gaming Company, LLC has proposed a property operating as Dodge City Casino Resort. The property will be located at 10888 112th Road, Dodge City, Kansas, just north of the Highway 50 bypass. The casino will be 87,043 sq ft with 800 slot machines and 20 table games. The following is an overview of the amenities and ancillary developments that will be available.

There will be three permanent dining outlets on property – with 1 permanent bar.

Located on the property will be a 125 room hotel including 114 standard rooms, and eleven premium rooms. The standard rooms will be 404 Square Feet and the premium rooms will average 608 square feet. While not noted in the spreadsheet submissions, there was a rendering of a pool included in the presentation to the board.

There is 9,390 sq ft of convention space that can divide into four break-out rooms and converted into a 1,200 (Max) seat entertainment venue.

The proposal includes three retail spaces of 720 sq ft, 705 sq ft, and 700 sq ft utilized as a Hotel Gift Shop, Convenience Store, and Apparel and Gift Shop respectively.

There are 100 spaces in the proposal for RV parking.

Proposal Assessment

Dodge City Resort & Gaming Company, LLC - Hotel

Hotel Rate and Occupancy Data	
Number of Rooms	125
Occupancy Rate	78.6%
2013 Average Daily Rate (ADR)	\$ 131.60
Leisure Percent of Occupied	48%
Business Percent of Occupied	52%
Percentage residents (<100 miles)	41%
Percentage Tourists (>100 miles)	59%
2013 Consolidated Pro Forma	
Room Sales	\$ 4,058
Complimentary Rooms	661
TOTAL REVENUE	4,719
TOTAL HOTEL EXPENSES	1,726
TOTAL HOTEL INCOME	\$ 2,993
Hotel Revenue Ratios	
Comp sales as percent of Revenue	14%
Expenses as percent of Revenue	37%
Income as Percent of Revenue	63%

The Dodge City Casino Resort hotel property is appropriate for the market and for the plan as proposed.

Consistent with its stated policy to limit complimentaries, and with an expected 52% business occupancy, it is planning to comp 14% of the rooms sold. Note that with an expected occupancy rate of 78.6% this provides some product to be comped in excess of the original plan while still meeting the original cash customer estimates.

The ADR of \$131.60 projected for year three of operation is slightly above the Probe projected market price of \$127 for a casino property in Ford County. This may be a function of the ability to drive rate at the expense of occupancy, or as noted previously, different internal accounting methods used for casino rate rooms.

Proposal Assessment

Dodge City Resort & Gaming Company, LLC - Food

Outlet	Seating Capacity	Mean Spend/ Cover	Theme/Description
Steak House	178	\$ 25.00	This Steak House features elegant seating with wood floors and painted windows overlooking an exterior well landscaped plaza
Casual Dining Room	134	\$ 10.00	This Casual Dining Room features comfortable seating offering breakfast, lunch, and dinner menu items daily.
Deli	17	\$ 7.50	This quick-serve Deli offers fast sandwich and snack service for patrons in a hurry.
Total	329	\$ 12.25	Average weighted by expected covers/day

The Dodge City Resort and Gaming food outlets are appropriate to the market, and would complement its master brand. The seating capacity of the Steak House may be aggressive in relation to its casual dining room, especially with its limited comping plan for Food revenue.

The average price point of \$12.25 is appropriate to the market. Given the estimate of the number of annual covers, it expects to serve 46% of all visitors to the property (assuming one meal per visitor), which may be aggressive given the lack of comping plan for the property.

Comp sales are estimated at 0% of total food revenue. Overall, the department is projected to generate income of 26%, which is aggressive considering industry norms, and is related to the lower expenses as a percent of revenue.

2013 Consolidated Pro Forma	
Food Sales	\$ 4,293
Complimentary Food Sales	-
TOTAL REVENUE	4,293
Cost of Sales	1,474
GROSS MARGIN	2,819
TOTAL FOOD EXPENSES	1,712
TOTAL FOOD INCOME	\$ 1,107
Food Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	34%
Expenses as percent of Revenue	40%
Income as Percent of Revenue	26%

Proposal Assessment

Dodge City Resort & Gaming Company, LLC – Beverage

Outlet	Seating Capacity	Theme/Description
Cabaret Lounge	70	This high energy 70 seat lounge/cabaret provides beverage service with live stage entertainment.

The Dodge City Resort & Gaming Company beverage outlet is appropriate to the market.

Comp sales are estimated at 50% of total beverage revenue. Given the inability to offer complimentary alcohol, this may be an over-estimate of actual comps, and possibly total revenue. Income as a percent of revenue is estimated at 26%.

2013 Consolidated Pro Forma	
Beverage Sales	\$ 754
Complimentary Beverage Sales	754
TOTAL REVENUE	1,509
Cost of Sales	358
GROSS MARGIN	1,151
TOTAL Beverage EXPENSES	757
TOTAL Beverage INCOME	\$ 394
Beverage Revenue Ratios	
Comp sales as percent of Revenue	50%
Cost of Sales as percent of Revenue	24%
Expenses as percent of Revenue	50%
Income as Percent of Revenue	26%

Proposal Assessment

Dodge City Resort & Gaming Company, LLC – Retail

The Dodge City Resort & Gaming Retail outlets are appropriate to the facility. There is some discrepancy between the spreadsheet descriptions and the placement of the outlets in that they are all far from the hotel lobby with none near the hotel (in the floor plan supplied in the presentation).

Complimentary sales are 2% of revenue in the retail department. This is consistent with the plan to engage in a minimal complimentary policy.

Sales ratios are consistent with industry norms.

Outlet	Square Feet
Hotel gift shop	720
Convenience Store	705
Apparel & casino gift shop	700
Total	2,125

2013 Consolidated Pro Forma	
Retail Sales	\$ 1,234
Complimentary Retail Sales	25
TOTAL REVENUE	1,259
Cost of Sales	693
GROSS MARGIN	567
TOTAL Retail EXPENSES	338
TOTAL Retail INCOME	\$ 229
Retail Revenue Ratios	
Comp sales as percent of Revenue	2%
Cost of Sales as percent of Revenue	55%
Expenses as percent of Revenue	27%
Income as Percent of Revenue	18%

Proposal Assessment

Dodge City Resort & Gaming Co., LLC

Additional Amenities

Dodge City Resort & Gaming will have a 9,390 sq ft convention space that can also be utilized as an event venue with seating up to 1,340. Note that there was no pro forma submitted for this space either as a convention space or an entertainment venue. Probe suggests that the board inquire as to the plans for this facility, how it will be marketed and how it will be utilized given the lack of supporting information submitted to date.

While there was no description of a pool provided, there is one located on the most recent floor plan submitted during the presentation. It is not known if it is Indoor or outdoor.

Probe was unable to locate mention of exercise facilities within the property. We believe that this would be an essential addition to the space.

There is parking planed for 100 RV units in the first phase. Probe suggests inquiring as to the ability to handle Bus and Truck traffic in this lot initially.

Cross Proposal Assessment

Ancillary Revenue as Percent of Gaming Revenue

Department	Butler	Dodge City
Casino	100%	100%
Hotel	6.1%	9.9%
Food	6.3%	9.0%
Beverage	4.8%	3.2%
Retail	0.7%	2.6%
Other	1.1%	0.0%
Ancillary Total	19.0%	24.7%

Since gaming is the engine that drives the economics of the properties it is useful to examine the revenue lines as a percent of total gaming revenue.

When expressed as a percentage of gaming revenue, the total ancillary revenue projected by the two prospective LGF managers is 19% for Butler National and somewhat higher at 24.7% for Dodge City Resort and Gaming. A significant portion of this difference is due to the higher projected gaming revenue for Butler National (\$70.9 Million) compared to Dodge City Resort and Gaming (\$47.7 Million).

The additional differences in revenue as a percent of gaming revenue are as follows:

In the hotel category, Dodge City Resort and Gaming projects a higher ADR compared to Butler National.

In beverage, Butler National projects a higher per visit spend (\$2.15) compared to Dodge City (\$1.91)

Finally, Dodge City contains more square feet of retail space (2,125 vs 1,104) and projects a greater sales per square foot (\$593 vs. \$479) despite fewer visitors compared to Butler National.

KANSAS RACING AND GAMING COMMISSION

LOTTERY GAMING FACILITY REVIEW BOARD

**ECONOMIC IMPACTS OF PROPOSED GAMING FACILITIES
SOUTHWEST ZONE (FORD COUNTY)**

AUGUST 2008

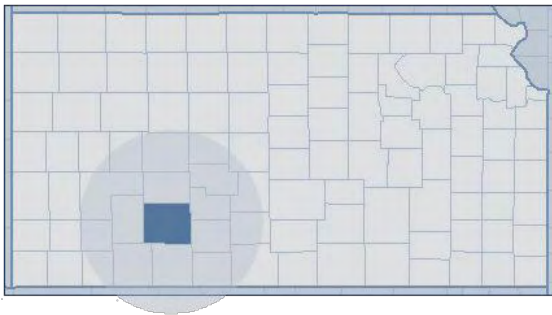


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ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

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INTRODUCTION

Civic Economics is pleased to present the Kansas Racing and Gaming Commission and the Lottery Gaming Facility Review Board with this economic impact analysis of the competing proposals for the Southwest Gaming Zone. Fiscal impacts, covering benefits and costs to governmental bodies, are being prepared separately by Meridian Business Advisors.

Civic Economics utilizes IMPLAN, a product of the Minnesota Implan Group and an industry-standard tool for evaluating the impact of economic activities. Given the Board's statewide mandate, Civic Economics used Kansas as the operative study area and applied multipliers and other data from IMPLAN's Local Area Data File for the state rather than for smaller jurisdictions such as counties. Therefore, all impacts reported on the pages that follow are impacts on the State of Kansas.

Economic impacts analyses were conducted for two wholly separate phases of each proposal.

- Construction Impacts cover the development of Phase I of each proposal, including planning and design and actual construction of all facilities required by the applicant's contract with the Kansas Lottery Commission. Expenditures were assumed to occur entirely within 2010. Site acquisition is not included in an economic impact because it is assumed this cost would be necessary for any project which occupies that specific piece of land and therefore is considered a transfer payment and not an economic impact.
- Operating Impacts cover the first stabilized year of operation after completion of all aspects of Phase I development. Because all applicants propose to open permanent Phase I facilities in mid- to late- 2010, operating impacts were prepared for the year 2012.
- Construction impact analysis includes reported costs associated with the opening of any temporary facilities. These temporary facilities are not, however, analyzed for operating impacts.
- The report concludes with a discussion of the competitive impacts on existing businesses in the Southwest Zone.

CONSTRUCTION IMPACTS

The construction phase of each proposed facility will generate substantial but temporary economic activity related to designing and building the gaming facilities and associated infrastructure. In each case, Civic Economics assumed that all expenditures would take place in the year 2010 for the simple reason that applicant submissions did not allow a more time specific analysis.

Inputs were derived from the Performance Templates submitted to the KRGC in June 2008. Where specific and verifiable deviations in development proposals were identified, inputs were changed accordingly. In the Southwest Zone, figures were not further adjusted.

The economic impact of any construction project is, as one might assume, driven primarily by the total expenditure on the facility. However, impacts will vary depending on the type of expenditure and the likelihood that such expenditures will be made in Kansas. For this analysis, Civic Economics consistently applied the Local Coefficients provided by IMPLAN, as these provide a credible estimate of local spending for each type of expenditure. It should be noted, though, that conscientious project managers with supportive clients can substantially increase the use of local contractors and suppliers. Therefore, the impacts described below may be received as conservative.

Taking our lead from the analysts accustomed to working with gaming facilities, Furniture Fixtures & Equipment (FFE), Floor & Wall Coverings, and Gaming Equipment were not included in the impact inputs for any applicant. These items are quite specialized in the gaming industry and thus will come primarily from out of state.

Impact Reporting

The economic impacts are comprised of three separate categories. Each category is analyzed separately from one another in IMPLAN.

- **Economic Output** is the total production or sales derived from the project. For this study, the total construction costs and casino revenue are the basis for output.
- **Employment** is the total number of Kansans employed both on a full and part time basis in a given industry.

- **Wages** is the amount of salaries and benefits paid to Kansas employees.

For each of the categories listed above a direct effect, indirect effect, and induced effect has been calculated.

- **Direct** effects capture the initial impact created. For construction impacts, this is based on the amount spent in each of a variety of categories in site preparation and facilities design and development. In this analysis, these were provided by the applicants.
- **Indirect** effects are additional impacts derived from businesses providing products or services to the selected industries. This can be restaurants purchasing supplies, the casino hiring a security firm, or the hotel purchasing advertising from a local radio station. Those are all examples of indirect effects.
- **Induced** effects are the result of increased household spending due to the direct and indirect effects. Employees of firms directly or indirectly affected by the project are buying new cars, homes, and groceries locally and this is detailed in the indirect effects.

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 1: Applicant Submissions and Model Inputs

APPLICANT SUBMISSION AND MODEL INPUT CORRESPONDENCE CONSTRUCTION ECONOMIC IMPACT ANALYSIS		
Applicant Submission Category	IMPLAN Category Applied	Notes
Buildings ➡	Construction of commercial and institutional buildings	
Land ➡	None	Land purchases are not factored into economic impacts
Land improvements, excluding landscaping ➡	Other new construction	
Landscaping ➡	Other new construction	
Soft Costs, i.e. engineering, architectural, development fees ➡	Architectural and engineering services	
Financing costs ➡	None	Financing costs were not factored into the economic impacts
Public sector infrastructure ➡	Split evenly with Highway, street, bridge, tunnel construction and Water, sewer, and pipeline	
Rolling stock ➡	Motor vehicle and parts dealers	
Furniture, fixtures and equipment ➡	None	Assumed purchases would be made out of state
Floor and wall treatments ➡	None	Assumed purchases would be made out of state
Gaming equipment ➡	None	Assumed purchases would be made out of state

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 2: Construction Impact Summary Chart

CONSTRUCTION IMPACTS SUMMARY SOUTHWEST GAMING ZONE					
	Direct	Indirect	Induced	Total	Relative Impacts
ECONOMIC OUTPUT	Total revenues associated with construction (\$ Millions, 2007 Dollars)				
Butler National	\$ 49.5	\$ 15.9	\$ 21.6	\$ 87.0	
Dodge City Resort	\$ 32.6	\$ 10.5	\$ 14.4	\$ 57.5	
EMPLOYMENT	Total workers, including full-time and part-time				
Butler National	527	129	207	863	
Dodge City Resort	340	87	138	565	
LABOR INCOME	Total wages paid to workers identified above (\$ Millions, 2007 Dollars)				
Butler National	\$ 22.4	\$ 5.4	\$ 6.5	\$ 34.3	
Dodge City Resort	\$ 14.9	\$ 3.6	\$ 4.3	\$ 22.9	

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 3: Butler National Construction Economic Output

BUTLER NATIONAL CONSTRUCTION IMPACTS					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	21,821	175,156	196,977
19	21 Mining (AGG)	0	475,579	242,629	718,207
30	22 Utilities (AGG)	0	199,414	552,520	751,934
33	23 Construction (AGG)	47,453,584	113,825	120,817	47,688,228
46	31-33 Manufacturing (AGG)	0	3,950,067	2,168,422	6,118,489
390	42 Wholesale Trade (AGG)	0	1,072,086	1,201,323	2,273,409
391	48-49 Transportation & Warehousing (AGG)	0	715,020	523,299	1,238,319
401	44-45 Retail trade (AGG)	0	1,874,063	2,690,980	4,565,043
413	51 Information (AGG)	0	414,328	594,360	1,008,688
425	52 Finance & insurance (AGG)	0	962,709	1,875,061	2,837,769
431	53 Real estate & rental (AGG)	0	789,116	1,051,277	1,840,393
437	54 Professional- scientific & tech svcs (AGG)	2,061,909	3,751,160	663,514	6,476,583
451	55 Management of companies (AGG)	0	165,057	158,501	323,559
452	56 Administrative & waste services (AGG)	0	757,163	372,804	1,129,967
461	61 Educational svcs (AGG)	0	9,939	269,766	279,705
464	62 Health & social services (AGG)	0	372	3,465,809	3,466,181
475	71 Arts- entertainment & recreation (AGG)	0	27,209	200,343	227,552
479	72 Accomodation & food services (AGG)	0	184,447	1,163,147	1,347,594
482	81 Other services (AGG)	0	267,565	823,519	1,091,084
495	92 Government & non NAICs (AGG)	0	141,854	3,270,789	3,412,643
		\$ 49,515,493	\$ 15,892,794	\$ 21,584,036	\$ 86,992,324

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 4: Butler National Construction Employment

BUTLER NATIONAL CONSTRUCTION IMPACTS					
Code	Sector	TOTAL EMPLOYMENT			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.1	1.3	1.5
19	21 Mining (AGG)	0.0	1.4	0.7	2.2
30	22 Utilities (AGG)	0.0	0.4	1.1	1.5
33	23 Construction (AGG)	510.3	1.0	1.1	512.5
46	31-33 Manufacturing (AGG)	0.0	11.3	4.6	15.9
390	42 Wholesale Trade (AGG)	0.0	6.6	7.4	14.1
391	48-49 Transportation & Warehousing (AGG)	0.0	6.4	5.2	11.5
401	44-45 Retail trade (AGG)	0.0	33.0	47.5	80.4
413	51 Information (AGG)	0.0	1.3	1.9	3.2
425	52 Finance & insurance (AGG)	0.0	5.9	11.2	17.1
431	53 Real estate & rental (AGG)	0.0	5.4	8.7	14.2
437	54 Professional- scientific & tech svcs (AGG)	16.6	30.4	6.6	53.6
451	55 Management of companies (AGG)	0.0	0.9	0.9	1.8
452	56 Administrative & waste services (AGG)	0.0	15.6	6.9	22.5
461	61 Educational svcs (AGG)	0.0	0.2	5.7	5.9
464	62 Health & social services (AGG)	0.0	0.0	45.4	45.4
475	71 Arts- entertainment & recreation (AGG)	0.0	1.0	6.0	7.0
479	72 Accommodation & food services (AGG)	0.0	3.4	23.7	27.2
482	81 Other services (AGG)	0.0	3.9	18.7	22.6
495	92 Government & non NAICs (AGG)	0.0	0.7	2.1	2.8
		526.9	128.9	206.7	862.9

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 5: Butler National Construction Labor Income

BUTLER NATIONAL CONSTRUCTION IMPACTS					
Code	Sector	Total Labor Income in 2007 Dollars			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	4,287	20,136	24,423
19	21 Mining (AGG)	0	115,565	58,824	174,389
30	22 Utilities (AGG)	0	39,113	106,678	145,791
33	23 Construction (AGG)	21,290,368	43,000	48,121	21,381,488
46	31-33 Manufacturing (AGG)	0	653,693	289,310	943,003
390	42 Wholesale Trade (AGG)	0	405,875	454,802	860,677
391	48-49 Transportation & Warehousing (AGG)	0	285,479	215,634	501,113
401	44-45 Retail trade (AGG)	0	754,329	1,085,175	1,839,504
413	51 Information (AGG)	0	96,662	120,531	217,193
425	52 Finance & insurance (AGG)	0	291,893	523,454	815,347
431	53 Real estate & rental (AGG)	0	135,660	179,445	315,105
437	54 Professional- scientific & tech svcs (AGG)	1,115,456	1,907,433	288,041	3,310,930
451	55 Management of companies (AGG)	0	71,620	68,776	140,396
452	56 Administrative & waste services (AGG)	0	410,538	182,666	593,203
461	61 Educational svcs (AGG)	0	4,373	122,871	127,244
464	62 Health & social services (AGG)	0	131	1,781,813	1,781,944
475	71 Arts- entertainment & recreation (AGG)	0	8,276	67,197	75,473
479	72 Accomodation & food services (AGG)	0	61,979	375,661	437,640
482	81 Other services (AGG)	0	110,957	372,572	483,530
495	92 Government & non NAICs (AGG)	0	32,380	95,903	128,282
		\$ 22,405,824	\$ 5,433,243	\$ 6,457,610	\$ 34,296,675

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 6: Dodge City Resort Construction Economic Output

DODGE CITY RESORT CONSTRUCTION IMPACTS					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	14,113	116,773	130,886
19	21 Mining (AGG)	0	290,292	161,756	452,048
30	22 Utilities (AGG)	0	134,929	368,355	503,285
33	23 Construction (AGG)	28,935,208	81,854	80,546	29,097,610
46	31-33 Manufacturing (AGG)	0	2,443,115	1,445,649	3,888,763
390	42 Wholesale Trade (AGG)	0	666,892	800,901	1,467,794
391	48-49 Transportation & Warehousing (AGG)	0	472,158	348,874	821,032
401	44-45 Retail trade (AGG)	0	1,176,365	1,794,030	2,970,395
413	51 Information (AGG)	0	292,179	396,250	688,428
425	52 Finance & insurance (AGG)	0	635,406	1,250,071	1,885,477
431	53 Real estate & rental (AGG)	0	563,327	700,867	1,264,195
437	54 Professional- scientific & tech svcs (AGG)	3,639,954	2,587,735	442,353	6,670,042
451	55 Management of companies (AGG)	0	111,111	105,670	216,782
452	56 Administrative & waste services (AGG)	0	585,674	248,542	834,216
461	61 Educational svcs (AGG)	0	8,433	179,848	188,281
464	62 Health & social services (AGG)	0	267	2,310,592	2,310,859
475	71 Arts- entertainment & recreation (AGG)	0	22,010	133,565	155,575
479	72 Accomodation & food services (AGG)	0	146,859	775,450	922,309
482	81 Other services (AGG)	0	169,840	549,025	718,865
495	92 Government & non NAICs (AGG)	0	96,291	2,180,577	2,276,868
		\$ 32,575,162	\$ 10,498,850	\$ 14,389,694	\$ 57,463,710

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 7: Dodge City Resort Construction Employment

DODGE CITY RESORT CONSTRUCTION IMPACTS					
Code	Sector	TOTAL EMPLOYMENT			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.1	0.9	1.0
19	21 Mining (AGG)	0.0	0.9	0.5	1.4
30	22 Utilities (AGG)	0.0	0.3	0.8	1.0
33	23 Construction (AGG)	310.7	0.7	0.8	312.1
46	31-33 Manufacturing (AGG)	0.0	7.1	3.1	10.2
390	42 Wholesale Trade (AGG)	0.0	4.1	5.0	9.1
391	48-49 Transportation & Warehousing (AGG)	0.0	4.4	3.4	7.8
401	44-45 Retail trade (AGG)	0.0	20.7	31.6	52.3
413	51 Information (AGG)	0.0	0.9	1.3	2.2
425	52 Finance & insurance (AGG)	0.0	3.9	7.4	11.4
431	53 Real estate & rental (AGG)	0.0	4.0	5.8	9.8
437	54 Professional- scientific & tech svcs (AGG)	29.3	20.8	4.4	54.5
451	55 Management of companies (AGG)	0.0	0.6	0.6	1.2
452	56 Administrative & waste services (AGG)	0.0	12.1	4.6	16.7
461	61 Educational svcs (AGG)	0.0	0.2	3.8	4.0
464	62 Health & social services (AGG)	0.0	0.0	30.2	30.2
475	71 Arts- entertainment & recreation (AGG)	0.0	0.8	4.0	4.8
479	72 Accomodation & food services (AGG)	0.0	2.7	15.8	18.5
482	81 Other services (AGG)	0.0	2.5	12.4	14.9
495	92 Government & non NAICs (AGG)	0.0	0.5	1.4	1.9
		340	87.3	137.8	565.0

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 8: Dodge City Resort Construction Labor Income

DODGE CITY RESORT CONSTRUCTION IMPACTS					
Code	Sector	Total Labor Income in 2007 Dollars			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	2,764	13,424	16,189
19	21 Mining (AGG)	0	70,545	39,217	109,762
30	22 Utilities (AGG)	0	26,505	71,120	97,625
33	23 Construction (AGG)	12,953,720	30,808	32,081	13,016,609
46	31-33 Manufacturing (AGG)	0	408,437	192,878	601,315
390	42 Wholesale Trade (AGG)	0	252,475	303,209	555,683
391	48-49 Transportation & Warehousing (AGG)	0	194,110	143,759	337,869
401	44-45 Retail trade (AGG)	0	473,499	723,468	1,196,966
413	51 Information (AGG)	0	68,432	80,356	148,788
425	52 Finance & insurance (AGG)	0	192,897	348,977	541,875
431	53 Real estate & rental (AGG)	0	96,679	119,633	216,311
437	54 Professional- scientific & tech svcs (AGG)	1,969,151	1,295,249	192,032	3,456,431
451	55 Management of companies (AGG)	0	48,213	45,852	94,064
452	56 Administrative & waste services (AGG)	0	317,929	121,780	439,709
461	61 Educational svcs (AGG)	0	3,714	81,916	85,629
464	62 Health & social services (AGG)	0	94	1,187,902	1,187,996
475	71 Arts- entertainment & recreation (AGG)	0	6,719	44,799	51,518
479	72 Accomodation & food services (AGG)	0	49,364	250,447	299,811
482	81 Other services (AGG)	0	70,582	248,387	318,969
495	92 Government & non NAICs (AGG)	0	22,031	63,937	85,967
		\$ 14,922,871	\$ 3,631,046	\$ 4,305,174	\$ 22,859,086

Source: Applicant Submissions, IMPLAN, Civic Economics

OPERATING IMPACTS

This section of this report analyzes the economic impacts to be generated by each proposal in the first stabilized year of operation, which is treated as 2012 for all proposals. As with construction, economic impacts were calculated for the entire state of Kansas using the IMPLAN model.

Gaming Revenue Adjustment: As requested by the Board, all applicants provided a detailed spreadsheet looking forward into several years of operations. In all cases, these sheets proceeded from an estimate of the gaming revenue to be earned at each facility, as estimated by the applicants. For this exercise, though, Civic Economics was asked to evaluate impacts based on the gaming revenue forecast by the Board's own consultants, Wells Gaming and Cummings & Associates. In the Southwest Zone, these estimates were comparable to those the applicants put forward (higher in the case of Dodge City Resort), as illustrated on the following page. Consequently, the economic impact of gaming activities relied on these adjusted revenue figures as an input into the model.

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 9: Gaming Revenue Forecast Adjustments

REVENUE FORECASTS, 2012 SOUTHWEST GAMING ZONE (IN 2007 Dollars)		
GAMING REVENUE PROJECTIONS		
	Butler National	Dodge City Resort
Estimated gaming revenue: Applicant	\$ 67,666,000	\$ 46,118,000
Estimated gaming revenue: Wells	\$ 58,634,000	\$ 57,056,000
Estimated gaming revenue: Cummings	\$ 40,700,000	\$ 40,100,000
Average of Wells & Cummings	\$ 49,667,000	\$ 48,578,000
Ratio of Average to Applicant	0.734	1.053

Source: Applicant Submissions, Wells Gaming and Cummings Associates

Total Impacts and Net Impacts: The layman might expect an economic impact analysis to quantify the output, employment, and wages of the totality of a proposed facility, which in this case would be built from total projected gaming revenues. However, such an analysis would substantially overstate the true economic impact the facility will have on the State of Kansas as it would, by design, incorporate the impact of money simply redirected from one local activity to another. The true economic impact of a facility is based on a more meaningful number, the net impact.

In this case, net economic impact identifies only that economic activity that is truly new to the jurisdiction. This new activity is made up of two components:

- a. **Export Revenue:** This refers to the portion of gaming revenues derived from non-Kansas visitors that would not, absent the proposed casino, have occurred in Kansas. This revenue is truly new to Kansas as out-of-state visitors spend money in the state they would not have otherwise spent.
- b. **Import Substitution Revenue:** This refers to the portion of gaming revenues derived from Kansas residents that would, absent the proposed casino, have occurred outside of Kansas. Again, this revenue is truly new to Kansas as Kansas residents repatriate out-of-state casino spending with in-state casino spending.
- c. **Redirected Local Spending:** The remainder of gaming revenue not accounted for above is not included in the net economic impact analysis, because it reflects casino spending by Kansans that would not otherwise have occurred in any casino. This revenue is not new to Kansas because it represents a diversion of other Kansas household income that previously went to innumerable alternative discretionary activities. However, there may be a fiscal advantage to this activity in the form of additional taxes generated. These fiscal impacts are detailed in the report provided by Meridian Business Advisors.

These values were calculated from the reports of Wells and Cummings. The chart on the following page summarizes the calculation of net new gaming revenues used to calculate net economic impact. It should be noted, and is reflected in this chart, that Wells and Cummings prepared and reported these calculations by different approaches; this chart reflects the detail available from each.

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 10: Net Revenues in Kansas

NET REVENUE FOR ECONOMIC IMPACT ANALYSIS SOUTHWEST ZONE			
Wells Model			
	Butler National	Dodge City Resort	
Estimated Gaming Revenue	\$ 58,634,000	\$	57,056,000
Estimated Gaming Export	\$ 6,110,505	\$	5,678,852
Estimated Gaming Import Substitution	\$ 7,718,261	\$	7,083,565
Net Revenue	\$ 13,828,766	\$	12,762,417
Cummings Model			
	Butler National	Dodge City Resort	
Estimated Gaming Revenue	\$ 40,700,000	\$	40,100,000
Estimated Gaming Export	\$ 3,400,000	\$	3,300,000
Estimated Gaming Import Substitution	\$ 4,200,000	\$	4,000,000
Net Revenue	\$ 7,600,000	\$	7,300,000
Average of Wells and Cummings			
	Butler National	Dodge City Resort	
Average Net Revenue	\$ 10,714,383	\$	10,031,209
Net as a % of Gaming Revenue	21.6%		20.6%

SOURCE: Wells, Cummings, Civic Economics

Net Gaming Revenue and Operational Scale

The next step in adjusting revenues to be analyzed for economic impact involves the scale of operations at the non-gaming portions of each proposal. This adjustment begins with the assumption that, if gaming activity varies from pro forma estimates, so too will non-gaming activity. In the previous round of analyses for Cherokee and Sumner Counties, Civic Economics made this adjustment based simply on the ratio of the consultants' revenue estimates and the applicants' estimates. For this round, we have taken a further step and adjusted non-gaming activity according to the proportion of such activity expected to be drawn from non-Kansans. As a result, this adjustment is based on the proportion of net revenue relative to consultants' total gaming revenue estimates.

In addition, our partners in this process, Probe Strategic Solutions, applied their specific expertise in the gaming industry to review and forecast revenues associated with hotel operations at those facilities offering one. In their opinion, reduced gaming revenue will not be reflected in reduced hotel occupancy as operators seek to fill rooms in order to provide casino patrons. Hotel revenues at both proposed properties are based on an average daily rate of \$108.83 and 80% occupancy. This "revenue" measure is intended to guide the model by presenting market values to rooms that may be provided at reduced rates or free to gaming customers.

Chart 11: Non-Gaming Operational Scale

REVENUE FORECASTS, 2012 SOUTHWEST GAMING ZONE (IN 2007 Dollars)			
ADJUSTED NON-GAMING REVENUE PROJECTIONS			
	Butler National	Dodge City Resort	
Hotel Revenue	\$ 3,940,517	\$	3,972,295
Food & Beverage Revenue	\$ 1,119,582	\$	1,865,847
Retail Revenue	\$ 66,203	\$	265,679
Other Revenue	\$ 125,787	\$	-

SOURCE: Applicant Submissions, Wells Gaming and Cummings & Assoc., Probe Strategic Solutions, Civic Economics

Final Input Modifications: In order to provide fair and equitable treatment of all applicants, Civic Economics determined to run the same model, with the same modifications, for each application. While necessary to the task at hand, this required some modest modifications and adaptations from the data provided by the applicants.

Among these adjustments, those for employment and labor were the most challenging. IMPLAN is designed to estimate wages and employment based on industry averages in the study jurisdiction. However, given the limited and nontraditional form of casino gaming in Kansas currently, it was not surprising that the Local Area Data Set estimated both total employment and wages substantially lower than what was indicated by the applicants.

In order to correct for the inherently low productivity and wage numbers in the model, Civic Economics instead applied the average of both Southwest applicants in worker productivity and wages, as shown below:

Chart 12: Wage and Employment Inputs

PRODUCTIVITY AND WAGE HARMONIZATION SOUTHWEST ZONE		
Category	Harmonized Value	Notes
Revenue per employee	\$ 204,649	Using an average of both applicants
Wages per employee	\$ 32,152	

Source: Applicant Submissions

Chart 13: Applicant Submission and Model Input

APPLICANT SUBMISSION AND MODEL INPUT CORRESPONDENCE OPERATION ECONOMIC IMPACT ANALYSIS		
Performance Template Category	IMPLAN Category	Notes
Estimated gaming revenue	➡ Other amusement, gambling, and recreation industries	Modified first in terms of total revenue produced as estimated by Wells' and Cummings' reports. Also adjusted to only account for import substitution and export effects.
Hotel revenue	➡ Hotels and motels, including casino hotels	Modified by Probe Strategic Solutions to represent the average revenues and occupancy rates for the region
Food revenue	➡ Food services and drinking places	Modified to represent the same proportion of gaming revenue the casinos presented before the gaming revenue was modified by Wells and Cummings
Retail revenue	➡ Miscellaneous store retailers	Modified to represent the same proportion of gaming revenue the casinos presented before the gaming revenue was modified by Wells and Cummings
Other revenue	➡ Miscellaneous store retailers	Modified to represent the same proportion of gaming revenue the casinos presented before the gaming revenue was modified by Wells and Cummings

Impact Reporting

The economic impacts are comprised of three separate categories. Each category is analyzed separately from one another in IMPLAN.

- **Economic Output** is the total production or sales derived from the project. For this study, inputs are based upon projected gaming and non-gaming revenues.
- **Employment** is the total number of Kansans employed both full and part time in a given industry.
- **Wages** is the amount of salaries and benefits paid to Kansas employees.

For each of the categories listed above a direct effect, indirect effect, and induced effect has been calculated.

- **Direct** effects capture the initial impact created in Kansas.
- **Indirect** effects are additional impacts derived from businesses providing products or services to the selected industries. This can be restaurants purchasing supplies, the casino hiring a security firm, or the hotel purchasing advertising from a local radio station. Those are all examples of indirect effects.
- **Induced** effects are the result of increased household spending due to the direct and indirect effects. Employees of firms directly or indirectly affected by the project are buying new cars, homes, and groceries locally and this is detailed in the indirect effects.

Chart 14: Operating Impacts Summary Chart

OPERATING IMPACTS SUMMARY, 2012 SOUTHWEST GAMING ZONE					
	Direct	Indirect	Induced	Total	Relative Impacts
ECONOMIC OUTPUT	Total revenues associated with operation (\$ Millions, 2007 Dollars)				
Butler National	\$ 11.8	\$ 5.9	\$ 3.3	\$ 21.14	
Dodge City Resort	\$ 12.0	\$ 5.9	\$ 3.4	\$ 21.32	
EMPLOYMENT	Total employment associated with operation				
Butler National	101	52	32	185	
Dodge City Resort	114	51	33	197	
LABOR INCOME	Total wages paid to employees above (\$ Millions, 2007 Dollars)				
Butler National	\$ 2.5	\$ 1.8	\$ 1.0	\$ 5.33	
Dodge City Resort	\$ 2.7	\$ 1.8	\$ 1.0	\$ 5.47	

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 15: Butler National Operation Economic Output

BUTLER NATIONAL NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	43,518	25,490	69,008
19	21 Mining (AGG)	0	88,113	37,562	125,675
30	22 Utilities (AGG)	0	286,987	85,724	372,711
33	23 Construction (AGG)	0	296,653	19,129	315,782
46	31-33 Manufacturing (AGG)	0	743,445	335,614	1,079,059
390	42 Wholesale Trade (AGG)	0	262,180	185,537	447,718
391	48-49 Transportation & Warehousing (AGG)	0	273,440	81,141	354,582
401	44-45 Retail trade (AGG)	167,977	118,819	415,598	702,393
413	51 Information (AGG)	0	420,235	92,417	512,652
425	52 Finance & insurance (AGG)	0	483,808	289,989	773,798
431	53 Real estate & rental (AGG)	0	838,535	162,000	1,000,535
437	54 Professional- scientific & tech svcs (AGG)	0	798,299	103,540	901,839
451	55 Management of companies (AGG)	0	181,625	24,572	206,197
452	56 Administrative & waste services (AGG)	0	465,426	58,166	523,593
461	61 Educational svcs (AGG)	0	5,513	41,657	47,170
464	62 Health & social services (AGG)	0	884	535,188	536,072
475	71 Arts- entertainment & recreation (AGG)	8,777,222	136,178	43,737	8,957,137
479	72 Accomodation & food services (AGG)	2,899,571	98,186	179,699	3,177,456
482	81 Other services (AGG)	0	181,007	127,217	308,224
495	92 Government & non NAICs (AGG)	0	226,192	505,164	731,356
Total		\$ 11,844,770	\$ 5,949,043	\$ 3,349,141	\$ 21,142,957

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 16: Butler National Operation Employment

BUTLER NATIONAL NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL EMPLOYMENT			Total
		Direct	Indirect	Induced	
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.4	0.2	0.6
19	21 Mining (AGG)	0.0	0.3	0.1	0.4
30	22 Utilities (AGG)	0.0	0.6	0.2	0.8
33	23 Construction (AGG)	0.0	2.6	0.2	2.8
46	31-33 Manufacturing (AGG)	0.0	2.0	0.7	2.8
390	42 Wholesale Trade (AGG)	0.0	1.6	1.1	2.8
391	48-49 Transportation & Warehousing (AGG)	0.0	3.2	0.8	4.0
401	44-45 Retail trade (AGG)	6.2	2.1	7.3	15.6
413	51 Information (AGG)	0.0	1.9	0.3	2.2
425	52 Finance & insurance (AGG)	0.0	3.1	1.7	4.8
431	53 Real estate & rental (AGG)	0.0	6.6	1.3	7.9
437	54 Professional- scientific & tech svcs (AGG)	0.0	6.8	1.0	7.9
451	55 Management of companies (AGG)	0.0	1.0	0.1	1.2
452	56 Administrative & waste services (AGG)	0.0	8.5	1.1	9.5
461	61 Educational svcs (AGG)	0.0	0.1	0.9	1.0
464	62 Health & social services (AGG)	0.0	0.0	7.0	7.0
475	71 Arts- entertainment & recreation (AGG)	42.9	5.6	0.8	49.3
479	72 Accomodation & food services (AGG)	51.6	1.9	3.7	57.2
482	81 Other services (AGG)	0.0	2.5	2.9	5.4
495	92 Government & non NAICs (AGG)	0.0	1.0	0.3	1.3
Total		100.7	51.8	31.7	184.5

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 17: Butler National Operation Wages

BUTLER NATIONAL NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL LABOR INCOME (2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	5,240	2,925	8,165
19	21 Mining (AGG)	0	21,393	9,107	30,499
30	22 Utilities (AGG)	0	58,823	16,556	75,379
33	23 Construction (AGG)	0	108,721	7,601	116,322
46	31-33 Manufacturing (AGG)	0	120,326	44,813	165,139
390	42 Wholesale Trade (AGG)	0	99,257	70,241	169,499
391	48-49 Transportation & Warehousing (AGG)	0	134,917	33,473	168,390
401	44-45 Retail trade (AGG)	90,797	47,826	167,598	306,222
413	51 Information (AGG)	0	104,839	18,776	123,615
425	52 Finance & insurance (AGG)	0	157,596	80,958	238,554
431	53 Real estate & rental (AGG)	0	139,785	27,660	167,444
437	54 Professional- scientific & tech svcs (AGG)	0	341,459	44,945	386,404
451	55 Management of companies (AGG)	0	78,809	10,662	89,471
452	56 Administrative & waste services (AGG)	0	228,533	28,530	257,063
461	61 Educational svcs (AGG)	0	2,419	18,974	21,392
464	62 Health & social services (AGG)	0	310	275,145	275,456
475	71 Arts- entertainment & recreation (AGG)	1,419,239	32,237	10,635	1,462,111
479	72 Accomodation & food services (AGG)	991,820	32,481	58,037	1,082,338
482	81 Other services (AGG)	0	63,626	57,562	121,188
495	92 Government & non NAICs (AGG)	0	49,598	14,830	64,428
Total		\$ 2,501,856	\$ 1,828,195	\$ 999,028	\$ 5,329,079

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 18: Dodge City Resort Operation Economic Output

DODGE CITY RESORT NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	55,020	26,186	81,205
19	21 Mining (AGG)	0	86,535	38,588	125,124
30	22 Utilities (AGG)	0	282,774	88,066	370,839
33	23 Construction (AGG)	0	285,843	19,652	305,495
46	31-33 Manufacturing (AGG)	0	782,976	344,782	1,127,757
390	42 Wholesale Trade (AGG)	0	281,062	190,605	471,667
391	48-49 Transportation & Warehousing (AGG)	0	273,578	83,358	356,935
401	44-45 Retail trade (AGG)	232,449	118,961	426,949	778,360
413	51 Information (AGG)	0	409,363	94,941	504,304
425	52 Finance & insurance (AGG)	0	471,578	297,910	769,488
431	53 Real estate & rental (AGG)	0	821,898	166,424	988,323
437	54 Professional- scientific & tech svcs (AGG)	0	769,647	106,368	876,014
451	55 Management of companies (AGG)	0	175,595	25,243	200,838
452	56 Administrative & waste services (AGG)	0	448,681	59,755	508,436
461	61 Educational svcs (AGG)	0	5,339	42,795	48,133
464	62 Health & social services (AGG)	0	840	549,806	550,646
475	71 Arts- entertainment & recreation (AGG)	8,217,566	131,121	44,932	8,393,619
479	72 Accomodation & food services (AGG)	3,537,514	99,310	184,607	3,821,431
482	81 Other services (AGG)	0	175,074	130,692	305,766
495	92 Government & non NAICs (AGG)	0	220,569	518,962	739,531
Total		\$ 11,987,529	\$ 5,895,764	\$ 3,440,621	\$ 21,323,911

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 19: Dodge City Resort Operation Employment

DODGE CITY RESORT NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL EMPLOYMENT			Total
		Direct	Indirect	Induced	
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.4	0.2	0.6
19	21 Mining (AGG)	0.0	0.3	0.1	0.4
30	22 Utilities (AGG)	0.0	0.6	0.2	0.8
33	23 Construction (AGG)	0.0	2.5	0.2	2.7
46	31-33 Manufacturing (AGG)	0.0	2.2	0.7	2.9
390	42 Wholesale Trade (AGG)	0.0	1.7	1.2	2.9
391	48-49 Transportation & Warehousing (AGG)	0.0	3.2	0.8	4.0
401	44-45 Retail trade (AGG)	8.6	2.1	7.5	18.2
413	51 Information (AGG)	0.0	1.8	0.3	2.1
425	52 Finance & insurance (AGG)	0.0	3.0	1.8	4.8
431	53 Real estate & rental (AGG)	0.0	6.4	1.4	7.8
437	54 Professional- scientific & tech svcs (AGG)	0.0	6.6	1.0	7.7
451	55 Management of companies (AGG)	0.0	1.0	0.1	1.1
452	56 Administrative & waste services (AGG)	0.0	8.1	1.1	9.2
461	61 Educational svcs (AGG)	0.0	0.1	0.9	1.0
464	62 Health & social services (AGG)	0.0	0.0	7.2	7.2
475	71 Arts- entertainment & recreation (AGG)	40.2	5.4	0.8	46.4
479	72 Accomodation & food services (AGG)	64.9	1.9	3.8	70.6
482	81 Other services (AGG)	0.0	2.5	3.0	5.4
495	92 Government & non NAICs (AGG)	0.0	1.0	0.3	1.3
Total		113.7	50.8	32.6	197.1

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, SOUTHWEST GAMING ZONE

Chart 20: Dodge City Resort Operation Wages

DODGE CITY RESORT NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL WAGES (2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	6,176	3,005	9,182
19	21 Mining (AGG)	0	21,010	9,356	30,365
30	22 Utilities (AGG)	0	57,839	17,008	74,847
33	23 Construction (AGG)	0	104,800	7,809	112,609
46	31-33 Manufacturing (AGG)	0	125,130	46,037	171,167
390	42 Wholesale Trade (AGG)	0	106,406	72,160	178,566
391	48-49 Transportation & Warehousing (AGG)	0	133,588	34,387	167,975
401	44-45 Retail trade (AGG)	125,647	47,884	172,176	345,706
413	51 Information (AGG)	0	101,879	19,289	121,168
425	52 Finance & insurance (AGG)	0	153,562	83,169	236,731
431	53 Real estate & rental (AGG)	0	136,654	28,415	165,069
437	54 Professional- scientific & tech svcs (AGG)	0	328,716	46,172	374,888
451	55 Management of companies (AGG)	0	76,193	10,953	87,146
452	56 Administrative & waste services (AGG)	0	219,809	29,309	249,118
461	61 Educational svcs (AGG)	0	2,342	19,492	21,834
464	62 Health & social services (AGG)	0	295	282,661	282,956
475	71 Arts- entertainment & recreation (AGG)	1,328,745	31,146	10,925	1,370,815
479	72 Accomodation & food services (AGG)	1,197,033	32,844	59,622	1,289,500
482	81 Other services (AGG)	0	61,954	59,134	121,088
495	92 Government & non NAICs (AGG)	0	48,370	15,235	63,606
Total		\$ 2,651,425	\$ 1,796,597	\$ 1,026,314	\$ 5,474,336

Source: Applicant Submissions, IMPLAN, Civic Economics

NON-GAMING COMPETITIVE IMPACTS

Civic Economics was asked to address the issue of cannibalization of existing business with regard to the non-gaming amenities at the proposed gaming facilities.

Gaming Impact on Budgeting

Before delving into the specific amenities offered by each applicant, a note about gaming revenues is appropriate. In the discussion of Net Economic Impact above, the significant values of Import Substitution and Export Revenues were described and calculated. In addition, it was suggested that the remaining gaming revenues would represent new gaming spending in lieu of other household spending choices. The additional gaming spending beyond Import Substitution and Export Revenue in the Southwest Zone is as follows:

Chart 21: Induced Additional Gambling Spending by Kansans

REDIRECTED SPENDING BY KANSANS		
SOUTHWEST REGION (2007 Dollars)		
		Equivalent to approximately
Butler National	\$ 38,952,617	8%
Dodge City Resort	\$ 38,546,792	
		of Ford County retail sales

Source: Wells, Cummings, Claritas, Civic Economics

It is beyond the scope of this study to evaluate the choices Kansas residents will make in determining how to make room in the household budget for additional gaming spending. However, the general principal is that in a typical household increased gaming spending will be diverted from other leisure and entertainment pursuits. In Ford County, the values above represent approximately 8% of annual retail sales, suggesting that area businesses may face tremendous competition for local discretionary spending dollars.

Non-Gaming Competition for Non-Gaming Dollars

For this analysis, Civic Economics was asked to focus on the competition between existing businesses in the area of a proposed gaming facility and the non-gaming amenities proposed for development along with the gaming facility. There are just two sectors in which the non-gaming amenities proposed will compete with existing businesses in any meaningful and direct way: Lodging and Food & Beverage.

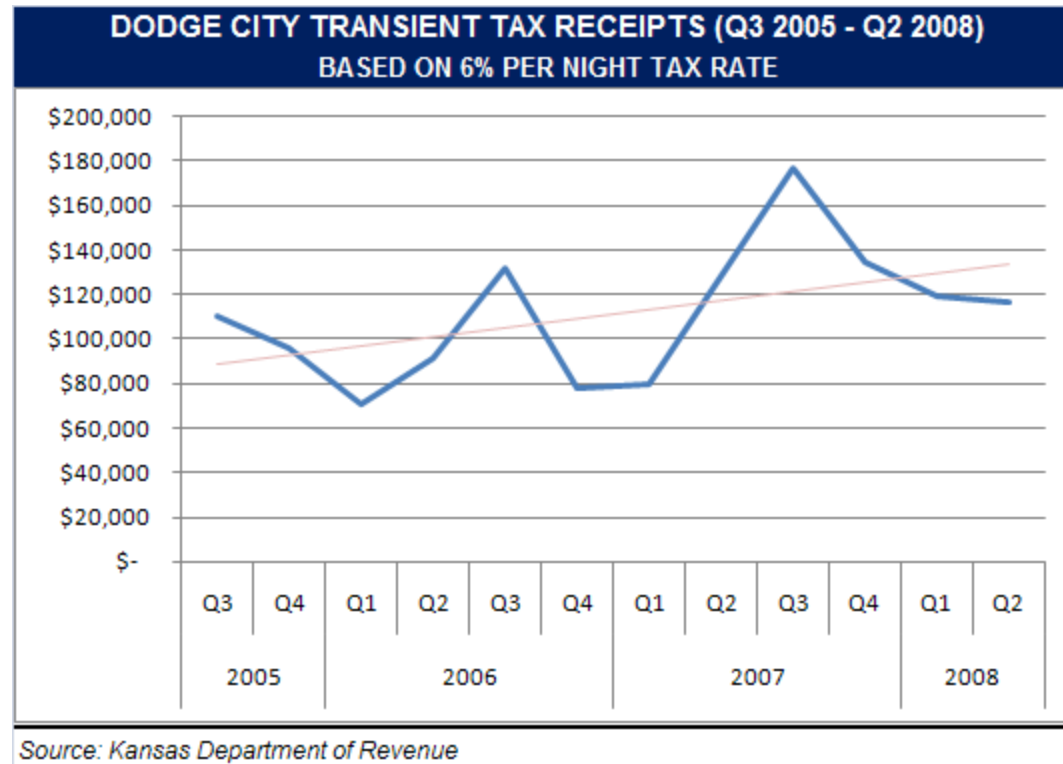
Hotel Competition

Chart 22: Dodge City Lodging

DODGE CITY LODGING				
Existing Lodging	Number of Rooms	Rating (Stars, Diamonds, etc.)		
		AAA	Expedia	Travelocity
Best Western Country Inn & Suites	66	3		3
Holiday Inn Express	63	3		2
La Quinta	77	3	2.5	3
Comfort Inn	54	2	3	2
Dodge House	108		3	2
	368	3 or better from any service		
Super 8	64	2		1
Travelodge	79		1.5	1
Budget Host	32			
	175	Less than 3		
Proposed Casino Lodging				
Butler National	124	Either hotel represents a 34% increase in 3-star rated rooms		
Dodge City Resort	125			

Source: Applicant submissions, AAA, Expedia, Travelocity

Chart 23: Dodge City Transient Tax Receipts



Either of the proposed casino developments in Dodge City will increase the city's inventory of 3-star or better rooms by roughly 1/3. Meanwhile, the city's longstanding transient tax of 6% per night has been growing modestly with the recent addition of 140 quality rooms at the west side Holiday Inn Express and La Quinta.

Probe forecasts that either hotel will service approximately 36,500 room nights per year (at 80% occupancy), while Cummings forecasts a total of just under 100,000 visits to a Dodge City casino by tourists. Of course, it is impossible to know in advance the proportion of those tourists who will visit Dodge City specifically for the casino rather than as part of an unrelated visit to

the city. If a new casino hotel is to achieve such numbers without diverting business from existing, bond financed lodgings, management will have to make a strong effort to attract its own guests.

Food & Beverage Competition

Both applicants propose to provide substantial food and beverage offerings at the casino.

Chart 24: Food and Beverage Proposals

PROPOSED FOOD & BEVERAGE OFFERINGS		
Butler National		
Outlet	Seating Capacity	Segment
Fine Dining / Steakhouse	66	Full Service Dining
24 Hour Café/ Buffet	150	Limited Service Dining
Snack Bar	25	Limited Service Dining
Feature Bar	50	Drinking Places
225		
Dodge City Resort		
Outlet	Seating Capacity	Segment
Steak House	178	Full Service Dining
Casual Dining Room	134	Limited Service Dining
Deli	17	Limited Service Dining
Cabaret Lounge	70	Drinking Places
399		

Source: Applicant submissions, Probe Strategic Solutions

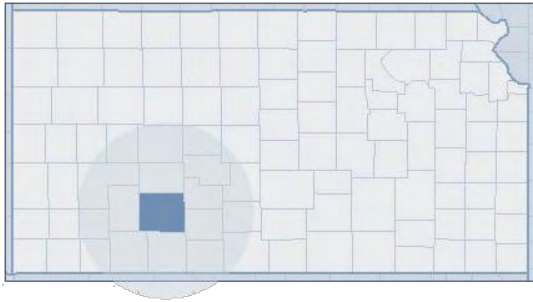
Perhaps even more than the proposed hotels, these extensive food and beverage operations will be substantially competitive with existing local businesses. Dodge City is a small market with a competitive mix of eating and drinking choices, particularly among steakhouses. However, as can be seen below, Claritas estimates that Dodge City and Ford County hold a substantial unmet market for both full service and limited service dining. Business that serve primarily as drinking places, however, will likely face strong competition for evening business.

Chart 25: Food and Beverage Competition

FORD COUNTY FOOD AND BEVERAGE MARKET				
	Demand	Supply	Available Market	
Foodservice and Drinking Places-722	\$ 40,859,662	\$ 26,473,997	\$	14,385,665
Full-Service Restaurants-7221	\$ 18,490,632	\$ 10,066,000	\$	8,424,632
Limited-Service Eating Places-7222	\$ 17,345,564	\$ 12,272,998	\$	5,072,566
Drinking Places -Alcoholic Beverages-7224	\$ 1,681,806	\$ 1,373,998	\$	307,808

Source: Claritas

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES



SOUTHWEST ZONE (FORD COUNTY)

BRIEF AGENDA

- Overview of Scope
- Economic Impact Approach
- Economic Impact of Construction
- Economic Impact of Operations
- Non-Gaming Competitive Impacts

Scope of Work

Scope of Work

- Same as Southeast and South Central
- Economic impact of construction and operations of proposed facilities
 - Inconsistent submissions required one model applied to all applicants
- Review of “cannibalization” and competition for non-gaming activities

Economic Impact Approach

Economic Impact Approach

- IMPLAN, an industry-standard tool built on input-output modeling
- Impacts calculated on a statewide basis
- Focus is on equitable treatment of applicants
 - Developed a single model for all applicants

Economic Impact Approach

- Used data supplied by applicants where possible
 - Inconsistent entries in templates required substantial adjustments
 - Any adjustments made for all applicants
- Bottom line impacts less important here than comparative impacts

NET Economic Impacts

- The most important thing to learn today:
 - Economic impact analysis must focus on activity that is new to the study area
 - Activity that simply moves from one location or firm to another is not new to the area
- Applied to Kansas gaming proposals using Cummings and Wells models

NET Economic Impacts

- *Export Revenue:*
 - This refers to the portion of gaming revenues derived from non-Kansas visitors that would not, absent the proposed casino, have occurred in Kansas.
- *Import Substitution Revenue:*
 - This refers to the portion of gaming revenues derived from Kansas residents that would, absent the proposed casino, have occurred outside of Kansas.

Economic Impact Reporting

- Economic impacts are comprised of three separate categories.
 - *Economic Output* is the total production or sales derived from the project.
 - *Employment* is the total number of Kansans employed both on a full and part time basis in a given industry.
 - *Wages* is the amount of salaries and benefits paid to Kansas employees.

Economic Impact Reporting

- For each of the categories listed above a direct effect, indirect effect, and induced effect has been calculated.
 - *Direct* effects capture the initial impact created.
 - *Indirect* effects are additional impacts derived from businesses providing products or services to the selected industries.
 - *Induced* effects are the result of increased household spending due to the direct and indirect effects.

Construction Impacts

Construction Impacts

- Temporary economic activity associated with designing and building facilities and associated infrastructure
- Cost inputs provided by applicants
- Assumed all activity in 2010
- Simply put, relative cost of proposed facilities drives relative outcomes

Construction Impact Summary

CONSTRUCTION IMPACTS SUMMARY					
SOUTHWEST GAMING ZONE					
	Direct	Indirect	Induced	Total	Relative Impacts
ECONOMIC OUTPUT	Total revenues associated with construction (\$ Millions, 2007 Dollars)				
Butler National	\$ 49.5	\$ 15.9	\$ 21.6	\$ 87.0	
Dodge City Resort	\$ 32.6	\$ 10.5	\$ 14.4	\$ 57.5	
EMPLOYMENT	Total workers, including full-time and part-time				
Butler National	527	129	207	863	
Dodge City Resort	340	87	138	565	
LABOR INCOME	Total wages paid to workers identified above (\$ Millions, 2007 Dollars)				
Butler National	\$ 22.4	\$ 5.4	\$ 6.5	\$ 34.3	
Dodge City Resort	\$ 14.9	\$ 3.6	\$ 4.3	\$ 22.9	

Source: Applicant Submissions, IMPLAN, Civic Economics

Operating Impacts

Operating Impacts

- Used 2012 for first full year of operations
 - Variations in projected growth in out years
- Steps to determine inputs:
 - Gaming revenue adjustment
 - Calculation of net impacts from Cummings and Wells analyses
 - Operational scale
 - Final input modifications for labor costs

Operational Scale

- Applicants projected both non-gaming and gaming revenues
 - Gaming revenue applied here is average of Cummings and Wells mid-case
- Non-gaming revenues were adjusted downward in proportion to NET revenues
 - Hotel revenue separately forecast based on Probe analysis

Gaming Revenue Projections

REVENUE FORECASTS, 2012 SOUTHWEST GAMING ZONE (IN 2007 Dollars)		
GAMING REVENUE PROJECTIONS		
	Butler National	Dodge City Resort
Estimated gaming revenue: Applicant	\$ 67,666,000	\$ 46,118,000
Estimated gaming revenue: Wells	\$ 58,634,000	\$ 57,056,000
Estimated gaming revenue: Cummings	\$ 40,700,000	\$ 40,100,000
Average of Wells & Cummings	\$ 49,667,000	\$ 48,578,000
Ratio of Average to Applicant	0.734	1.053

Source: Applicant Submissions, Wells Gaming and Cummings Associates

Net Gaming Revenue Adjustment

- Cummings and Wells analysis allows an estimate of gaming revenue flows among states
- This analysis uses the sum of:
 - Import Substitution
 - Export

NET Revenue Projections

NET REVENUE FOR ECONOMIC IMPACT ANALYSIS SOUTHWEST ZONE			
Wells Model			
	Butler National	Dodge City Resort	
Estimated Gaming Revenue	\$ 58,634,000	\$	57,056,000
Estimated Gaming Export	\$ 6,110,505	\$	5,678,852
Estimated Gaming Import Substitution	\$ 7,718,261	\$	7,083,565
Net Revenue	\$ 13,828,766	\$	12,762,417
Cummings Model			
	Butler National	Dodge City Resort	
Estimated Gaming Revenue	\$ 40,700,000	\$	40,100,000
Estimated Gaming Export	\$ 3,400,000	\$	3,300,000
Estimated Gaming Import Substitution	\$ 4,200,000	\$	4,000,000
Net Revenue	\$ 7,600,000	\$	7,300,000
Average of Wells and Cummings			
	Butler National	Dodge City Resort	
Average Net Revenue	\$ 10,714,383	\$	10,031,209
Net as a % of Gaming Revenue	21.6%		20.6%

SOURCE: Wells, Cummings, Civic Economics

Non-Gaming Revenue Adjustment

REVENUE FORECASTS, 2012		
SOUTHWEST GAMING ZONE (IN 2007 Dollars)		
ADJUSTED NON-GAMING REVENUE PROJECTIONS		
	Butler National	Dodge City Resort
Hotel Revenue	\$ 3,940,517	\$ 3,972,295
Food & Beverage Revenue	\$ 1,119,582	\$ 1,865,847
Retail Revenue	\$ 66,203	\$ 265,679
Other Revenue	\$ 125,787	\$ -

SOURCE: Applicant Submissions, Wells Gaming and Cummings & Assoc., Probe Strategic Solutions, Civic Economics

Adjustment for Labor Cost

- Sought to use applicant submissions for labor intensity of operations
 - IMPLAN models lower than likely new reality
- Chose to use average of zone applicants

PRODUCTIVITY AND WAGE HARMONIZATION SOUTHWEST ZONE		
Category	Harmonized Value	Notes
Revenue per employee	\$ 204,649	Using an average of both applicants
Wages per employee	\$ 32,152	

Source: Applicant Submissions

Finally, on to the numbers ...

Operating Impact Summary

OPERATING IMPACTS SUMMARY, 2012 SOUTHWEST GAMING ZONE					
	Direct	Indirect	Induced	Total	Relative Impacts
ECONOMIC OUTPUT	Total revenues associated with operation (\$ Millions, 2007 Dollars)				
Butler National	\$ 11.8	\$ 5.9	\$ 3.3	\$ 21.14	
Dodge City Resort	\$ 12.0	\$ 5.9	\$ 3.4	\$ 21.32	
EMPLOYMENT	Total employment associated with operation				
Butler National	101	52	32	185	
Dodge City Resort	114	51	33	197	
LABOR INCOME	Total wages paid to employees above (\$ Millions, 2007 Dollars)				
Butler National	\$ 2.5	\$ 1.8	\$ 1.0	\$ 5.33	
Dodge City Resort	\$ 2.7	\$ 1.8	\$ 1.0	\$ 5.47	

Source: Applicant Submissions, IMPLAN, Civic Economics

Non-Gaming Competitive Impacts

Competitive Impacts

- Civic Economics was asked to evaluate likely competitive pressures on existing businesses due to arrival of new non-gaming amenities
- Issues in Ford County:
 - Redirected local spending
 - Lodging competition
 - Food & Beverage competition

Redirected Local Spending

REDIRECTED SPENDING BY KANSANS SOUTHWEST REGION (2007 Dollars)			Equivalent to approximately 8% of Ford County retail sales
Butler National	\$	38,952,617	
Dodge City Resort	\$	38,546,792	

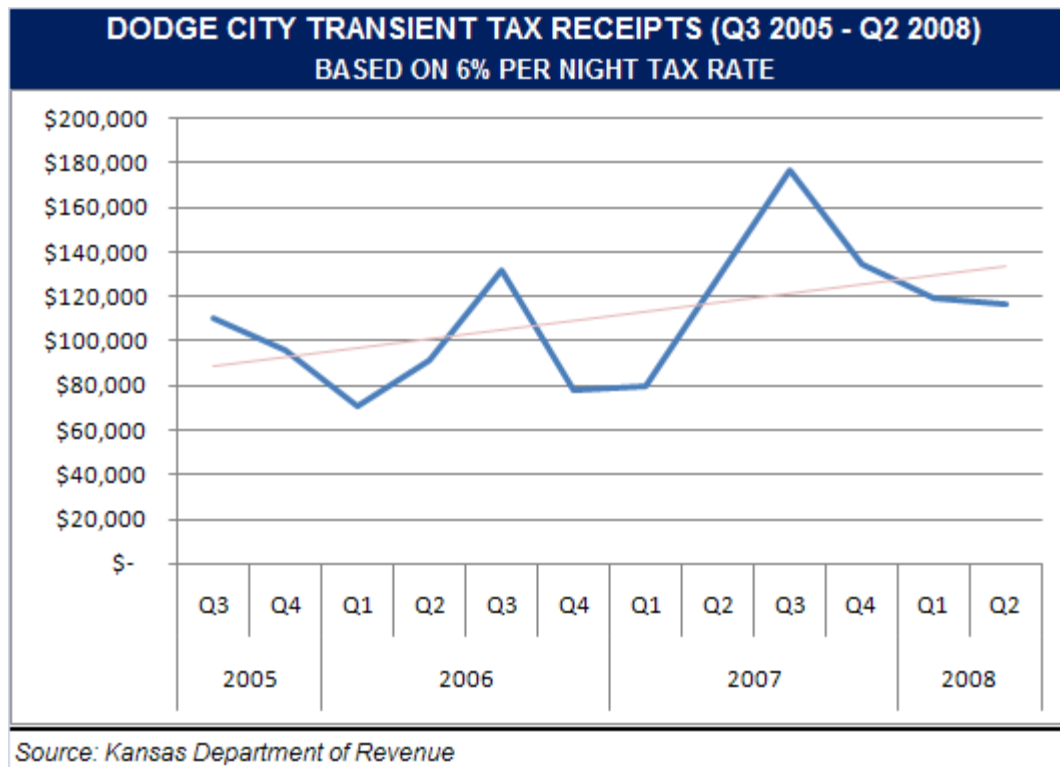
Source: Wells, Cummings, Claritas, Civic Economics

Dodge City Lodging

DODGE CITY LODGING				
Existing Lodging	Number of	Rating (Stars, Diamonds, etc.)		
	Rooms	AAA	Expedia	Travelocity
Best Western Country Inn & Suites	66	3		3
Holiday Inn Express	63	3		2
La Quinta	77	3	2.5	3
Comfort Inn	54	2	3	2
Dodge House	108		3	2
	368	3 or better from any service		
Super 8	64	2		1
Travelodge	79		1.5	1
Budget Host	32			
	175	Less than 3		
Proposed Casino Lodging				
Butler National	124	Either hotel represents a 34% increase in 3-star rated rooms		
Dodge City Resort	125			

Source: Applicant submissions, AAA, Expedia, Travelocity

Lodging Trends



Food and Beverage

PROPOSED FOOD & BEVERAGE OFFERINGS		
Butler National		
Outlet	Seating Capacity	Segment
Fine Dining / Steakhouse	66	Full Service Dining
24 Hour Café/ Buffet	150	Limited Service Dining
Snack Bar	25	Limited Service Dining
Feature Bar	50	Drinking Places
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Dodge City Resort		
Outlet	Seating Capacity	Segment
Steak House	178	Full Service Dining
Casual Dining Room	134	Limited Service Dining
Deli	17	Limited Service Dining
Cabaret Lounge	70	Drinking Places
399		

Source: Applicant submissions, Probe Strategic Solutions

Food and Beverage

FORD COUNTY FOOD AND BEVERAGE MARKET				
	Demand		Supply	Available Market
Foodservice and Drinking Places-722	\$	40,859,662	\$ 26,473,997	\$ 14,385,665
Full-Service Restaurants-7221	\$	18,490,632	\$ 10,066,000	\$ 8,424,632
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Drinking Places -Alcoholic Beverages-7224	\$	1,681,806	\$ 1,373,998	\$ 307,808

Source: Claritas

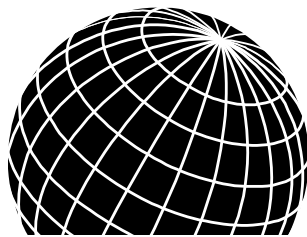
Thank you.

CivicEconomics.com
dhouston@ or mattc@

DODGE CITY RESORT & GAMING COMPANY, LLC.

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
DODGE CITY CASINO RESORT

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 31,800,000	\$ 1,987,500	\$ 1,987,500	\$ -
Property Tax	-	1,834,894	1,478,678	-
Sales/Use Tax	-	-	-	-
Income Tax	-	-	-	-
Lodging Tax	-	-	-	-
Developer Contributions	-	68,450	-	-
Total	\$ 31,800,000	\$ 3,890,844	\$ 3,466,178	\$ -
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 392,119	\$ -	\$ -
Public Works	-	114,083	-	-
Education	-	-	-	251,288
Fire Protection/EMS	-	161,338	-	-
Total	\$ -	\$ 667,540	\$ -	\$ 251,288
Surplus/(Deficit)	\$ 31,800,000	\$ 3,223,304	\$ 3,466,178	\$ (251,288)

Consultant's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 38,144,503	\$ 2,384,031	\$ 2,384,031	\$ -
Property Tax	67,118	2,167,736	1,746,905	2,507,085
Sales/Use Tax	3,421,500	645,566	1,065,184	-
Income Tax	2,398,455	-	-	-
Building Fees	-	-	-	-
Lodging Tax	594,625	785,354	185,119	-
School State Aid	-	-	-	9,462,569
Developer Contributions	-	-	-	-
Total	\$ 44,626,201	\$ 5,982,687	\$ 5,381,240	\$ 11,969,654
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 1,093,737	\$ 909,317	\$ -
Public Works	-	-	-	-
Education	-	-	-	21,145,386
Building Inspection	-	-	-	-
Fire Protection/EMS	-	390,261	-	-
Admin. Overhead	-	305,701	-	-
Total	\$ -	\$ 1,789,698	\$ 909,317	\$ 21,145,386
Surplus/(Deficit)	\$ 44,626,201	\$ 4,192,989	\$ 4,471,923	\$ (9,175,732)

FISCAL IMPACT--CONSTRUCTION	
DODGE CITY CASINO RESORT	

May-09

Jul-11

Proposer's Estimates: 2009-2011

	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 16,200,000	\$ 1,012,500	\$ 1,012,500	\$ -
Property Tax	-	999,200	805,221	-
Sales/Use Tax	-	-	-	-
Income Tax	-	-	-	-
Lodging Tax	-	-	-	-
Developer Contributions	-	32,881	-	-
Total	\$ 16,200,000	\$ 2,044,581	\$ 1,817,721	\$ -
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 199,900	\$ -	\$ -
Public Works	-	54,801	-	-
Education	-	-	-	160,988
Fire Protection/EMS	-	82,250	-	-
Total	\$ -	\$ 336,951	\$ -	\$ 160,988
Surplus/(Deficit)	\$ 16,200,000	\$ 1,707,630	\$ 1,817,721	\$ (160,988)

Voluntary Contributions to State and Local Governments:

1. Road/streets, sewer/water and storm drains improvements estimated at \$54,800 from 2009-11, 60% paid for by proposer (shown under Dodge City). (Note: Proposer's application did not state infrastructure cost estimate was in 000s; Consultant carried this amount over as reported in template.)

Consultant's Estimates: 2009-2011

<u>REVENUE:</u>	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
Gaming Rev. Sharing	\$ 2,678,841	\$ 167,428	\$ 167,428	\$ -
Property Tax	-	-	-	-
Sales/Use Tax	730,223	137,778	227,334	-
Income Tax	282,101	-	-	-
Building Fees	-	-	-	-
Lodging Tax	-	-	-	-
School State Aid	-	-	-	1,936,222
Developer Contributions	-	-	-	-
Total	\$ 3,691,166	\$ 305,206	\$ 394,761	\$ 1,936,222
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 144,974	\$ 101,957	\$ -
Public Works	-	-	-	-
Education	-	-	-	4,450,827
Building Inspection	-	-	-	-
Fire Protection/EMS	-	45,295	-	-
Admin. Overhead	-	39,195	-	-
Total	\$ -	\$ 229,464	\$ 101,957	\$ 4,450,827
Surplus/(Deficit)	\$ 3,691,166	\$ 75,741	\$ 292,804	\$ (2,514,605)

Consultant's Comments:

1. Developer Contributions under Proposer's estimates are not carried down to Consultant's estimate as roads, sewer and water infrastructure costs are not estimated due to lack of reliable cost data and due to the large variance between the two proposers' estimates.

FISCAL IMPACT: 2012-2013
DODGE CITY CASINO RESORT

Proposer's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 15,600,000	\$ 975,000	\$ 975,000	\$ -
Property Tax	-	835,694	673,457	-
Sales/Use Tax	-	-	-	-
Income Tax	-	-	-	-
Lodging Tax	-	-	-	-
Developer Contributions	-	35,569	-	-
Total	\$ 15,600,000	\$ 1,846,263	\$ 1,648,457	\$ -
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 192,219	\$ -	\$ -
Public Works	-	59,282	-	-
Education	-	-	-	90,300
Fire Protection/EMS	-	79,088	-	-
Total	\$ -	\$ 330,589	\$ -	\$ 90,300
Surplus/(Deficit)	\$ 15,600,000	\$ 1,515,674	\$ 1,648,457	\$ (90,300)
Voluntary Contributions to Community and Governments (not included above):				
1. Goal of 1% of GGR for local tourism efforts (Source: Presentation to Gaming Review Bd.)				
2. Goal of \$50,000 for "Stipends" (Source: Presentation to Gaming Review Bd.)				

Consultant's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 35,465,661	\$ 2,216,604	\$ 2,216,604	\$ -
Property Tax	67,118	2,167,736	1,746,905	2,507,085
Sales/Use Tax	2,691,277	507,788	837,850	-
Income Tax	2,116,354	-	-	-
Building Fees	-	-	-	-
Lodging Tax	594,625	785,354	185,119	-
School State Aid	-	-	-	7,526,346
Developer Contributions	-	-	-	-
Total	\$ 40,935,035	\$ 5,677,481	\$ 4,986,478	\$ 10,033,431
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 948,762	\$ 807,359	\$ -
Public Works	-	-	-	-
Education	-	-	-	16,694,559
Building Inspection	-	-	-	-
Fire Protection/EMS	-	344,966	-	-
Admin. Overhead	-	266,506	-	-
Total	\$ -	\$ 1,560,234	\$ 807,359	\$ 16,694,559
Surplus/(Deficit)	\$ 40,935,035	\$ 4,117,247	\$ 4,179,119	\$ (6,661,127)

Consultant's Comments:

		<u>2012</u>		<u>2012</u>
Dodge City Casino Resort	GGR Estimate	\$ 46,118,283	Visitors	770,878
Consultants	GGR Estimate	\$ 48,578,000	Visitors	722,280

APPENDIX 1
DODGE CITY RESORT & GAMING COMPANY, LLC
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Temporary Structure	-	\$ 5,900,000	\$ 2,950,000	\$ 10,541,000
Year 2	Casino	-	8,782,197	4,391,099	2,423,474
	Hotel	-	8,646,696	4,323,348	71,110
	Restaurants	-	1,142,635	571,318	9,397
	Entertainment	-	947,403	473,702	7,791
	Retail	-	214,402	107,201	1,763
Subtotal		-	19,733,333	9,866,667	2,513,536
Year 3	Casino	87,043	4,391,099	2,195,549	9,710,269
	Hotel	85,700	4,323,348	2,161,674	1,638,344
	Restaurants	11,325	571,318	285,659	216,502
	Entertainment	9,390	473,702	236,851	179,511
	Retail	2,125	107,201	53,600	40,624
Subtotal		195,583	9,866,667	4,933,333	11,785,250
TOTAL		195,583	\$ 35,500,000	\$ 17,750,000	\$ 24,839,786

APPENDIX 1, ASSUMPTIONS:

- Construction of the development, including the temporary facility, is estimated to take 31 months (December 2008 to July 2011).

Sq. Footage

Casino	87,043	800 slot machines, 20 table games
Hotel	85,700	125 guest rooms, both standard and premium
Restaurants	11,325	restaurants and bars
Entertainment	9,390	entertainment/convention space
Retail	2,125	retail shops

Total 195,583

Analysis does not include proposed sporting center as no construction information is provided by the Developer in the template.

Source: Developer's revised application (final template).

- Construction costs are estimated using above square footages and cost breakdown provided by Dodge City Resort & Gaming Company LLC in its template document (costs are added in the year shown by the developer):

	Land	Building	FF&E*	Total**
	\$ 5,000,000	\$ 30,500,000	\$ 24,839,786	\$ 60,339,786

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's template.

- Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.
- The Developer's template showed construction costs in 2009 and 2011. The Consultant assumed 2/3 of the permanent facility's construction cost would occur in Year 2 or 2010 and 1/3 in Year 3 or 2011.

APPENDIX 2
DODGE CITY RESORT & GAMING COMPANY, LLC
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>DODGE CITY SCHOOL DIST. REVENUE</u>	<u>DODGE CITY REVENUE</u>	<u>FORD COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Temp. Structure	\$ 5,900,000	\$ 10,541,000	\$ 16,441,000	\$ 4,110,250				
Year 2	Casino	8,782,197	2,423,474	27,823,672	6,955,918				
	Hotel	8,646,696	71,110	8,717,805	2,179,451				
	Restaurants	1,142,635	9,397	1,152,032	288,008				
	Entertainment	947,403	7,791	955,195	238,799				
	Retail	214,402	1,763	216,165	54,041				
Subtotal		19,733,333	2,513,536	38,864,869	9,716,217	\$ 230,297	\$ 199,125	\$ 160,468	\$ 6,165
Year 3	Casino	4,391,099	9,710,269	42,370,815	10,592,704				
	Hotel	4,323,348	1,638,344	14,938,899	3,734,725				
	Restaurants	571,318	216,502	1,974,131	493,533				
	Entertainment	473,702	179,511	1,636,829	409,207				
	Retail	107,201	40,624	370,422	92,605				
Subtotal		9,866,667	11,785,250	61,291,096	15,322,774	\$ 544,400	\$ 470,712	\$ 379,331	\$ 14,574
Year 4	Casino	-	-	42,961,697	10,740,424				
	Hotel	-	-	15,335,782	3,833,945				
	Restaurants	-	-	2,026,578	506,644				
	Entertainment	-	-	1,680,315	420,079				
	Retail	-	-	380,263	95,066				
Subtotal		-	-	62,384,635	15,596,159	\$ 858,535	\$ 742,327	\$ 598,216	\$ 22,984
Year 5	Casino	-	-	43,570,306	10,892,576				
	Hotel	-	-	15,744,572	3,936,143				
	Restaurants	-	-	2,080,598	520,150				
	Entertainment	-	-	1,725,105	431,276				
	Retail	-	-	390,399	97,600				
Subtotal		-	-	63,510,980	15,877,745	\$ 873,853	\$ 755,572	\$ 608,890	\$ 23,394
TOTAL		\$ 35,500,000	\$ 24,839,786			\$ 2,507,085	\$ 2,167,736	\$ 1,746,905	\$ 67,118

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount. Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District	\$ 56.0300	
City	\$ 48.4460	
County	\$ 39.0410	
State	\$ 1.5000	

Source: Ford County Administration Office. Rates include all funds for which property tax revenues are collected.

APPENDIX 2
DODGE CITY RESORT & GAMING COMPANY, LLC
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
3. Assessed value estimated at **25%** of appraised value for both real and personal property.
4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.
5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

APPENDIX 3
DODGE CITY RESORT & GAMING COMPANY, LLC
SALES TAX REVENUE

<u>YEAR</u>		<u>SQUARE FT.</u> <u>BUILT</u>	<u>CONSTRUCTION</u> <u>MATERIALS</u> <u>COST</u>	<u>FF&E</u> <u>PURCHASES</u>	<u>RETAIL</u> <u>SALES</u>	<u>TOTAL</u> <u>TAXABLE</u> <u>SALES</u>	<u>DODGE</u> <u>CITY</u> <u>REVENUE</u>	<u>FORD</u> <u>COUNTY</u> <u>REVENUE</u>	<u>STATE OF</u> <u>KANSAS</u> <u>REVENUE</u>
Year 1	Temp. Structure	-	\$ 2,950,000	\$ 10,541,000	\$ 286,801	\$ 13,777,801	\$ 137,778	\$ 227,334	\$ 730,223
Year 2	Casino	-	4,391,099	2,423,474	-	6,814,573			
	Hotel	-	4,323,348	71,110	-	4,394,458			
	Restaurants	-	571,318	9,397	1,094,640	1,675,354			
	Entertainment	-	473,702	7,791	-	481,493			
	Retail	-	107,201	1,763	-	108,964			
Subtotal		-	9,866,667	2,513,536	1,094,640	13,474,842	\$ 134,748	\$ 222,335	\$ 714,167
Year 3	Casino	87,043	2,195,549	9,710,269	-	11,905,818			
	Hotel	85,700	2,161,674	1,638,344	-	3,800,018			
	Restaurants	11,325	285,659	216,502	5,473,199	5,975,360			
	Entertainment	9,390	236,851	179,511	-	416,361			
	Retail	2,125	53,600	40,624	1,187,116	1,281,340			
Subtotal		195,583	4,933,333	11,785,250	6,660,315	23,378,898	\$ 233,789	\$ 385,752	\$ 1,239,082
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	5,639,780	5,639,780			
	Entertainment	-	-	-	-	-			
	Retail	-	-	-	1,224,391	1,224,391			
Subtotal		-	-	-	6,864,171	6,864,171	\$ 68,642	\$ 113,259	\$ 363,801
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	5,801,720	5,801,720			
	Entertainment	-	-	-	-	-			
	Retail	-	-	-	1,259,171	1,259,171			
Subtotal		-	-	-	7,060,891	7,060,891	\$ 70,609	\$ 116,505	\$ 374,227
TOTAL		195,583	\$ 17,750,000	\$ 24,839,786	\$ 21,966,818	\$ 64,556,603	\$ 645,566	\$ 1,065,184	\$ 3,421,500

APPENDIX 3, ASSUMPTIONS:

- Sales tax rate is as follows:

	<u>Designation</u>
1.000%	City
1.650%	County
5.300%	State
7.950%	TOTAL

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

- Materials Cost - 50% of construction cost is assumed to be materials cost.

Source: Discussion with Nevada contractors

APPENDIX 3
DODGE CITY RESORT & GAMING COMPANY, LLC
SALES TAX REVENUE

3. Retail sales based on revenue projections contained in Developer's template and include F&B and retail. Year 1 retail sales based on 67% of that reflected on template since temporary casino opens May 1, 2009.
4. The Developer does not estimate entertainment tax revenue.
5. Room tax revenue estimated in Appendix 6.

APPENDIX 4
DODGE CITY RESORT & GAMING COMPANY, LLC
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>DODGE CITY REVENUE</u>	<u>FORD COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ 11,161,840	\$ 167,428	\$ 167,428	\$ 2,455,605	\$ 223,237
Year 2	Casino	16,742,759	251,141	251,141	3,683,407	334,855
Year 3	Casino	32,660,380	489,906	489,906	7,185,284	653,208
Year 4	Casino	48,578,000	728,670	728,670	10,687,160	971,560
Year 5	Casino	49,792,450	746,887	746,887	10,954,339	995,849
TOTAL		\$ 2,384,031	\$ 2,384,031	\$ 34,965,794	\$ 3,178,709	

APPENDIX 4, ASSUMPTIONS:

- Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR \$ 57,056,000
Cummings GGR 40,100,000
Average \$ 48,578,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

- Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Ford County	1.5%	of all lottery gaming revenues.
Dodge City	1.5%	of all lottery gaming revenues.

Source: SB 66.

- Year 4 assumes first full year of operation for the permanent facility, some gaming operation is estimated prior to this date based on the percentage of square footage of temporary facility of permanent facility and its estimated revenue.

APPENDIX 5
DODGE CITY RESORT & GAMING COMPANY, LLC
STATE INCOME TAX REVENUE

<u>YEAR</u>		<u>ESTIMATED ANNUAL PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 1,072,224	\$ 35,040	\$ 54,700
	Operating	5,028,819	23,871	227,401
Subtotal		6,101,043	58,911	282,101
Year 2	Construction	3,574,080	35,040	182,333
	Operating	7,719,962	24,430	352,148
Subtotal		11,294,042	59,470	534,481
Year 3	Construction	2,501,856	35,040	127,633
	Operating	10,370,172	23,542	466,430
Subtotal		12,872,028	58,582	594,063
Year 4	Construction	-	-	-
	Operating	10,660,537	24,201	484,577
Subtotal		10,660,537	24,201	484,577
Year 5	Construction	-	-	-
	Operating	10,959,032	24,879	503,233
Subtotal		10,959,032	24,879	503,233
TOTAL		\$ 51,886,683	\$	2,398,455

APPENDIX 5, ASSUMPTIONS:

1. Construction salary per employee is estimated at \$ **35,040** excluding benefits per Developer template. Salary is held constant through the analysis per Developer's template. Year 1 (2009) includes payroll information for the last quarter of 2008, for a total of 5 quarters.
2. Operating salary per employee is estimated at \$ **23,542** excluding benefits per Developer template. Salary is inflated by 3% annually per Developer's template.
3. Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 6
DODGE CITY RESORT & GAMING COMPANY, LLC
TRANSIENT GUEST TAX REVENUE

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ANNUAL ROOM REVENUE</u>	<u>DODGE CITY REVENUE</u>	<u>FORD COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	0	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	0	-	-	-	-
Year 3	Hotel	125	2,061,666	144,317	34,017	109,268
Year 4	Hotel	125	4,438,609	310,703	73,237	235,246
Year 5	Hotel	125	4,719,066	330,335	77,865	250,110
TOTAL			\$ 11,219,341	\$ 785,354	\$ 185,119	\$ 594,625

APPENDIX 6, ASSUMPTIONS:

1. Transient Guest Tax rate is as follows:

<u>Distribution</u>
7.000% City
1.650% County
<u>5.300%</u> State
13.950% TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

2. Room revenue based on **125** rooms as shown in the Developer's template.

APPENDIX 7
DODGE CITY RESORT & GAMING COMPANY, LLC
SUMMARY OF ESTIMATED REVENUE

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>FORD COUNTY</u>	<u>DODGE CITY</u>	<u>DODGE CITY SCHOOL DIST.</u>
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	730,223	227,334	137,778	-
	Gaming Revenue	2,678,841	167,428	167,428	-
	Income Tax Revenue	282,101	-	-	-
	Transient Guest Tax	-	-	-	-
Subtotal		3,691,166	394,761	305,206	-
Year 2	Property Tax	6,165	160,468	199,125	230,297
	Sales Tax Revenue	714,167	222,335	134,748	-
	Gaming Revenue	4,018,262	251,141	251,141	-
	Income Tax Revenue	534,481	-	-	-
	Transient Guest Tax	-	-	-	-
Subtotal		5,273,075	633,945	585,015	230,297
Year 3	Property Tax	14,574	379,331	470,712	544,400
	Sales Tax Revenue	1,239,082	385,752	233,789	-
	Gaming Revenue	7,838,491	489,906	489,906	-
	Income Tax Revenue	594,063	-	-	-
	Transient Guest Tax	109,268	34,017	144,317	-
Subtotal		9,795,478	1,289,006	1,338,723	544,400
Year 4	Property Tax	22,984	598,216	742,327	858,535
	Sales Tax Revenue	363,801	113,259	68,642	-
	Gaming Revenue	11,658,720	728,670	728,670	-
	Income Tax Revenue	484,577	-	-	-
	Transient Guest Tax	235,246	73,237	310,703	-
Subtotal		12,765,329	1,513,382	1,850,341	858,535
Year 5	Property Tax	23,394	608,890	755,572	873,853
	Sales Tax Revenue	374,227	116,505	70,609	-
	Gaming Revenue	11,950,188	746,887	746,887	-
	Income Tax Revenue	503,233	-	-	-
	Transient Guest Tax	250,110	77,865	330,335	-
Subtotal		13,101,153	1,550,146	1,903,402	873,853
TOTAL		\$ 44,626,201	\$ 5,381,240	\$ 5,982,687	\$ 2,507,085

APPENDIX 7, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

APPENDIX 8
DODGE CITY RESORT & GAMING COMPANY, LLC
FORD COUNTY
SHERIFF DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u>COMMISSIONED POSITIONS</u>	<u>NON-COM POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	1,074	1.8	0.5	\$ 89,920	\$ 12,038	\$ -	\$ 101,957
Year 2	1,186	2.0	0.5	102,274	13,692	24,878	140,843
Year 3	1,841	3.2	0.8	163,457	21,882	-	185,340
Year 4	2,160	3.7	0.9	197,580	26,451	26,393	250,424
Year 5	2,160	3.7	0.9	203,508	27,244	-	230,752
TOTAL				\$ 756,739	\$ 101,307	\$ 51,271	\$ 909,317

APPENDIX 8, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 16 for calculation).
- Commissioned positions are estimated using a ratio of **1.72** employees per 1,000 population as estimated below
Non-commissioned positions are estimated using a ratio of **0.43** employee per 1,000 population as estimated below

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost/FTE</u>
Sheriff*	1	0.00	\$ -	\$ -	\$ -
Undersheriff*	1	0.00	-	-	-
CEO*	1	0.00	-	-	-
Captain	4	0.12	51,584	18,054	69,638
Sergeant	9	0.27	39,938	13,978	53,917
Deputies/Officers	34	1.01	32,550	11,392	43,942
Deputies/Officers PT**	1	0.03	26,510	-	26,510
Non-com.	10	0.30	26,004	9,101	35,106
Non-com PT**	4.5	0.13	24,354	-	24,354
Total Com.	51.0	1.72			
Total Non-com.	14.5	0.43			

*Not included in the above ratios as additional positions are not estimated.

**2 part time employees are assumed to make up a single employee for salary purposes if work 20 hours/week, and 4 employees if 10hrs/week.

County population is estimated at **33,783** in 2006.

Benefits are estimated at **35.0%** of salary costs, except for part-time employees, no benefits are estimated for these employees.

Salaries for each position are estimated using a weighted average salary of all actual salaries for all positions within the department and inflated annually by **3%**

Source: FTE, salary and benefits data from Ford County Administrator's Office. County population from US Census Bureau "State & County Quick Facts."

- Services/supplies are estimated at **3.4%** of salaries and benefits using data below, plus another 10% for office supplies for a total of **13%**
2008 **2008*** *2007 costs provided are inflated by 3% to estimate 2008 costs.

FT Salaries/Bens.	\$ 2,220,660	Vehicle Repairs	\$ 38,300
PT Salaries	127,983	Uniforms/Training	41,256
Total Salaries	\$ 2,348,643		

Source: Ford County Administrator's Office.

- One vehicle is estimated to be required for every 2 positions at a cost of \$ **23,450**
Source: Ford County Administrator's Office.

inflated 3% annually, replaced every 3 years.

APPENDIX 9
DODGE CITY RESORT & GAMING COMPANY, LLC
FORD COUNTY/DODGE CITY
ROAD/STREET DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>TOTAL ESTIMATED COST</u>		<u>DEVELOPER'S PORTION</u>		<u>CITY'S PORTION</u>	
Year 1	\$	-	\$	-	\$	-
Year 2		-		-		-
Year 3		-		-		-
Year 4		-		-		-
Year 5		-		-		-
TOTAL	\$	-	\$	-	\$	-

APPENDIX 9, ASSUMPTIONS

1. No new County roads are estimated, as the Roads Department assumes all roads constructed by the development will remain with the developer for maintenance, additional costs will be incurred if dedicated to County for maintenance. Source: Ford County Administrator's Office.
2. Costs associated with construction and maintenance of new City streets is unknown. This cost was not available from the City and the cost information provided by the two Dodge City developers differed significantly. It was unreasonable to compare such different estimates; therefore, no costs for street improvements are estimated, though costs are expected.

APPENDIX 10
DODGE CITY RESORT & GAMING COMPANY, LLC
DODGE CITY
WATER AND SEWER DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>TOTAL ESTIMATED COST</u>		<u>DEVELOPER'S PORTION</u>		<u>CITY'S PORTION</u>	
Year 1	\$	-	\$	-	\$	-
Year 2		-		-		-
Year 3		-		-		-
Year 4		-		-		-
Year 5		-		-		-
TOTAL	\$	-	\$	-	\$	-

APPENDIX 10, ASSUMPTIONS

1. No new County roads are estimated, as the Roads Department assumes all roads constructed by the development will remain with the developer for maintenance, additional costs will be incurred if dedicated to County for maintenance. Source: Ford County Administrator's Office.
2. Costs associated with construction and maintenance of new City streets is unknown. This cost was not available from the City and the cost information provided by the two Dodge City developers differed significantly. It was unreasonable to compare such different estimates; therefore, no costs for street improvements are estimated, though costs are expected.

APPENDIX 11
DODGE CITY RESORT & GAMING COMPANY, LLC
DODGE CITY
POLICE DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF CLERICAL POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	1,074	1.7	0.5	\$ 106,556	\$ 14,265	\$ 24,154	\$ 144,974
Year 2	1,186	1.9	0.5	121,196	16,225	-	137,421
Year 3	1,841	3.0	0.8	193,700	25,931	-	219,631
Year 4	2,160	3.5	1.0	234,136	31,344	52,786	318,267
Year 5	2,160	3.5	1.0	241,160	32,285		273,445
TOTAL				\$ 896,747	\$ 120,050	\$ 76,940	\$ 1,093,737

APPENDIX 11, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 16 for calculation).
- Uniformed positions are estimated using a ratio of **1.61** employees per 1,000 population as estimated below
Clerical positions are estimated using a ratio of **0.46** employee per 1,000 population as estimated below

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost/FTE</u>
Chief of Police*	1	0.00	\$ -	\$ -	\$ -
Department Supervisors*	5	0.00	-	-	-
Sergeant	5	0.19	39,938	13,978	53,917
Officers	37	1.42	32,087	11,230	43,317
Detectives	6	0.23	35,780	12,523	48,303
Clerical	12	0.46	21,670	7,585	29,255
Total Uniformed	48.0	1.61			
Total Clerical	12.0	0.46			

*Not included in the above ratios as additional positions are not estimated.

City population is estimated at **26,101** in 2006.

Benefits are estimated at **35.0%** of salary costs, except for part-time employees, no benefits are estimated for these employees.

Source: FTE information from "Dodge City Police Department" Organizational Chart from Dodge City website. Salary and benefits data from Ford County Administrator's Office (Dodge City data was not available). City population from US Census Bureau "State & County Quick Facts."

- Services/supplies are estimated at **3.4%** of salaries and benefits using data below, plus another 10% for office supplies for a total of **13%**
2008 **2008*** *2007 costs provided are inflated by 3% to estimate 2008 costs.

FT Salaries/Bens.	\$ 2,220,660	Vehicle Repairs	\$ 38,300
PT Salaries	127,983	Uniforms/Training	41,256
Total Salaries	\$ 2,348,643		\$ 79,555

Source: Ford County Administrator's Office. Data for Dodge City was unavailable.

- One vehicle is estimated to be required for every 2 positions at a cost of **\$ 23,450** inflated 3% annually, replaced every 3 years.

Source: Ford County Administrator's Office. Data for Dodge City was unavailable.

APPENDIX 12
DODGE CITY RESORT & GAMING COMPANY, LLC
DODGE CITY
FIRE DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	1,074	0.8	\$ 40,140	\$ 5,155	\$ -	\$ 45,295
Year 2	1,186	0.9	46,098	5,920	-	52,018
Year 3	1,841	1.3	74,390	9,554	-	83,944
Year 4	2,160	1.6	90,793	11,661	-	102,453
Year 5	2,160	1.6	94,424	12,127	-	106,551
TOTAL			\$ 345,844	\$ 44,417	\$ -	\$ 390,261

APPENDIX 12, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 16 for calculation).
- New positions are estimated using a ratio of **0.73** employees per 1,000 population as estimated below

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost/FTE</u>
Fire Chief*	1	0.00	\$ -	\$ -	\$ -
Chief Officers*	2	0.00	-	-	-
Captains*	3	0.00	-	-	-
Engineers	6	0.23	38,553	13,243	51,795
Fire Fighters	13	0.50	35,890	12,328	48,218
Total	12.0	0.73			

*Not included in the above ratios as additional positions are not estimated.

City population is estimated at **26,101** in 2006.

Salary and benefits costs are increased 4% annually. Benefits are estimated at **34%** of salary.

Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas. Dodge City data was not available.

- Services/supplies are estimated at **13%** of salaries and benefits.

	2006	2007	2008	Average
Personnel Services \$	1,279,805	\$ 1,296,456	\$ 1,326,777	\$ 1,301,013
Contractual	81,533	81,873	93,846	85,751
Commodities	75,267	83,250	85,500	81,339
% of PS	12%	13%	14%	13%

Source: City of Wellington Budget. Three year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Fire & Ambulance department. Data for Dodge City was not available.

- Capital equipment requirements are unknown as Dodge City data was unavailable. Additional workspace, station, or equipment may be required.

APPENDIX 13
DODGE CITY RESORT & GAMING COMPANY, LLC
DODGE CITY
SUMMARY OF ESTIMATED COSTS

<u>YEAR</u>	<u>STREETS DEPARTMENT</u>	<u>WATER/SEWER DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>FIRE/EMS DEPARTMENT</u>	<u>ADMIN. OVERHEAD</u>	<u>TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ 144,974	45,295	\$ 39,195	\$ 229,464
Year 2	-	-	137,421	52,018	39,024	228,463
Year 3	-	-	219,631	83,944	62,536	366,110
Year 4	-	-	318,267	102,453	86,667	507,387
Year 5	-	-	273,445	106,551	78,278	458,274
TOTAL	\$ -	\$ -	\$ 1,093,737	\$ 390,261	\$ 305,701	\$ 1,789,698

APPENDIX 13, ASSUMPTIONS:

1. See Appendices 9-12 for detailed calculations of all department costs.
2. Administrative overhead costs estimated at **21%** of all department costs estimated in this analysis.
Source: City of Wellington Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund.
City of Wellington data is used as Dodge City data was not available.

Direct	2006	2007	2008	Average
Police	1,254,091	1,273,666	1,317,991	1,281,916
Fire/Ambulance	1,443,305	1,469,579	1,506,123	1,473,002
Auditorium	39,030	31,700	30,500	33,743
Park	212,473	240,515	243,470	232,153
Swimming Pool	40,927	26,425	44,100	37,151
Street	717,887	828,742	886,689	811,106
Cemetery	77,933	97,264	105,958	93,718
Engineering	304,034	320,833	335,425	320,097
Legal	124,565	129,395	131,522	128,494
Lake	120,439	145,024	144,237	136,567
Total	4,334,684	4,563,143	4,746,015	4,547,947
Indirect	2006	2007	2008	Average
Mayor/Council	14,709	21,221	21,521	19,150
City Manager	110,341	137,345	183,057	143,581
City Clerk	278,651	294,493	318,137	297,094
Utility Collections	247,651	280,901	284,417	270,990
Public Works	84,277	88,296	98,176	90,250
General Services	69,527	79,005	71,216	73,249
Janitorial	43,487	44,577	39,601	42,555
Total	848,643	945,838	1,016,125	936,869
% Indirect of Direct	20%	21%	21%	21%

APPENDIX 14
DODGE CITY RESORT & GAMING COMPANY, LLC
DODGE CITY SCHOOL DISTRICT
ESTIMATED COSTS

<u>YEAR</u>	<u># OF NEW STUDENTS</u>	<u># OF NEW STUDENTS OVER CAPACITY</u>	<u>SALARIES/ BENEFITS COSTS</u>	<u>SERVICES/ SUPPLIES COSTS</u>	<u>CAPITAL CONSTRUCTION COSTS</u>	<u>ESTIMATED TOTAL COSTS</u>
Year 1	443	148	\$ 1,716,972	\$ 798,084	\$ 1,935,771	\$ 4,450,827
Year 2	443	148	1,777,066	826,017	-	2,603,083
Year 3	617	322	2,563,910	1,191,758	2,425,525	6,181,193
Year 4	617	322	2,653,647	1,233,470	-	3,887,117
Year 5	617	322	2,746,525	1,276,641	-	4,023,166
TOTAL			\$ 11,458,120	\$ 5,325,970	\$ 4,361,296	\$ 21,145,386

APPENDIX 14, ASSUMPTIONS:

- The analysis uses a student per household ratio of **1.56** to estimate the number of new students added to the school district by this development. The analysis assumes each employee who moves to the area will represent a household (See Appendix 16). Above ratio calculated as a weighted average of 1.7 students per household for service sector and 1.0 per household for skilled positions. Source: Dodge City School District Superintendent's Office.
- Students will be added to each school level using the following ratios:

	% of Students	New of Students*	*at full operation
Pre School	15.0%	93	
Elementary	30.0%	185	
Intermediate	20.0%	123	
Middle School	20.0%	123	
High School	<u>15.0%</u>	<u>93</u>	
Total	100.0%	617	

Source: Dodge City School District Superintendent's Office.

- The following capacity exists at each school level to absorb new students:

	Existing Capacity	New Students	# of Students over Capacity
Pre School	1	93	92
Elementary	185	185	0
Intermediate	47	123	76
Middle School	0	123	123
High School	<u>62</u>	<u>93</u>	<u>31</u>
Total	295	617	322

Source: Dodge City School District Superintendent's Office.

No capital outlay costs are estimated for the new students absorbed by existing capacity; operating costs are estimated all for new students.

APPENDIX 14
DODGE CITY RESORT & GAMING COMPANY, LLC
DODGE CITY SCHOOL DISTRICT
ESTIMATED COSTS

4. Salaries and benefits are estimated as follows:

Position	# of Positions	Salary Costs	Benefits Costs	Total Costs
Professional Staff	20	\$ 47,500	\$ 11,875	\$ 59,375
Support Staff	<u>30</u>	30,000	7,500	37,500
Total	50			

Salaries are inflated **3.5%** annually based on weighted average salary increase for professional and support staff.
Benefits estimated at **25%** of salaries.

Source: Dodge City School District Superintendent's Office.

5. School services and supplies are estimated at **46%** of salary/benefits costs.

	2005-06	2006-07	2007-08	Average
Instruction (I)	20,180,608	18,907,806	19,869,347	19,652,587
Operations/Maint. (OM)	8,283,539	9,263,398	9,857,842	9,134,926
Capital Improv. (CI)	-	-	-	-
OM % of I	41%	49%	50%	46%
CI % of I	0%	0%	0%	0%

Source: "Budget at a Glance 2007-08." Dodge City Public Schools.

6. Analysis assumes new classrooms will be required to service students. Each classroom will have capacity for students and will be constructed at a cost of \$ **280,000** inflated 3% annually.

22

Source: Dodge City School District Superintendent's Office.

APPENDIX 15
DODGE CITY RESORT & GAMING COMPANY, LLC
DODGE CITY SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT

<u>YEAR</u>	<u>GENERAL</u> <u>STATE AID</u>	<u>LOCAL</u> <u>EFFORT</u>	<u>TOTAL</u> <u>CONTRIBUTION</u>	<u>TOTAL</u> <u>COSTS</u>	<u>ANNUAL</u> <u>SURPLUS/</u> <u>(DEFICIT)</u>	<u>CUMULATIVE</u> <u>SURPLUS/</u> <u>(DEFICIT)</u>
Year 1	\$ 1,936,222	\$ -	\$ 1,936,222	\$ 4,450,827	\$ (2,514,605)	\$ (2,514,605)
Year 2	1,705,925	230,297	1,936,222	2,603,083	(666,861)	(3,181,465)
Year 3	2,154,670	544,400	2,699,070	6,181,193	(3,482,124)	(6,663,589)
Year 4	1,840,535	858,535	2,699,070	3,887,117	(1,188,047)	(7,851,636)
Year 5	1,825,217	873,853	2,699,070	4,023,166	(1,324,096)	(9,175,732)
TOTAL	\$ 9,462,569	\$ 2,507,085	\$ 11,969,654	\$ 21,145,386	\$ (9,175,732)	

APPENDIX 15, ASSUMPTIONS:

1. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at \$ **4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
2. Local Effort includes school districts' property tax revenue only, other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for the School District in Appendix 2.
3. Operating and capital construction costs for school district is estimated in Appendix 14.

APPENDIX 16
DODGE CITY RESORT & GAMING COMPANY, LLC
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES MOVING TO THE AREA	NEW RESIDENTS RESULTING FROM EMPLOYEES	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 1	316	32	284	550	448	1,074
Year 2	316	32	284	550	672	1,186
Year 3	441	45	396	767	1,311	1,841
Year 4	441	45	396	767	1,950	2,160
Year 5	441	45	396	767	1,950	2,160

APPENDIX 15, ASSUMPTIONS:

1. Employees:

a. The permanent facility is estimated to require **441** employees.

The temporary facility is estimated to require **316** employees.

Source: Developer's final template.

b. Approximately **90%** of all employees will live in Ford County, based on historical work-residence data.

Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Ford County.

c. Analysis assumes new employees moving to the area will have families, resulting in more residents to the County. Family members of new employees are added using a ratio of **1.94** additional members per new employee.

Source: US Department of Labor, Bureau of Labor Statistics. American FactFinder. By County. Data for Dodge City.

2. Residents:

The development will not include a residential component and therefore no residents are estimated for the development.

3. Visitors:

a. Report by Richard Wells estimated approximately **2,296** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **1,662** daily visitors to the development, including local residents. The analysis uses the average of these **1,979**

Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.

Developer's application estimates a locals penetration rate of **31.0%** with approximately **33,783** County residents in 2006. The analysis assumes number of local visitors at **10,473** or approximately

28.7 visits a day. The analysis assumes no additional costs associated with these local visitors, costs are estimated only for the **1,950** non-local visitors in Year 4, first full year of operations. Visitors prior to this period are added based on the percentage of square footage of temporary facility of permanent facility multiplied by its estimated revenue.

Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services at any one time estimated as follows:

50% of all commuting employees and daily visitors.

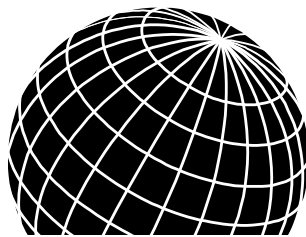
100% of all new employees/residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services.

BUTLER NATIONAL SERVICE CORPORATION

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
BUTLER NATIONAL SERVICE CORP.

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 57,102,365	\$ 3,568,717	\$ 3,568,717	\$ -
Property Tax	74,365	419,997	1,935,436	4,499,700
Sales/Use Tax	-	720,456	1,712,492	-
Income Tax	-	-	-	-
Lodging Tax	-	-	-	-
Developer Contributions	-	5,124,732	-	-
Total	\$ 57,176,730	\$ 9,833,902	\$ 7,216,645	\$ 4,499,700
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 506,907	\$ -	\$ -
Public Works	-	21,576,000	-	-
Education	-	-	-	3,728,887
Fire Protection/EMS	-	239,372	-	-
Total	\$ -	\$ 22,322,279	\$ -	\$ 3,728,887
Surplus/(Deficit)	\$ 57,176,730	\$ (12,488,377)	\$ 7,216,645	\$ 770,813

Consultant's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 34,907,959	\$ 2,181,747	\$ 2,181,747	\$ -
Property Tax	92,830	2,998,158	2,416,114	3,467,506
Sales/Use Tax	4,190,721	790,702	1,304,658	-
Income Tax	3,047,502	-	-	-
Building Fees	-	-	-	-
Lodging Tax	472,589	624,174	147,127	-
School State Aid	-	-	-	8,152,923
Developer Contributions	-	-	-	-
Total	\$ 42,711,600	\$ 6,594,781	\$ 6,049,647	\$ 11,620,429
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 1,045,155	\$ 869,066	\$ -
Public Works	-	-	-	-
Education	-	-	-	23,912,888
Building Inspection	-	-	-	-
Fire Protection/EMS	-	372,583	-	-
Admin. Overhead	-	292,051	-	-
Total	\$ -	\$ 1,709,789	\$ 869,066	\$ 23,912,888
Surplus/(Deficit)	\$ 42,711,600	\$ 4,884,992	\$ 5,180,581	\$ (12,292,459)

**FISCAL IMPACT--CONSTRUCTION
BUTLER NATIONAL SERVICE CORP.**

Opening Date-Temporary Facility

Sep-09

Opening Date-Permanent Facility

Sep-11

Proposer's Estimates: 2009-2011

	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 23,847,901	\$ 1,490,493	\$ 1,490,493	\$ -
Property Tax	15,925	89,945	414,487	963,642
Sales/Use Tax	-	137,199	326,116	-
Income Tax	-	-	-	-
Lodging Tax	-	-	-	-
Developer Contributions	-	5,124,732	-	-
Total	\$ 23,863,826	\$ 6,842,369	\$ 2,231,096	\$ 963,642
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 160,844	\$ -	\$ -
Public Works	-	21,576,000	-	-
Education	-	-	-	1,184,865
Fire Protection/EMS	-	75,954	-	-
Total	\$ -	\$ 21,812,798	\$ -	\$ 1,184,865
Surplus/(Deficit)	\$ 23,863,826	\$ (14,970,429)	\$ 2,231,096	\$ (221,223)

Voluntary Contributions to State and Local Governments:

1. Road/Street and sewer/water improvements estimated at \$21.6 million of which 23.7% paid for by proposer (shown under Dodge City).

Consultant's Estimates: 2009-2011

	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 1,246,364	\$ 77,898	\$ 77,898	\$ -
Property Tax	-	-	-	-
Sales/Use Tax	1,089,992	205,659	339,337	-
Income Tax	292,741	-	-	-
Building Fees	-	-	-	-
Lodging Tax	-	-	-	-
School State Aid	-	-	-	1,403,149
Developer Contributions	-	-	-	-
Total	\$ 2,629,097	\$ 283,557	\$ 417,235	\$ 1,403,149
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 105,004	\$ 68,227	\$ -
Public Works	-	-	-	-
Education	-	-	-	2,119,242
Building Inspection	-	-	-	-
Fire Protection/EMS	-	30,310	-	-
Admin. Overhead	-	27,874	-	-
Total	\$ -	\$ 163,188	\$ 68,227	\$ 2,119,242
Surplus/(Deficit)	\$ 2,629,097	\$ 120,369	\$ 349,008	\$ (716,094)

Consultant's Comments:

1. Developer Contributions under Proposer's estimates are not carried down to Consultant's estimate as roads, sewer and water infrastructure costs are not estimated due to lack of reliable cost data and due to the large variance between the two proposers' estimates.

FISCAL IMPACT: 2012-2013
BUTLER NATIONAL SERVICE CORP.

Proposer's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 33,254,464	\$ 2,078,224	\$ 2,078,224	\$ -
Property Tax	58,440	330,052	1,520,949	3,536,058
Sales/Use Tax	-	583,257	1,386,376	-
Income Tax	-	-	-	-
Lodging Tax	-	-	-	-
Developer Contributions	-	-	-	-
Total	\$ 33,312,904	\$ 2,991,533	\$ 4,985,549	\$ 3,536,058
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 346,063	\$ -	\$ -
Public Works	-	-	-	-
Education	-	-	-	\$ 2,544,022
Fire Protection/EMS	-	163,418	-	-
Total	\$ -	\$ 509,481	\$ -	\$ 2,544,022
Surplus/(Deficit)	\$ 33,312,904	\$ 2,482,052	\$ 4,985,549	\$ 992,036

Consultant's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 33,661,594	\$ 2,103,850	\$ 2,103,850	\$ -
Property Tax	92,830	2,998,158	2,416,114	3,467,506
Sales/Use Tax	3,100,729	585,043	965,321	-
Income Tax	2,754,761	-	-	-
Building Fees	-	-	-	-
Lodging Tax	472,589	624,174	147,127	-
School State Aid	-	-	-	6,749,775
Developer Contributions	-	-	-	-
Total	\$ 40,082,503	\$ 6,311,225	\$ 5,632,412	\$ 10,217,280
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 940,151	\$ 800,839	\$ -
Public Works	-	-	-	-
Education	-	-	-	21,793,646
Building Inspection	-	-	-	-
Fire Protection/EMS	-	342,273	-	-
Admin. Overhead	-	264,177	-	-
Total	\$ -	\$ 1,546,601	\$ 800,839	\$ 21,793,646
Surplus/(Deficit)	\$ 40,082,503	\$ 4,764,623	\$ 4,831,573	\$ (11,576,366)

Consultant's Comments:

		<u>2012</u>		<u>2012</u>
Butler	GGR Estimate	\$ 67,665,516	Visitors	1,377,600
Consultants	GGR Estimate	\$ 49,667,000	Visitors	740,459

APPENDIX 1
BUTLER NATIONAL SERVICE CORPORATION
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Temporary Structure	-	\$ 9,641,351	\$ 4,820,675	\$ 15,376,304
Year 2	Casino	32,305	5,044,127	2,522,063	-
	Hotel	59,839	9,343,350	4,671,675	-
	Restaurants	5,856	914,370	457,185	-
	Entertainment	9,493	1,482,311	741,156	-
	Retail	736	114,921	57,460	-
Subtotal		108,229	16,899,079	8,449,540	-
Year 3	Casino	10,768	9,837,417	4,918,709	8,532,851
	Hotel	19,946	18,222,071	9,111,035	3,744,426
	Restaurants	1,952	1,783,269	891,635	366,441
	Entertainment	3,164	2,890,910	1,445,455	594,049
	Retail	245	224,127	112,063	46,055
Subtotal		36,076	32,957,794	16,478,897	13,283,823
TOTAL		144,305	\$ 59,498,223	\$ 29,749,112	\$ 28,660,127

APPENDIX 1, ASSUMPTIONS:

1. The temporary facility will open September 2009; the permanent, October 2011.

	Sq. Footage	Other Information
Casino	48,457	875 slot machines, 20 table games
Hotel	89,758	124 guest rooms, both standard and premium
Restaurants	8,784	restaurants and bars
Entertainment	14,240	convention and entertainment, spa and fitness center
Retail	1,104	retail shop
Total	162,343	

Source: Developer's application/template.

2. Construction costs are estimated using above square footages and cost breakdown provided by Butler National Service Corporation in its template document (costs are added in the year shown by the developer):

	Land	Building	FF&E*	Total**
\$	8,429,884	\$ 51,068,339	\$ 28,660,127	\$ 88,158,350

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's revised application (final template).

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
BUTLER NATIONAL SERVICE CORPORATION
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>DODGE CITY SCHOOL DIST. REVENUE</u>	<u>DODGE CITY REVENUE</u>	<u>FORD COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Temp. Structure	\$ 9,641,351	\$ 15,376,304	\$ 25,017,655	\$ 6,254,414				
Year 2	Casino	5,044,127	-	30,351,022	7,587,755				
	Hotel	9,343,350	-	9,343,350	2,335,838				
	Restaurants	914,370	-	914,370	228,592				
	Entertainment	1,482,311	-	1,482,311	370,578				
	Retail	114,921	-	114,921	28,730				
Subtotal		16,899,079	-	42,205,974	10,551,494	\$ 350,435	\$ 303,001	\$ 244,179	\$ 9,382
Year 3	Casino	9,837,417	8,532,851	49,170,532	12,292,633				
	Hotel	18,222,071	3,744,426	31,590,148	7,897,537				
	Restaurants	1,783,269	366,441	3,091,511	772,878				
	Entertainment	2,890,910	594,049	5,011,739	1,252,935				
	Retail	224,127	46,055	388,551	97,138				
Subtotal		32,957,794	13,283,823	89,252,481	22,313,120	\$ 591,200	\$ 511,178	\$ 411,941	\$ 15,827
Year 4	Casino	-	-	49,928,373	12,482,093				
	Hotel	-	-	32,425,520	8,106,380				
	Restaurants	-	-	3,173,263	793,316				
	Entertainment	-	-	5,144,270	1,286,068				
	Retail	-	-	398,825	99,706				
Subtotal		-	-	91,070,251	22,767,563	\$ 1,250,204	\$ 1,080,981	\$ 871,127	\$ 33,470
Year 5	Casino	-	-	50,708,950	12,677,237				
	Hotel	-	-	33,285,952	8,321,488				
	Restaurants	-	-	3,257,468	814,367				
	Entertainment	-	-	5,280,777	1,320,194				
	Retail	-	-	409,409	102,352				
Subtotal		-	-	92,942,555	23,235,639	\$ 1,275,667	\$ 1,102,997	\$ 888,868	\$ 34,151
TOTAL		\$ 59,498,223	\$ 28,660,127			\$ 3,467,506	\$ 2,998,158	\$ 2,416,114	\$ 92,830

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount. Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District	\$ 56.0300	
City	\$ 48.4460	
County	\$ 39.0410	
State	\$ 1.5000	

Source: Ford County Administration Office. Rates include all funds for which property tax revenues are collected.

APPENDIX 2
BUTLER NATIONAL SERVICE CORPORATION
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
3. Assessed value estimated at **25%** of appraised value for both real and personal property.
4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.
5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

APPENDIX 3
BUTLER NATIONAL SERVICE CORPORATION
SALES TAX REVENUE

<u>YEAR</u>		<u>SQUARE FT.</u> <u>BUILT</u>	<u>CONSTRUCTION</u> <u>MATERIALS</u> <u>COST</u>	<u>FF&E</u> <u>PURCHASES</u>	<u>RETAIL</u> <u>SALES</u>	<u>TOTAL</u> <u>TAXABLE</u> <u>SALES</u>	<u>DODGE</u> <u>CITY</u> <u>REVENUE</u>	<u>FORD</u> <u>COUNTY</u> <u>REVENUE</u>	<u>STATE OF</u> <u>KANSAS</u> <u>REVENUE</u>
Year 1	Temp. Structure	-	\$ 4,820,675	\$ 15,376,304	\$ 368,904	\$ 20,565,883	\$ 205,659	\$ 339,337	\$ 1,089,992
Year 2	Casino	32,305	2,522,063	-	-	2,522,063			
	Hotel	59,839	4,671,675	-	-	4,671,675			
	Restaurants	5,856	457,185	-	1,438,323	1,895,508			
	Entertainment	9,493	741,156	-	-	741,156			
	Retail	736	57,460	-	48,360	105,820			
Subtotal		108,229	8,449,540	-	1,486,683	9,936,222	\$ 99,362	\$ 163,948	\$ 526,620
Year 3	Casino	10,768	4,918,709	8,532,851	-	13,451,560			
	Hotel	19,946	9,111,035	3,744,426	-	12,855,462			
	Restaurants	1,952	891,635	366,441	2,806,710	4,064,786			
	Entertainment	3,164	1,445,455	594,049	-	2,039,504			
	Retail	245	112,063	46,055	132,561	290,680			
Subtotal		36,076	16,478,897	13,283,823	2,939,271	32,701,991	\$ 327,020	\$ 539,583	\$ 1,733,206
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	7,061,624	7,061,624			
	Entertainment	-	-	-	-	-			
	Retail	-	-	-	417,570	417,570			
Subtotal		-	-	-	7,479,194	7,479,194	\$ 74,792	\$ 123,407	\$ 396,397
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	7,858,470	7,858,470			
	Entertainment	-	-	-	-	-			
	Retail	-	-	-	528,443	528,443			
Subtotal		-	-	-	8,386,913	8,386,913	\$ 83,869	\$ 138,384	\$ 444,506
TOTAL		144,305	\$ 29,749,112	\$ 28,660,127	\$ 20,660,965	\$ 79,070,204	\$ 790,702	\$ 1,304,658	\$ 4,190,721

APPENDIX 3, ASSUMPTIONS:

- Sales tax rate is as follows:

	<u>Designation</u>
1.000%	City
1.650%	County
5.300%	State
7.950%	TOTAL

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

- Materials Cost - 50% of construction cost is assumed to be materials cost. Source: Discussion with Nevada contractors.
- Retail sales based on revenue projections contained in Developer's template and include F&B and retail, the Developer does not estimate entertainment tax revenue.
- Room tax revenue estimated in Appendix 6.

APPENDIX 4
BUTLER NATIONAL SERVICE CORPORATION
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>DODGE CITY REVENUE</u>	<u>FORD COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ 5,193,184	77,898	77,898	1,142,501	103,864
Year 2	Casino	15,579,553	233,693	233,693	3,427,502	311,591
Year 3	Casino	24,101,415	361,521	361,521	5,302,311	482,028
Year 4	Casino	49,667,000	745,005	745,005	10,926,740	993,340
Year 5	Casino	50,908,675	763,630	763,630	11,199,909	1,018,174
TOTAL		\$ 2,181,747	\$ 2,181,747	\$ 31,998,962	\$ 2,908,997	

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR	\$ 58,634,000
Cummings GGR	40,700,000
Average	\$ 49,667,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

2. Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Ford County	1.5%	of all lottery gaming revenues.
Dodge City	1.5%	of all lottery gaming revenues.

Source: SB 66.

3. Year 4 assumes first full year of operation for the permanent facility; temporary facility revenue estimated based on the percentage of square footage of temporary facility to permanent facility multiplied by permanent facility estimated revenue.

APPENDIX 5
BUTLER NATIONAL SERVICE CORPORATION
STATE INCOME TAX REVENUE

<u>YEAR</u>		<u>ESTIMATED ANNUAL PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 4,376,128	\$ 32,203	\$ 218,052
	Operating	1,570,064	27,630	74,689
Subtotal		5,946,192	59,834	292,741
Year 2	Construction	7,782,400	32,203	387,779
	Operating	6,327,358	27,630	300,997
Subtotal		14,109,758	59,834	688,776
Year 3	Construction	9,310,111	32,203	463,901
	Operating	8,102,178	26,154	378,601
Subtotal		17,412,289	58,358	842,502
Year 4	Construction	-	-	-
	Operating	13,186,089	23,672	594,359
Subtotal		13,186,089	23,672	594,359
Year 5	Construction	-	-	-
	Operating	13,839,212	24,207	629,124
Subtotal		13,839,212	24,207	629,124
TOTAL		\$ 64,493,540	\$	3,047,502

APPENDIX 5, ASSUMPTIONS:

1. Construction salary per employee is estimated at \$ **32,203** excluding benefits per Developer template. Salary is held constant through the analysis per Developer's template.
2. Operating salary per employee is estimated at \$ **27,630** excluding benefits per Developer template. Salary is inflated by 3% annually per Developer's template.
3. Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 6
BUTLER NATIONAL SERVICE CORPORATION
TRANSIENT GUEST TAX REVENUE

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ANNUAL ROOM REVENUE</u>	<u>DODGE CITY REVENUE</u>	<u>FORD COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	0	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	0	-	-	-	-
Year 3	Hotel	124	883,270	61,829	14,574	46,813
Year 4	Hotel	124	3,720,127	260,409	61,382	197,167
Year 5	Hotel	124	4,313,373	301,936	71,171	228,609
TOTAL			\$ 8,916,771	\$ 624,174	\$ 147,127	\$ 472,589

APPENDIX 6, ASSUMPTIONS:

1. Sales tax rate is as follows:

<u>Designation</u>
7.000% City
1.650% County
<u>5.300%</u> State
13.950% TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

2. Room revenue based on **124** rooms as shown in the Developer's template.

APPENDIX 7
BUTLER NATIONAL SERVICE CORPORATION
SUMMARY OF ESTIMATED REVENUE

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>FORD COUNTY</u>	<u>DODGE CITY</u>	<u>DODGE CITY SCHOOL DIST.</u>
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	1,089,992	339,337	205,659	-
	Gaming Revenue	1,246,364	77,898	77,898	-
	Income Tax Revenue	292,741	-	-	-
	Transient Guest Tax	-	-	-	-
Subtotal		2,629,097	417,235	283,557	-
Year 2	Property Tax	9,382	244,179	303,001	350,435
	Sales Tax Revenue	526,620	163,948	99,362	-
	Gaming Revenue	3,739,093	233,693	233,693	-
	Income Tax Revenue	688,776	-	-	-
	Transient Guest Tax	-	-	-	-
Subtotal		4,963,870	641,820	636,057	350,435
Year 3	Property Tax	15,827	411,941	511,178	591,200
	Sales Tax Revenue	1,733,206	539,583	327,020	-
	Gaming Revenue	5,784,340	361,521	361,521	-
	Income Tax Revenue	842,502	-	-	-
	Transient Guest Tax	46,813	14,574	61,829	-
Subtotal		8,422,687	1,327,619	1,261,548	591,200
Year 4	Property Tax	33,470	871,127	1,080,981	1,250,204
	Sales Tax Revenue	396,397	123,407	74,792	-
	Gaming Revenue	11,920,080	745,005	745,005	-
	Income Tax Revenue	594,359	-	-	-
	Transient Guest Tax	197,167	61,382	260,409	-
Subtotal		13,141,472	1,800,920	2,161,187	1,250,204
Year 5	Property Tax	34,151	888,868	1,102,997	1,275,667
	Sales Tax Revenue	444,506	138,384	83,869	-
	Gaming Revenue	12,218,082	763,630	763,630	-
	Income Tax Revenue	629,124	-	-	-
	Transient Guest Tax	228,609	71,171	301,936	-
Subtotal		13,554,473	1,862,053	2,252,433	1,275,667
TOTAL		\$ 42,711,600	\$ 6,049,647	\$ 6,594,781	\$ 3,467,506

APPENDIX 7, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

**APPENDIX 8
BUTLER NATIONAL SERVICE CORPORATION
FORD COUNTY
SHERIFF DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u>COMMISSIONED POSITIONS</u>	<u>NON-COM POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	719	1.2	0.3	\$ 60,172	\$ 8,055	\$ -	\$ 68,227
Year 2	924	1.6	0.4	79,686	10,668	-	90,354
Year 3	1,310	2.2	0.6	116,344	15,575	25,624	157,544
Year 4	2,481	4.3	1.1	226,926	30,379	26,393	283,698
Year 5	2,521	4.3	1.1	237,454	31,789	-	269,243
TOTAL				\$ 720,582	\$ 96,466	\$ 52,018	\$ 869,066

APPENDIX 8, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 16 for calculation).
- Commissioned positions are estimated using a ratio of **1.72** employees per 1,000 population as estimated below
Non-commissioned positions are estimated using a ratio of **0.43** employee per 1,000 population as estimated below

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost/FTE</u>
Sheriff*	1	0.00	\$ -	\$ -	\$ -
Undersheriff*	1	0.00	-	-	-
CEO*	1	0.00	-	-	-
Captain	4	0.12	51,584	18,054	69,638
Sergeant	9	0.27	39,938	13,978	53,917
Deputies/Officers	34	1.01	32,550	11,392	43,942
Deputies/Officers PT**	1	0.03	26,510	-	26,510
Non-com.	10	0.30	26,004	9,101	35,106
Non-com PT**	4.5	0.13	24,354	-	24,354
Total Com.	51.0	1.72			
Total Non-com.	14.5	0.43			

*Not included in the above ratios as additional positions are not estimated.

**2 part time employees are assumed to make up a single employee for salary purposes if work 20 hours/week, and 4 employees if 10hrs/week.

County population is estimated at **33,783** in 2006.

Benefits are estimated at **35.0%** of salary costs, except for part-time employees, no benefits are estimated for these employees.

Salaries for each position are estimated using a weighted average salary of all actual salaries for all positions within the department and inflated annually by **3%**

Source: FTE, salary and benefits data from Ford County Administrator's Office. County population from US Census Bureau "State & County Quick Facts."

- Services/supplies are estimated at **3.4%** of salaries and benefits using data below, plus another 10% for office supplies for a total of **13%**
2008 **2008*** *2007 costs provided are inflated by 3% to estimate 2008 costs.

FT Salaries/Bens.	\$ 2,220,660	Vehicle Repairs	\$ 38,300
PT Salaries	127,983	Uniforms/Training	41,256
Total Salaries	\$ 2,348,643		

Source: Ford County Administrator's Office.

- One vehicle is estimated to be required for every 2 positions at a cost of \$ **23,450**
Source: Ford County Administrator's Office.

APPENDIX 9
BUTLER NATIONAL SERVICE CORPORATION
FORD COUNTY/DODGE CITY
ROAD/STREET DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>TOTAL ESTIMATED COST</u>		<u>DEVELOPER'S PORTION</u>		<u>CITY'S PORTION</u>	
Year 1	\$	-	\$	-	\$	-
Year 2		-		-		-
Year 3		-		-		-
Year 4		-		-		-
Year 5		-		-		-
TOTAL	\$	-	\$	-	\$	-

APPENDIX 9, ASSUMPTIONS

1. No new County roads are estimated, as the Roads Department assumes all roads constructed by the development will remain with the developer for maintenance, additional costs will be incurred if dedicated to County for maintenance. Source: Ford County Administrator's Office.
2. Costs associated with construction and maintenance of new City streets is unknown. This cost was not available from the City and the cost information provided by the two Dodge City developers differed significantly. It was unreasonable to compare such different estimates; therefore, no costs for street improvements are estimated, though costs are expected.

APPENDIX 10
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY
WATER AND SEWER DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>TOTAL ESTIMATED COST</u>	<u>DEVELOPER'S PORTION</u>	<u>CITY'S PORTION</u>
Year 1	\$ -	\$ -	\$ -
Year 2	-	-	-
Year 3	-	-	-
Year 4	-	-	-
Year 5	-	-	-
TOTAL	\$ -	\$ -	\$ -

APPENDIX 10, ASSUMPTIONS

1. No new County roads are estimated, as the Roads Department assumes all roads constructed by the development will remain with the developer for maintenance, additional costs will be incurred if dedicated to County for maintenance. Source: Ford County Administrator's Office.
2. Costs associated with construction and maintenance of new City streets is unknown. This cost was not available from the City and the cost information provided by the two Dodge City developers differed significantly. It was unreasonable to compare such different estimates; therefore, no costs for street improvements are estimated, though costs are expected.

**APPENDIX 11
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY
POLICE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF CLERICAL POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	719	1.2	0.3	\$ 71,304	\$ 9,546	\$ 24,154	\$ 105,004
Year 2	924	1.5	0.4	94,429	12,641	-	107,071
Year 3	1,310	2.1	0.6	137,870	18,457	-	156,327
Year 4	2,481	4.0	1.1	268,911	36,000	52,786	357,697
Year 5	2,521	4.1	1.2	281,387	37,670	-	319,057
TOTAL				\$ 853,901	\$ 114,314	\$ 76,940	\$ 1,045,155

APPENDIX 11, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 16 for calculation).
- Uniformed positions are estimated using a ratio of **1.61** employees per 1,000 population as estimated below
Clerical positions are estimated using a ratio of **0.46** employee per 1,000 population as estimated below

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost/FTE</u>
Chief of Police*	1	0.00	\$ -	\$ -	\$ -
Department Supervisors*	5	0.00	-	-	-
Sergeant	5	0.19	39,938	13,978	53,917
Officers	37	1.42	32,087	11,230	43,317
Detectives	6	0.23	35,780	12,523	48,303
Clerical	12	0.46	21,670	7,585	29,255
Total Uniformed	48.0	1.61			
Total Clerical	12.0	0.46			

*Not included in the above ratios as additional positions are not estimated.

City population is estimated at **26,101** in 2006.

Benefits are estimated at **35.0%** of salary costs, except for part-time employees, no benefits are estimated for these employees.

Source: FTE information from "Dodge City Police Department" Organizational Chart from Dodge City website. Salary and benefits data from Ford County Administrator's Office (Dodge City data was not available). City population from US Census Bureau "State & County Quick Facts."

- Services/supplies are estimated at **3.4%** of salaries and benefits using data below, plus another 10% for office supplies for a total of **13%**
2008 **2008*** *2007 costs provided are inflated by 3% to estimate 2008 costs.

FT Salaries/Bens.	\$ 2,220,660	Vehicle Repairs	\$ 38,300
PT Salaries	127,983	Uniforms/Training	41,256
Total Salaries	\$ 2,348,643		\$ 79,555

Source: Ford County Administrator's Office. Data for Dodge City was unavailable.

- One vehicle is estimated to be required for every 2 positions at a cost of **\$ 23,450** inflated 3% annually, replaced every 3 years.

Source: Ford County Administrator's Office. Data for Dodge City was unavailable.

**APPENDIX 12
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY
FIRE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	719	0.5	\$ 26,860	\$ 3,450	\$ -	\$ 30,310
Year 2	924	0.7	35,917	4,613	-	40,529
Year 3	1,310	1.0	52,949	6,800	-	59,749
Year 4	2,481	1.8	104,277	13,392	-	117,670
Year 5	2,521	1.8	110,175	14,150	-	124,325
TOTAL			\$ 330,178	\$ 42,405	\$ -	\$ 372,583

APPENDIX 12, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 16 for calculation).
- New positions are estimated using a ratio of **0.73** employees per 1,000 population as estimated below

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost/FTE</u>
Fire Chief*	1	0.00	\$ -	\$ -	\$ -
Chief Officers*	2	0.00	-	-	-
Captains*	3	0.00	-	-	-
Engineers	6	0.23	38,553	13,243	51,795
Fire Fighters	13	0.50	35,890	12,328	48,218
Total	12.0	0.73			

*Not included in the above ratios as additional positions are not estimated.

City population is estimated at **26,101** in 2006.

Salary and benefits costs are increased 4% annually. Benefits are estimated at **34%** of salary.

Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas. Dodge City data was not available.

- Services/supplies are estimated at **13%** of salaries and benefits.

	2006	2007	2008	Average
Personnel Services \$	1,279,805	\$ 1,296,456	\$ 1,326,777	\$ 1,301,013
Contractual	81,533	81,873	93,846	85,751
Commodities	75,267	83,250	85,500	81,339
% of PS	12%	13%	14%	13%

Source: City of Wellington Budget. Three year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Fire & Ambulance department. Data for Dodge City was not available.

- Capital equipment requirements are unknown as Dodge City data was unavailable. Additional workspace, station, or equipment may be required.

APPENDIX 13
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY
SUMMARY OF ESTIMATED COSTS

<u>YEAR</u>	<u>STREETS DEPARTMENT</u>	<u>WATER/SEWER DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>FIRE/EMS DEPARTMENT</u>	<u>ADMIN. OVERHEAD</u>	<u>TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ 105,004	30,310	\$ 27,874	\$ 163,188
Year 2	-	-	107,071	40,529	30,405	178,005
Year 3	-	-	156,327	59,749	44,511	260,587
Year 4	-	-	357,697	117,670	97,925	573,291
Year 5	-	-	319,057	124,325	91,336	534,717
TOTAL	\$ -	\$ -	\$ 1,045,155	\$ 372,583	\$ 292,051	\$ 1,709,789

APPENDIX 13, ASSUMPTIONS:

1. See Appendices 9-12 for detailed calculations of all department costs.
2. Administrative overhead costs estimated at **21%** of all department costs estimated in this analysis.
Source: City of Wellington Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund.
City of Wellington data is used as Dodge City data was not available.

Direct	2006	2007	2008	Average
Police	1,254,091	1,273,666	1,317,991	1,281,916
Fire/Ambulance	1,443,305	1,469,579	1,506,123	1,473,002
Auditorium	39,030	31,700	30,500	33,743
Park	212,473	240,515	243,470	232,153
Swimming Pool	40,927	26,425	44,100	37,151
Street	717,887	828,742	886,689	811,106
Cemetery	77,933	97,264	105,958	93,718
Engineering	304,034	320,833	335,425	320,097
Legal	124,565	129,395	131,522	128,494
Lake	120,439	145,024	144,237	136,567
Total	4,334,684	4,563,143	4,746,015	4,547,947
Indirect	2006	2007	2008	Average
Mayor/Council	14,709	21,221	21,521	19,150
City Manager	110,341	137,345	183,057	143,581
City Clerk	278,651	294,493	318,137	297,094
Utility Collections	247,651	280,901	284,417	270,990
Public Works	84,277	88,296	98,176	90,250
General Services	69,527	79,005	71,216	73,249
Janitorial	43,487	44,577	39,601	42,555
Total	848,643	945,838	1,016,125	936,869
% Indirect of Direct	20%	21%	21%	21%

APPENDIX 14
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY SCHOOL DISTRICT
ESTIMATED COSTS

<u>YEAR</u>	<u># OF NEW STUDENTS</u>	<u># OF NEW STUDENTS OVER CAPACITY</u>	<u>SALARIES/ BENEFITS COSTS</u>	<u>SERVICES/ SUPPLIES COSTS</u>	<u>CAPITAL CONSTRUCTION COSTS</u>	<u>ESTIMATED TOTAL COSTS</u>
Year 1	321	20	\$ 1,269,626	\$ 590,148	\$ 259,468	\$ 2,119,242
Year 2	321	20	1,313,819	610,690	-	1,924,509
Year 3	434	133	1,839,147	854,873	1,573,815	4,267,836
Year 4	780	479	3,422,094	1,590,660	4,961,264	9,974,019
Year 5	801	500	3,634,520	1,689,400	303,363	5,627,283
TOTAL			\$ 11,479,206	\$ 5,335,771	\$ 7,097,911	\$ 23,912,888

APPENDIX 14, ASSUMPTIONS:

- The analysis uses a student per household ratio of **1.56** to estimate the number of new students added to the school district by this development. The analysis assumes each employee who moves to the area will represent a household (See Appendix 16). Above ratio calculated as a weighted average of 1.7 students per household for service sector and 1.0 per household for skilled positions.
Source: Dodge City School District Superintendent's Office.
- Students will be added to each school level using the following ratios:

	% of Students	New of Students*	*at full operation
Pre School	15.0%	120	
Elementary	30.0%	240	
Intermediate	20.0%	160	
Middle School	20.0%	160	
High School	<u>15.0%</u>	<u>120</u>	
Total	100.0%	801	

Source: Dodge City School District Superintendent's Office.

- The following capacity exists at each school level to absorb new students:

	Existing Capacity	New Students	# of Students over Capacity
Pre School	1	120	119
Elementary	191	240	49
Intermediate	47	160	113
Middle School	0	160	160
High School	<u>62</u>	<u>120</u>	<u>58</u>
Total	301	801	500

Source: Dodge City School District Superintendent's Office.

No capital outlay costs are estimated for the new students absorbed by existing capacity; operating costs are estimated all for new students.

APPENDIX 14
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY SCHOOL DISTRICT
ESTIMATED COSTS

4. Salaries and benefits are estimated as follows:

Position	# of Positions	Salary Costs	Benefits Costs	Total Costs
Professional Staff	25	\$ 47,500	\$ 11,875	\$ 59,375
Support Staff	<u>40</u>	30,000	7,500	37,500
Total	65			

Salaries are inflated **3.5%** annually based on weighted average salary increase for professional and support staff.
Benefits estimated at **25%** of salaries.

Source: Dodge City School District Superintendent's Office.

5. School services and supplies are estimated at **46%** of salary/benefits costs.

	2005-06	2006-07	2007-08	Average
Instruction (I)	20,180,608	18,907,806	19,869,347	19,652,587
Operations/Maint. (OM)	8,283,539	9,263,398	9,857,842	9,134,926
Capital Improv. (CI)	-	-	-	-
OM % of I	41%	49%	50%	46%
CI % of I	0%	0%	0%	0%

Source: "Budget at a Glance 2007-08." Dodge City Public Schools.

6. Analysis assumes new classrooms will be required to service students. Each classroom will have capacity for students and will be constructed at a cost of \$ **280,000** inflated 3% annually.

22

Source: Dodge City School District Superintendent's Office.

APPENDIX 15
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT

<u>YEAR</u>	<u>GENERAL</u> <u>STATE AID</u>	<u>LOCAL</u> <u>EFFORT</u>	<u>TOTAL</u> <u>CONTRIBUTION</u>	<u>TOTAL</u> <u>COSTS</u>	<u>ANNUAL</u> <u>SURPLUS/</u> <u>(DEFICIT)</u>	<u>CUMULATIVE</u> <u>SURPLUS/</u> <u>(DEFICIT)</u>
Year 1	\$ 1,403,149	\$ -	\$ 1,403,149	\$ 2,119,242	\$ (716,094)	\$ (716,094)
Year 2	1,052,714	350,435	1,403,149	1,924,509	(521,360)	(1,237,454)
Year 3	1,306,926	591,200	1,898,126	4,267,836	(2,369,710)	(3,607,163)
Year 4	2,162,832	1,250,204	3,413,036	9,974,019	(6,560,982)	(10,168,146)
Year 5	2,227,303	1,275,667	3,502,970	5,627,283	(2,124,314)	(12,292,459)
TOTAL	\$ 8,152,923	\$ 3,467,506	\$ 11,620,429	\$ 23,912,888	\$ (12,292,459)	

APPENDIX 15, ASSUMPTIONS:

1. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at \$ **4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
2. Local Effort includes school districts' property tax revenue only, other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for the School District in Appendix 2.
3. Operating and capital construction costs for school district is estimated in Appendix 14.

APPENDIX 16
BUTLER NATIONAL SERVICE CORPORATION
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES MOVING TO THE AREA	NEW RESIDENTS RESULTING FROM EMPLOYEES	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 1	229	23	206	399	205	719
Year 2	229	23	206	399	616	924
Year 3	310	32	278	540	953	1,310
Year 4	557	57	500	970	1,965	2,481
Year 5	572	58	513	996	1,965	2,521

APPENDIX 16, ASSUMPTIONS:

1. Employees:

a. The temporary development is estimated to require **229** employees.

The permanent development is estimated to require **572** employees.

Source: Developer's final template.

b. Approximately **90%** of all employees will live in Ford County, based on historical work-residence data.

Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Ford County.

c. Analysis assumes new employees moving to the area will have families, resulting in more residents to the County. Family members of new employees are added using a ratio of **1.94** additional members per new employee.

Source: US Department of Labor, Bureau of Labor Statistics. American FactFinder. By County. Data for Dodge City.

2. Residents:

The development will not include a residential component and therefore no residents are estimated for the development.

3. Visitors:

a. Report by Richard Wells estimated approximately **2,364** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **1,694** daily visitors to the development, including local residents. The analysis uses the average of these **2,029**

Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.

Developer's application estimates a locals penetration rate of **69.0%** with approximately **33,783** County residents in 2006. The analysis assumes number of local visitors at **23,310** or approximately

63.9 visits a day. The analysis assumes no additional costs associated with these local visitors; costs are estimated only for the **1,965** non-local visitors in Year 4, first full year of operations. Visitors prior to this period are added based on the percentage of square footage of temporary facility of permanent facility multiplied by permanent facility's estimated revenue.

Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services time estimated as follows:

50% of all commuting employees and daily visitors.

100% of all new employees/residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services.

Gaming Revenue Projections for the Northeast Gaming Zone DRAFT

Presentation to Lottery Gaming Facility Review Board
by Will Cummings / Cummings Associates

September 2, 2008

Will E. Cummings
Cummings Associates

Questions, Please!
(at any time)

Overview

- Process (briefly)
- Cummings Projections
- Location, Location and . . . Size Matters
- “Net Export” and Tourist Info
- Detail: Cummings vs. Applicants
- “Fair Share” Perspective

Northeast Zone

[Map – KC Metro Area]

[in preparation]

[Map – Local Area Detail]

[in preparation]

Gravity Model(s) Updated

- Separate Slot / Table Models
- Precise Locations
- Precise Sizes
- Everything Else . . .

“Power Ratings”

Exhibit 1: Power Ratings Used in Previous Projections

	Kansas City *	Harrah's Mulvane	Marvel Wellington	Penn Wellington	Penn Cherokee	Dodge City
Slot Performance						
High	107.0	110.0	116.0	116.0	107.0	117.0
Baseline	102.0	104.0	110.0	110.0	102.0	112.0
Low	97.0	98.0	104.0	104.0	97.0	107.0
Table Performance						
High	107.0	106.0	108.0	103.0	95.0	105.0
Baseline	102.0	98.0	100.0	95.0	90.0	100.0
Total Power Rating	97.0	90.0	92.0	87.0	85.0	95.0

* Power Ratings for Northeast-Zone Applicants updated for this report in Exhibit 2. All others remain unchanged.

Note: 100 = "Midwest Standard." Higher slot baselines here typical of new facilities.

Exhibit 2: Power Ratings Updated for Northeast Applicants

	Speedway/ Cordish	Golden Gaming	PNK Kansas	Legends Sun
Gaming Positions (not inc. poker):	3,840	2,980	2,660	2,360
Baselines for Slots and Tables:				
Midwest Standard	100.00	100.00	100.00	100.00
Synergy with Area Attractions	1.00	1.00	1.00	1.00
Bricks & Mortar \$ / Gaming Position (in \$100ks)	1.84	1.96	2.34	3.25
Casino Square Footage / Gaming Position (x .02)	0.66	0.88	0.74	1.12
Hotel Rooms / Gaming Position (x 2)	0.16	0.20	0.38	0.30
	-----	-----	-----	-----
Total Power Rating	103.66	104.04	104.46	105.67

Note: 100 = "Midwest Standard." Latest facilities in Iowa (smaller & less expensive) range from 99 to 104. "High" and "Low" projections remain 5 points above and below these figures, respectively.

Summary of Projections

In 2007 Dollars

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	103.7	\$192.4	\$176	\$234.2
Golden Heartland	2,500	104.0	\$182.0	\$199	\$223.2
Pinnacle	2,300	104.5	\$170.8	\$204	\$206.3
Legends Sun	2,000	105.7	\$149.0	\$204	\$182.8

Summary of Projections

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	103.7	\$223.1	\$204	\$271.6
Golden Heartland	2,500	104.0	\$211.1	\$231	\$258.8
Pinnacle	2,300	104.5	\$198.1	\$236	\$239.2
Legends Sun	2,000	105.7	\$172.8	\$237	\$212.0

Size Matters

All Same Size

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Golden Heartland	3,000	104.0	\$234.5	\$214	\$282.3
PNK Kansas	3,000	104.0	\$228.7	\$209	\$275.8
Speedway/Cordish	3,000	104.0	\$225.8	\$206	\$272.2
Legends Sun	3,000	104.0	\$209.2	\$191	\$252.6

At Sizes Actually Proposed

In 2013 Dollars

(at 2.5% per annum)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Northeast Zone:					
Speedway/Cordish	3,000	103.7	\$223.1	\$204	\$271.6
Golden Heartland	2,500	104.0	\$211.1	\$231	\$258.8
Pinnacle	2,300	104.5	\$198.1	\$236	\$239.2
Legends Sun	2,000	105.7	\$172.8	\$237	\$212.0

All Same Size

In 2013 Dollars

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Speedway/Cordish	3,000	104.0	\$225.8	\$206	\$272.2
Legends Sun	3,000	104.0	\$209.2	\$191	\$252.6

Cummings Projections (2013\$)

	As Proposed	3,000 slots *
Speedway	\$271.6	\$272.2
Golden	\$258.8	\$282.3
Pinnacle	\$239.2	\$275.8
Legends Sun	\$212.0	\$252.6

* And 80 tables, and power rating of 104.0

Cummings Projections (2013\$)

	As Proposed	3,000 slots *
Golden	\$258.8	\$282.3
Pinnacle	\$239.2	\$275.8
Speedway	\$271.6	\$272.2
Legends Sun	\$212.0	\$252.6

* And 80 tables, and power rating of 104.0

Cummings Projections (2013\$)

	As Proposed	3,000 slots *
Golden	\$258.8	\$282.3
Pinnacle	\$239.2	\$275.8
Speedway	\$271.6	\$272.2
Legends Sun	\$212.0	\$252.6

* And 80 tables, and power rating of 104.0

Location Matters -- A Little

[Map – Local Area Detail]

[in preparation]

[Map – KC Metro Area]

[in preparation]

[Map – Local Area Detail]

[in preparation]

“Micro” Access (from KC / J Co)

Intersection:	1	2	3	4	5
Golden	L	R			
Pinnacle	(r)	R	R		
Speedway	R	R	L		
Legends Sun	(r)	st	st	L	R

(r) indicates smooth merge (no stop); Pinnacle has 90° exit, Leg Sun 270°

[Map – Local Area Detail]

[in preparation]

Cummings Projections (2013\$)

	As Proposed	3,000 slots *
Golden	\$258.8	\$282.3
Pinnacle	\$239.2	\$275.8
Speedway	\$271.6	\$272.2
Legends Sun	\$212.0	\$252.6

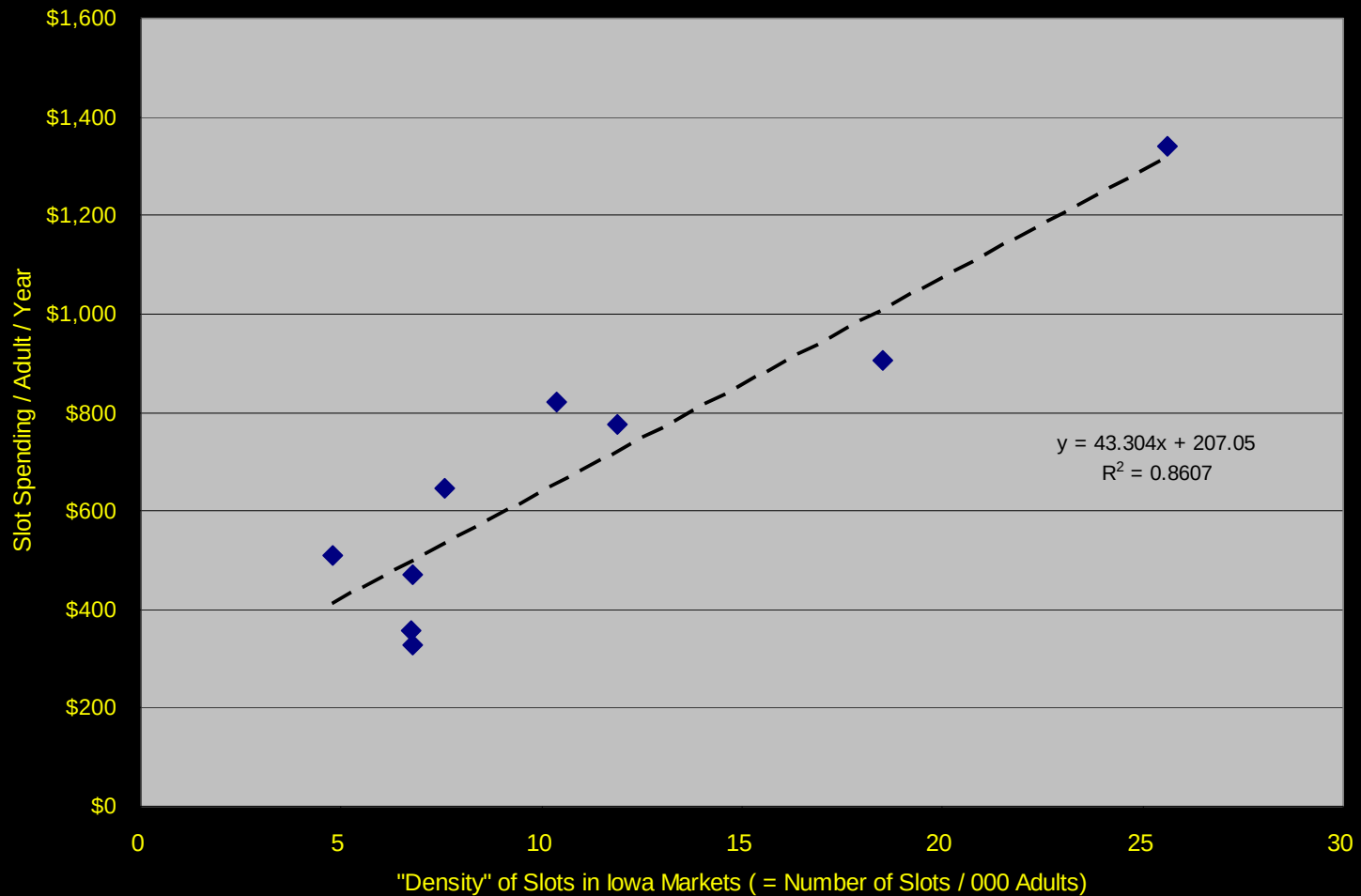
* And 80 tables, and power rating of 104.0

Size Matters?

	# Slots	Projected Win*
Speedway	3,000	\$271.6
Golden	2,500	\$258.8
Pinnacle	2,300	\$239.2
Legends Sun	2,000	\$212.0

* 2013 dollars

Size Matters!



Cummings vs. Proponents

	Cummings	Proponent	%
Speedway	\$271.6	\$367.0	135%
Golden	\$258.8	\$284.7	110%
Pinnacle	\$239.2	\$425.9	178%
Legends Sun	\$212.0	\$295.6	139%

(all \$ million in 2013)

Speedway / Cordish

Sources of Difference

	Cummings	Cordish	Diff.
0-100 miles	\$248.9		
100+ miles	\$22.7		
Drive-Bys	\$0.0		
Hotel etc.	<u>\$0.0</u>		
Total	\$271.6	\$367.0	\$95.4

(all \$ million in 2013)

Golden Heartland

Sources of Difference

	Cummings	Golden	Diff.
0-100 miles	\$238.5		
100+ miles	\$20.3		
Drive-Bys	\$0.0		
Hotel etc.	<u>\$0.0</u>		
Total	\$258.8	\$284.7	\$25.9

(all \$ million in 2013)

PNK Kansas (Pinnacle)

Sources of Difference

	Cummings	Pinnacle	Diff.
0-100 miles	\$220.7		
100+ miles	\$18.5		
Drive-Bys	\$0.0		
Hotel etc.	<u>\$0.0</u>		
Total	\$239.2	\$425.9	\$186.7

(all \$ million in 2013)

Legends Sun

Sources of Difference

	Cummings	Leg Sun	Diff.
0-100 miles	\$193.9		
100+ miles	\$18.1		
Drive-Bys	\$0.0		
Hotel etc.	<u>\$0.0</u>		
Total	\$212.0	\$295.6	\$83.6

(all \$ million in 2013)

“Fair Share” Perspective

“Fair Share” Perspective

$$\text{“Fair Share”} = \text{\% Capacity} \times \text{Total Market Win}$$

Example: Casino X has 2,000 gaming positions
Total Market has 10,000
“Fair Share” = 20% of the market

Projected Win vs. Fair Share

	Cummings	Applicant *
Speedway	112%	153%
Golden	121%	129%
Pinnacle	124%	188%
Legends Sun	120%	168%

* Applicants' projections as interpreted by Cummings models.

*Projections for
“Net Exports” & “Tourists”*

Projected Impacts on . . . (2007\$)

	<i>“Net Exports”</i>	<i>“Tourist” \$ *</i>
Speedway	\$161.6	\$19.4
Golden	\$148.1	\$17.4
Pinnacle	\$140.9	\$15.8
Legends Sun	\$123.0	\$15.5

* “Tourists” defined as those traveling over 100 miles (\$ in million)

Summary

Cummings Projections (2013\$)

	# Slots	Projected Win
Speedway	3,000	\$271.6
Golden	2,500	\$258.8
Pinnacle	2,300	\$239.2
Legends Sun	2,000	\$212.0

Projected Impacts on . . . (2007\$)

	<i>“Net Exports”</i>	<i>“Tourist” \$ *</i>
Speedway	\$161.6	\$19.4
Golden	\$148.1	\$17.4
Pinnacle	\$140.9	\$15.8
Legends Sun	\$123.0	\$15.5

* “Tourists” defined as those traveling over 100 miles.

Conclusions

- Location matters . . . a little
- Size matters . . . a lot
- But anyone can build you a **bigger** mousetrap
- Key Question: Who will build you the **BEST** mousetrap?

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Gaming Revenue Projections for the Northeast Gaming Zone DRAFT

Presentation to Lottery Gaming Facility Review Board
by Will Cummings / Cummings Associates

September 2, 2008

Kansas Casino Market Study

Task-4 Project Specific Gaming Revenue Projections For the Northeast Gaming Zone



Prepared For:

Kansas Lottery Gaming Facility Review Board
September 2 & 3, 2008

Prepared by:

Wells Gaming Research

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Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

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Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Section 1

Introduction, Research Methodology, & Limiting Conditions

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Introduction

The State of Kansas has lost gaming revenues for many years to a number of surrounding states, particularly to Missouri and Oklahoma. The recent development of numerous tribal casinos in Oklahoma has exacerbated the problem. In an effort to stem the flow of gaming revenues and related taxes out of Kansas, the legislature passed Senate Bill 66 (the Kansas Expanded Lottery Act), which legalized casino gaming. The governor signed SB 66 in 2007.

Senate Bill 66

Some key provisions of SB 66 that pertain to this study include:

1. Establishment of four casino gaming zones:
 - Northeast (located in Wyandotte County)
 - Southeast (located in Crawford and Cherokee Counties)
 - South Central (located in Sumner and Sedgwick Counties)
 - Southwest (located in Ford County)

The geographical trade areas for the gaming zones are illustrated by the circles on the map on page 1-2.

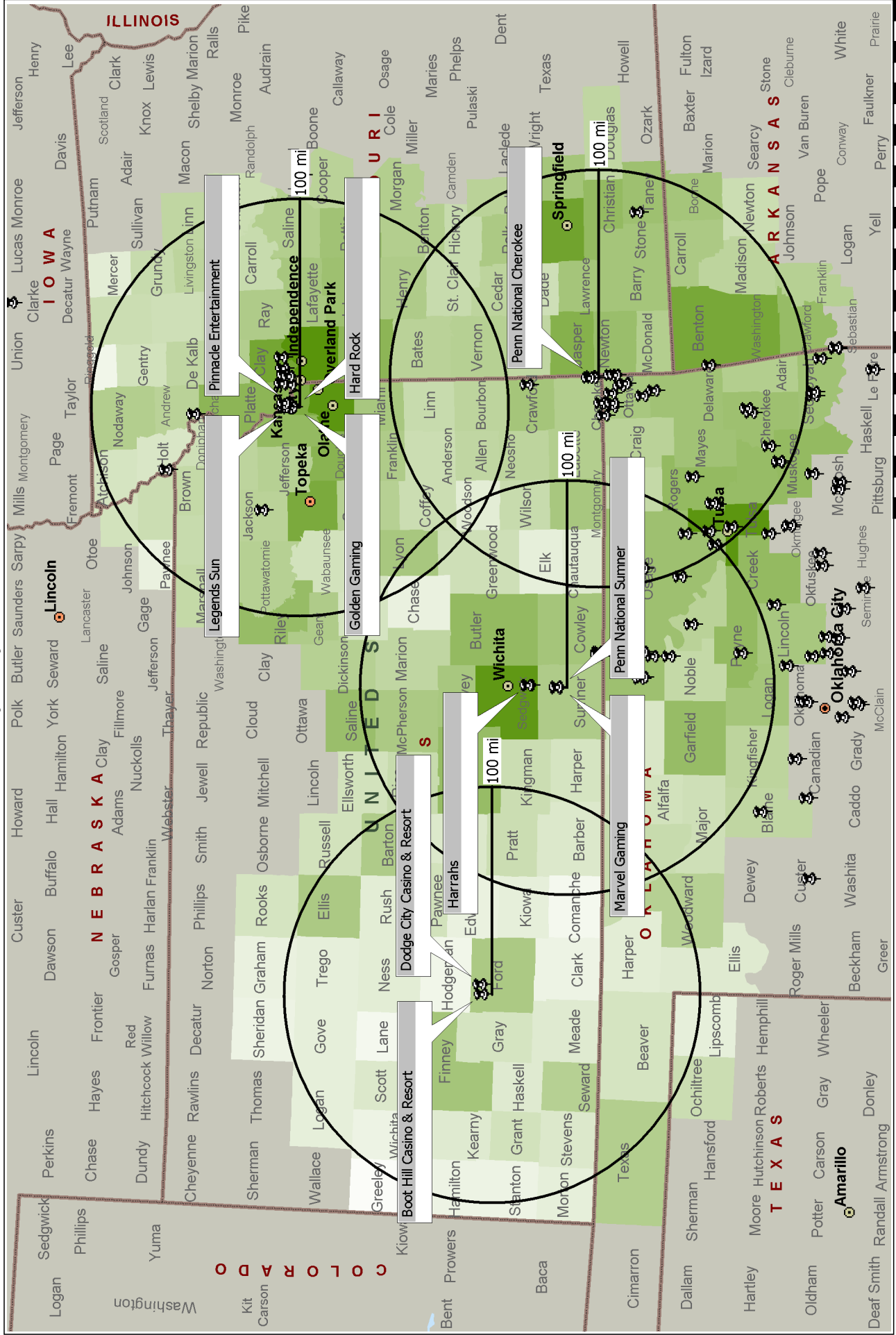
2. Building one state owned casino in each of the four Kansas gaming zones.
3. Permitting an aggregate of 2,800 slot machines to be installed at the three existing racetracks.

Senate Bill 66 required the counties located within the four subject gaming zones to hold referendum elections for the purpose of either approving or disapproving casino gaming, or slot machines to be located at their respective racetracks. Three gaming zones have racetracks (northeast, southeast, and south central). However, Sedgwick County, located in the south central gaming zone, rejected gaming in their referendum election. As a result, slot machines will be limited to two Kansas racetracks: Woodlands Race Track located in Kansas City, Kansas (northeast gaming zone), and Camptown Greyhound Park (closed since November 2000) located near Frontenac, Kansas (southeast gaming zone).

Ownership/Control of the Casinos

The State of Kansas will own and/or control the gaming portion of the casino facilities. The Lottery Commission will select the applicants, who in turn will become contract managers of the Kansas gaming facilities. These managers will act on behalf of the Kansas Lottery Commission. The contract managers will fund, build, and operate all of the facilities under contract with the state lottery.

Kansas Lottery Project Trade Areas



Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

Gaming Taxes

The contract managers will be required to pay the following taxes, all of which are based on a percentage of casino gaming revenues:

- The lottery facility would pay a minimum of 22% of gaming revenues to the state, plus an additional 2% to fund programs for problem gamblers and gaming addiction issues.
- If a lottery gaming facility were located in either the northeast or southwest gaming zones, but not in a city, the gaming facility would be required to pay an additional 3% of gaming revenues to the county where the gaming facility was located.
- If, on the other hand, the gaming facility were located in a city, the facility would pay 1.5% of gaming revenues to the city and 1.5% to the county.
- If the lottery gaming facility were located in either the southeast or the south central gaming zone, but not in a city, the gaming facility would pay 2% of gaming revenues to the county in which the facility were located, and an additional 1% to the other county in the gaming zone (each gaming zone has two counties).
- If a gaming facility were located in a city, a combined tax equal to 3% of gaming revenues would be paid to the city (1%), to the county in which the facility were located (1%), and to the second county in the gaming zone (1%).

State Owned Casinos

The state owned casinos in Kansas will be unique, the first state owned casinos in the United States.

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Assessment of the Gaming Revenue Potential

Before enactment of Senate Bill 66 (the Kansas Expanded Lottery Act), the Kansas Lottery Commission engaged Christensen Capital to update their study addressing the gaming revenue potential of the four Kansas gaming zones. The updated study was released in March of 2008.

Task-1 – Market Analyses for Four Gaming Zones

The Kansas Lottery Commission appointed an independent Lottery Gaming Facility Review Board (Board) to review all of the gaming applications filed by the casino gaming companies and to select the projects with the highest potential for success. To help in evaluating the projects, the Board engaged WGR and Cummings to conduct independent market analysis of each of the four subject gaming zones. This involved estimating the gross gaming revenue potential for four generic casinos (one located in each of the subject gaming zones), and projecting the respective revenue potential into the future. The Board compared the results of these studies with the Christensen Study that had been previously commissioned by the Lottery.

In compliance with the Board's directive, WGR worked independently on Task-1 and was not influenced by the work done by either Cummings or Christensen. A final report on Task-1 was submitted to the Board in May of 2008.

Task-4 – Evaluation of the Revenue Potential of the Northeast Gaming Zone

The Board engaged a number of outside consulting firms including Wells Gaming Research (WGR) and Cummings & Associates (Cummings) to review the applications submitted by the participating gaming companies and to evaluate the pro forma financial projections.

WGR evaluated the applicant's pro forma revenue forecasts on the basis of:

- **Achievability** of the gaming revenue projections submitted by the applicants
- **Reasonability** of the operational objectives including departmental revenues, expenses, and projected income
- **Comparability** of the pro forma forecasts with the actual financial performance of Nevada casinos

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Scope-of-Work & Research Methodology

The data sources used in the scope-of-work and research methodology required to develop the gravity model variables included, but was not limited to the following.

Defining the Trade Area

The northeast trade area, as defined by WGR, covers the approximate 100-to-125 mile radius surrounding Kansas City. The north-south boundaries extend from the Iowa border on the north and to Crawford County, Kansas and Vernon County, Missouri on the south. The east-west boundaries extend from Saline and Cooper Counties, Missouri on the east to Riley County, Kansas on the west (refer to the map on page 1-6).

Site Visits

Richard Wells, president of WGR, conducted site visits to the majority of the casinos located in Kansas, Oklahoma, and Missouri that will be competing with casinos located in Kansas. The site visits were made in June of 2008.

Market Changes for Task-4 versus Task-1 Variables

Based on first-hand observations made during the June 2008 site visits, the Task-4 gravity model assumptions were adjusted to reflect the following changes:

- One of the proposed casinos was eliminated
- The attraction factors were reduced at four competitor casinos
- The Woodlands Racetrack closed

The foregoing reduced market competition, which resulted in slightly higher numbers of casino visits and gaming revenue forecasts for the participating applicants.

WGR's Proprietary Databases

WGR's proprietary databases contain a wealth of casino related statistics dating back to 1990 and running continuously through the present. This is an unmatched data resource available exclusively to WGR for use in casino market studies.

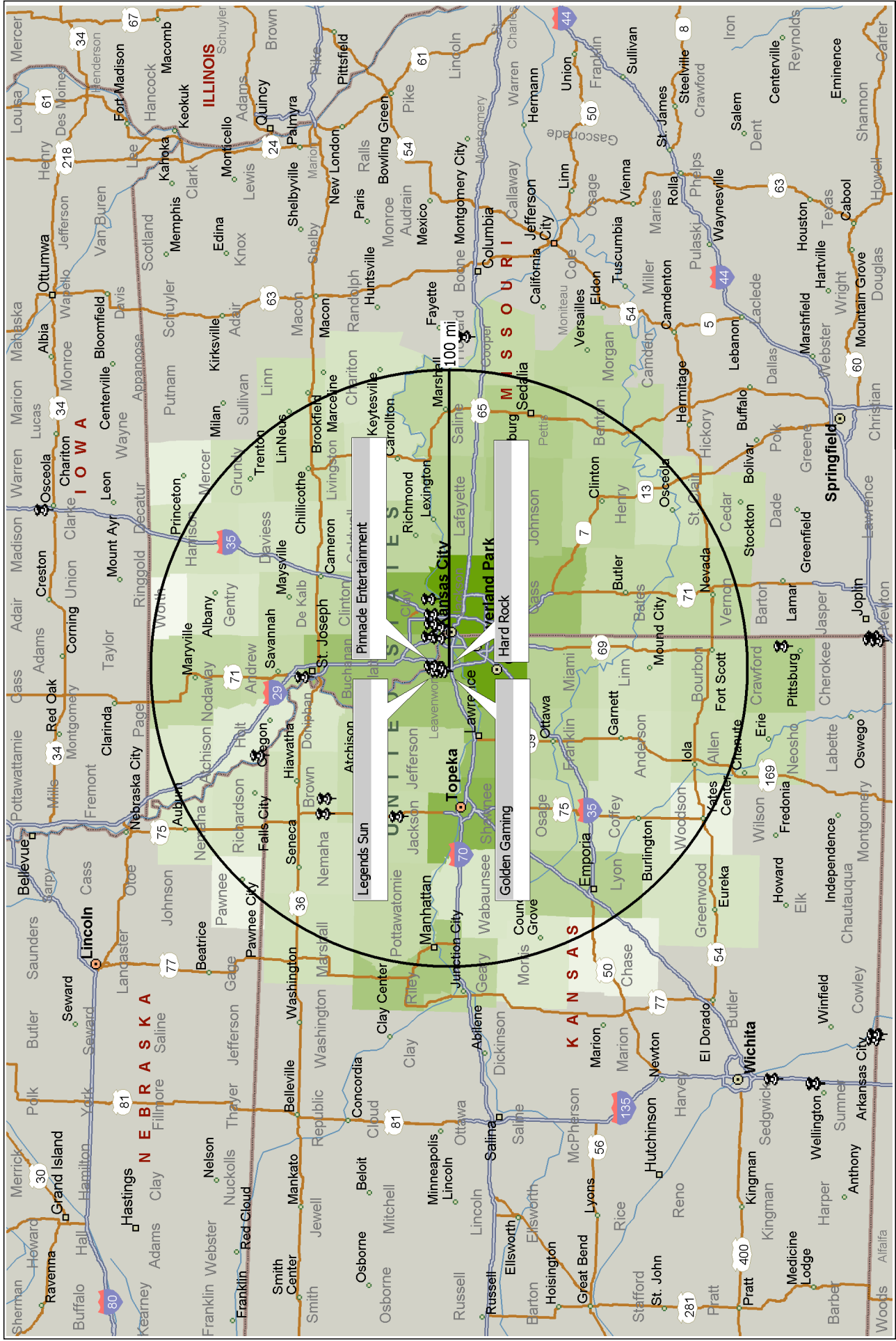
Templates & Applications

Project and pro forma specific data were obtained from the four applicants (Golden Heartland, Hard Rock, Legends Sun, and Pinnacle) via their respective templates and applications.

Nevada Casino Financial Statement Data

Casino financial statement data was obtained from the Nevada Gaming Control Board for Nevada casinos. The subject data were used as a basis of comparison for evaluating the applicant's pro forma financial statements.

Northeast Kansas Zone



Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Adult Population Statistics for the Northeast Trade Area

The detailed adult population data required for the gravity models was obtained from the Bureau of Business & Economic Research, University of Nevada, Reno at the census tract level for 2000 through 2012.

Exhibit 1-1 shows a summary of the adult population statistics compiled for the northeast gaming zone. The data shows that in 2007 approximately 1.2 million adults resided in the counties surrounding the Wyandotte County casino site. Projections for 2012 show a minor increase to 1.23 million. Of the 1.23 million, 38% would be in Jackson County, Missouri and 32% in Johnson County, Kansas. The total adult population of 2.2 million for the trade area in 2007 is expected to increase to 2.24 million by 2012. Overall, the average compound growth rate has been projected at 0.6% between 2007 and 2012.

Exhibit 1-1 - Adult Population Statistics for 2000 & for 2006 to 2012

# of Co	Counties	2000	2006	2007	2008	2009	2010	2011	2012	ACGR 07 to 12	% Pop/ Co 2012
	Johnson KS	314,676	358,581	364,462	370,431	376,520	382,689	388,966	395,339	1.6%	32%
	Leavenworth KS	47,782	49,676	49,948	50,217	50,490	50,764	51,042	51,318	0.5%	4%
	Wyandotte KS	105,745	102,067	101,401	100,741	100,090	99,447	98,798	98,159	-0.6%	8%
	Clay MO	129,559	145,719	147,253	148,804	150,371	151,954	153,385	154,829	1.0%	13%
	Jackson MO	460,385	466,851	467,495	468,139	468,784	469,431	470,124	470,818	0.1%	38%
	Platte MO	52,218	58,786	59,691	60,610	61,543	62,490	63,335	64,189	1.5%	5%
6	Total Surrounding Counties	1,110,365	1,181,680	1,190,250	1,198,942	1,207,798	1,216,776	1,225,649	1,234,652	0.7%	100%
29	Total Kansas Counties - Excluding Surrounding Counties	489,222	497,072	498,500	499,970	501,471	503,032	504,631	506,269	0.3%	
33	Total Missouri Counties - Excluding Surrounding Counties	454,834	469,377	471,990	474,642	477,330	480,061	482,516	485,004	0.5%	
3	Total Nebraska	14,433	13,366	13,311	13,256	13,201	13,146	13,098	13,051	-0.4%	
71	Total Trade Area Population	2,068,854	2,161,496	2,174,051	2,186,809	2,199,800	2,213,015	2,225,895	2,238,976	0.6%	

Data Sources: Bureau of Business & Economics, University of Nevada, Reno & Wells Gaming Research.

The adult population statistics included above are limited to those counties located in the identified northeast trade area and do not include the population for the entire states of Kansas or Missouri.

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Current Gaming Capacity for the Northeast Trade Area

Exhibit 1-2 reflects the current casino gaming capacity compiled by WGR for the gravity model analyses developed for Task-4.

Exhibit 1-2 Current Capacity Statistics for the NE Trade Area

# of Loc	Casino	# of Slots	# of Pit Tables	# of Poker Tables	# of Total Tables	# of Bingo Seats	Race Book	Casino S.F.	Con-vention S.F.	# of Rooms	# of Restau-rants	Enter-tain-ment	Park-ing
Iowa:													
1	Terrible's Lakeside Casino	1,100	22	3	25	0	0	37,480	8,000	60	2	2	1,500
	Subtotal of Iowa	1,100	22	3	25	0	0	37,480	8,000	60	2	2	1,500
Kansas:													
1	Casino White Cloud	350	6	3	9	500	0	21,000	0	0	1	0	500
2	Golden Eagle Casino	786	13	6	19	368	0	45,000	15,000	0	2	1	700
3	Prairie Band Casino & Resort	1,154	26	4	30	0	0	34,878	12,000	297	3	1	1,000
4	Sac & Fox Casino	500	7	0	7	0	0	53,000	0	0	4	0	400
	Subtotal of Kansas	2,790	52	13	65	868	0	153,878	27,000	297	10	2	2,600
Missouri:													
1	Ameristar Casino Hotel - Kansas City	3,016	90	15	105	0	0	140,000	14,520	184	11	3	2,660
2	Argosy Riverside Casino Hotel & Spa	1,924	39	8	47	0	0	62,000	18,000	258	5	3	2,700
3	Harrah's N Kansas City Casino & Hotel	1,793	60	12	72	0	0	60,133	10,000	392	6	1	3,122
4	Isle of Capri Casino - Boonville	905	27	6	33	0	0	28,000	12,000	140	3	1	1,102
5	Isle of Capri Casino - Kansas City	1,525	26	6	32	0	0	40,000	0	0	5	1	1,618
6	Terrible's St. Jo Frontier Casino	585	11	0	11	0	0	32,000	7,000	0	1	2	663
	Subtotal of Missouri	9,748	253	47	300	0	0	362,133	61,520	974	31	11	11,865
Oklahoma:													
1	Buffalo Run Casino	1,300	20	9	29	0	0	70,000	10,000	0	3	1	1,300
2	Eastern Shawnee Travel Plaza	186	0	0	0	0	0	3,000	0	0	0	0	150
3	High Winds Casino	500	8	0	8	0	0	35,000	0	0	2	0	450
4	Miami Tribe Entertainment	107	0	0	0	0	0	0	0	0	0	0	75
5	Peoria Gaming Center	200	0	0	0	0	0	4,200	0	0	1	0	250
6	Quapaw Casino	483	8	1	9	0	0	27,000	0	0	1	1	700
7	The Stables Casino	500	4	0	4	0	1	25,000	0	0	2	0	260
	Subtotal of Oklahoma	3,276	40	10	50	0	1	164,200	10,000	0	9	2	3,185
	18 Total Existing Casinos	16,914	367	73	440	868	1	717,691	106,520	1,331	52	17	19,150

Eighteen casinos are currently located in the northeast trade area. These have a combined capacity of 16,914 slot machines, 367 pit table games, 73 poker tables (440 total table games), 868 bingo seats, 1 race book, and 718 thousand square feet of gaming space.

Additional casino amenities include over 107 thousand square feet of convention/meeting space, 1,331 hotel rooms, 52 restaurants, 17 entertainment venues, and parking capacity for approximately 20 thousand vehicles.

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

Future/Planned Gaming Capacities

WGR compiled casino capacity and amenity statistics for the respective gravity models developed for each of the applicant's northeast casino development sites. Included were the casino gaming capacities and amenities for existing casinos, expansions, and proposed/planned casinos located within a 150-mile radius of the casino sites. The results are included in Section 2, page 2-4; Section 3, page 3-5; Section 4, page 4-4; and Section 5, page 5-4.

Pro Forma Comparability with Nevada Operators

WGR compared and contrasted the pro forma financial statements submitted by the four applicants (Golden Heartland, Hard Rock, Legends Sun, and Pinnacle) with three Nevada revenue groups selected to be used as a basis of comparison. These included:

- *Statewide \$72 Million and Above in Annual Gaming Revenues with Hotel Rooms, but without the Las Vegas Strip* (the income statement numbers represent an average for the 25 casinos included in this revenue category)
- *Statewide \$72 Million and Above in Annual Gaming Revenues with Hotel Rooms and with the Las Vegas Strip* (income statement numbers represent an average for the 48 casinos in this revenue category)
- *Clark County Las Vegas Strip \$72 Million and Above in Annual Gaming Revenues with Hotel Rooms* (the income statement numbers represent an average for the 23 casinos in this revenue category)

Inflation Factors

WGR used a 2% annual inflation rate to adjust the casino revenue projections in the four custom gravity models. Two percent is comparable to the five-year average CPI if food and fuel were excluded.

Key Scenario Assumptions Used to Develop the Gravity Models

- **Scenario-1** projected gaming revenue for the new Kansas Lottery Casino as if it were the only new casino to be built in the northeast gaming zone. WGR developed low, mid, and high case revenue projections for each applicant's proposal.
- **Scenario-3** includes all competitors, that is any new casinos or expansions that were planned/proposed for the northeast gaming zone, and the Woodlands Racetrack. It is important to note that the key variables for some competitors were adjusted after the on-site visits made by Richard Wells. Scenario 3 includes the "generic casino" in Wyandotte County, the slot machines at Comptown Greyhound Racetrack, and the Woodlands Racetrack.

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

- **Scenario-4** includes the scenario 3 assumptions listed above, but without the Woodlands Racetrack. In this way, WGR could evaluate the impact of the closure of the Woodlands Racetrack.

Gravity Model Results for the Northeast Trade Area

Three gaming revenue projections (low, mid, and high cases) were developed for each scenario for the 2007 through 2012 period (refer to Section 2 through 5 of this report for the details of WGR analyses). WGR believes that three projection cases encompass a reasonable performance range for casino gaming revenues. WGR does not develop single point projections because forecasting casino revenues is far from an exact science. Many factors both known and unknown can cause actual performance to vary significantly from the projections.

Background on the Gravity Model Methodology

By way of background, WGR has developed a custom, proprietary, gravity model for use in estimating gaming revenues at casinos, as well as for evaluating the impacts of increased competition on those revenues. WGR's gravity modeling methodology has proven to be a flexible and effective tool for estimating gaming revenues for casino projects where the interplay with existing and/or proposed competing casinos could affect future gaming revenues.

The concept of gravity modeling is not new to the business world. William J. Reilly first advanced the concept of a gravity model in 1931 in his book entitled *Law of Retail Gravitation*. Gravity models use the principal of Isaac Newton's law of gravity, wherein the attraction between two objects is proportional to their mass, and is inversely proportional to the square of their respective distances. Newton's law of gravity dealt with planets, the amount of gravitational force that they exert on each other, and the effects that the forces of gravity have on their trajectory. This concept of gravitational force, or pull, can be applied to various types of problems, including business, retail, and traffic. Reilly applied the concept to retail shopping center trade area and customer attraction analysis.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

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Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Information Used

No warranty is made for the accuracy of information furnished by others, the Client, his designee, or public records. The data relied upon in this report has been confirmed and/or sources thought reliable have been used. All sources and data are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification of all data in all instances.

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Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Section 2

Golden Heartland Casino ♠ Resort ♠ Spa

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Golden Heartland Casino ♠ Resort ♠ Spa

The Golden Heartland Casino ♠ Resort ♠ Spa is competing for the opportunity to build a major casino-hotel project on a 240-acre development site located at 300 North 110 Street (west side of 110 Street between 1-70 and Riverview Avenue), Edwardsville (Wyandotte County), Kansas. This is a high visibility development site located within close proximity to the proposed sites for the Legends Sun and the Hard Rock (refer to the map on page 2- 3).

The Golden Heartland Casino ♠ Resort ♠ Spa has been targeted to open in February of 2011 at an estimated cost \$660 million for phase-1 (\$30 million of the total would be for the golf course). Total investment for phases 1 and 2 of the project has been estimated at \$914 million.

Highlights of the casino and hotel capacity statistics and facility amenities include:

Casino

- 132 thousand square feet of gaming space (approximately)
- 2,500 slot machines
- 98 table games (including 53 Blackjack, 5 Craps, 4 Roulette, 4 Pai Gow Poker, 3 Baccarat, 3 Texas Hold'em, 3 Three Card Poker, 1 Four Card Poker, 2 Let It Ride, and 2 Flop Poker)
- 18 poker tables in poker room

Hotel

- 4-star hotel
- 300 guest rooms (240 standard rooms with 424-to-433 square feet and 60 suites with 627-to-948 square feet)

Restaurant options (both phases 1 and 2) include:

- Café with seating capacity for 220 guests
- Buffet with seating capacity for 350 guests
- Fine dining (Steakhouse) with seating capacity for 125 guests
- To be determined specialty restaurant with 100 seats
- Golf Course view restaurant (similar to Tommy Bahamas'), 275 seats
- Specialty - To be determined for phase 2 with 315 seats
- Food Court phase 2 with 160 seats
- Restaurants in Phase 2 entertainment venue (3 restaurants)
- To be determined National Chain in Phase 2
- To be determined in Phase 2
- Loft Building # 1 restaurant in Phase 2
- Loft Building # 2 restaurant in Phase 2

In addition, hotel room service and poolside food and beverage services would be available.

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

Bars & Lounges

- Casino Center Bar w/ seating capacity for 50
- Sports Bar w/ seating capacity for 20
- Lobby Bar w/ seating capacity for 81 (53 inside, 28 on the patio)
- 3 Service Bars

Entertainment Venues

- Show room (two levels) w/ bar and seating capacity for 1,000
- Spa (size to be determined)
- Kids Quest (size to be determined)

Convention Facilities

- Offering 25,000 square feet of convention/meeting space with six breakout rooms (includes two banquet rooms with seating in the 235-to-725 range for a school room configuration and 390-to-1200 in theater seating)

Sports & Recreation Facilities

- Tom Watson designed championship golf course (150+ acres)
- Bowling facility w/ 60 lanes
- Pool with poolside entertainment (weather permitting) and private cabanas, lounge areas, and VIP areas

Spa & Salon

- Full service spa and salon offering a variety of services

Loft / Retail Outlets

- Hotel Gift Shop
- Three retail buildings w/ a total of 29 outlets
- National chain restaurant retail w/ 2 outlets
(The residential and retail component would be added in Phase 2. Approximately 128 thousand square feet will be provided for retail. Specific chains and retail outlets have not yet been determined. A tenant mix that includes national and local upscale and diverse businesses is anticipated).

Parking (Phase 1 would have a 2,000 space parking garage)

- 1,229 surface spaces (approximately 406 thousand square feet)
- 2,020 covered parking spaces (includes open to air upper deck spaces)
(The parking structures would include approximately 790 thousand square feet of space. Included would be guest parking, 323-valet spaces, and space for employees and RVs that has yet to be determined).

FTEs (Full Time Equivalents)

- 1,625 in template versus 1,850 in presentation to the board

Proposed Casino Locations for the NE Gaming Zone



Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Gaming Capacity with the Golden Heartland

Exhibit 2-1 profiles a summary of the existing casino capacity, as well as the impacts of the addition of the Golden Heartland, the expansions, and the other proposed (new) casinos.

Exhibit 2-1 Summary of Gaming Capacity Statistics for the NE Trade Area
Includes the Golden Heartland, Existing Casinos, Expansions, & Proposed New Casinos

# of Loc	Casino	# of Slots	# of Pit Tables	# of Poker Tables	# of Total Tables	# of Bingo Seats	Race Book	Casino S.F.	Con-vention S.F.	# of Rooms	# of Restau-rants	Enter-tain-ment	Park-ing
Current Capacity for Existing Casinos													
1	Existing 18 Casinos	16,914	367	73	440	868	1	717,691	106,520	1,331	52	17	19,150
Scenario 1 - Golden Heartland Casino													
1	Golden Heartland Casino	2,500	80	18	98	0	0	131,804	25,000	300	5	3	3,249
	Subtotal of Scenario 1	2,500	80	18	98	0	0	131,804	25,000	300	5	3	3,249
Scenario 3 - Expansions and Other Proposed													
	Expansions:												
1	Buffalo Run Casino	0	0	0	0	0	0	0	0	103	0	0	0
2	Sac & Fox Casino	500	0	0	0	0	0	0	0	0	0	0	0
	Proposed:												
1	Camptown Greyhound Park	600	0	0	0	0	1	0	0	0	2	0	700
2	The Woodlands	800	0	0	0	0	1	0	0	0	4	0	1,100
3	Cherokee County Planned	1,200	40	0	40	0	0	0	10,000	250	3	2	2,500
4	Wyandotte 7th Street Casino	450	0	0	0	0	0	20,000	0	0	1	0	0
5	Downstream Casino Resort	2,000	30	15	45	0	1	70,000	8,000	226	2	2	2,200
	Subtotal of Scenario 3	5,550	70	15	85	0	3	90,000	18,000	579	12	4	6,500
	Total Existing, Expansions & New	24,964	517	106	623	868	4	939,495	149,520	2,210	69	24	28,899
	% Change Over Current	48%	41%	45%	42%	0%	300%	31%	40%	66%	33%	41%	51%

Data Source: Wells Gaming Research, August 2008.

Key projected gaming capacity increases include slot machines, up from approximately 17 thousand to 25 thousand (48%), and total table games, up from 440 to 623 (42%). Other capacity increases include race book (up from 1 to 4, 300%); casino square footage (up from 718 thousand square feet to approximately 939 thousand square feet, 31%); convention/meeting space (up from approximately 107 thousand square feet to 150 thousand, 40%); the number of hotel rooms (up from 1,331 to 2,210, 66%); restaurants (up from 52 to 69, 33%); entertainment (up from 17 venues to 24, 41%); and parking (up from 19 thousand square feet to 29 thousand, 51%).

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

WGR's Gravity Model Forecasts **Compared w/ the Golden Heartland's Pro Forma Revenue Projections**

The application for the Golden Heartland Casino ♠ Resort ♠ Spa included 3,669,732 casino visits for 2012 (1,619,732 for the residential population and 2,050,000 for the tourist population). Refer to Exhibit 2-2, top row of data. WGR's casino visit projections, labeled as *Golden Heartland Task-4*, are shown as scenarios 1, 3, and 4.

Exhibit 2-2 Golden Heartland Casino ♠ Resort ♠ Spa Casino Visit Projections for 2012 - NE Trade Area

Casino Visits	Residential*	Tourist**	Total
<i>Golden Heartland Application (Task-4)</i>	1,619,732	2,050,000	3,669,732
WGR 2012 Projections for Northeast Casino			
Scenario 1 - Existing Casinos + Golden Heartland Planned			
Casino Visits	Low	Mid	High
<i>Golden Heartland Task-4</i>	1,538,138	2,542,212	3,313,131
Generic Wyandotte County	2,428,564	3,062,001	4,030,794
Difference in WGR Projections	-890,426	-519,789	-717,663
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	2,131,594	1,127,520	356,601
Scenario 3 - Scenario 1 + Expansions & Other Proposed Casinos			
Casino Visits	Low	Mid	High
<i>Golden Heartland Task-4</i>	1,374,884	2,334,680	3,088,655
Generic Wyandotte County	2,105,261	2,697,268	3,622,196
Difference in WGR Projections	-730,377	-362,588	-533,541
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	2,294,848	1,335,052	581,077
Scenario 4 - Scenario 3 without The Woodlands			
Casino Visits	Low	Mid	High
<i>Golden Heartland Task-4</i>	1,495,140	2,482,351	3,245,316
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	2,174,592	1,187,381	424,416
Footnotes: *2012 Wyandotte County Residents **2012 Non-Wyandotte County Residents			

Data Source: Wells Gaming Research, August 2008.

Scenario 1 – Casino Visits

Scenario 1 (Exhibit 2-2) incorporates the key assumptions that the Golden Heartland would be the only new casino added to the northeast trade area, and that none of the existing casinos would expand.

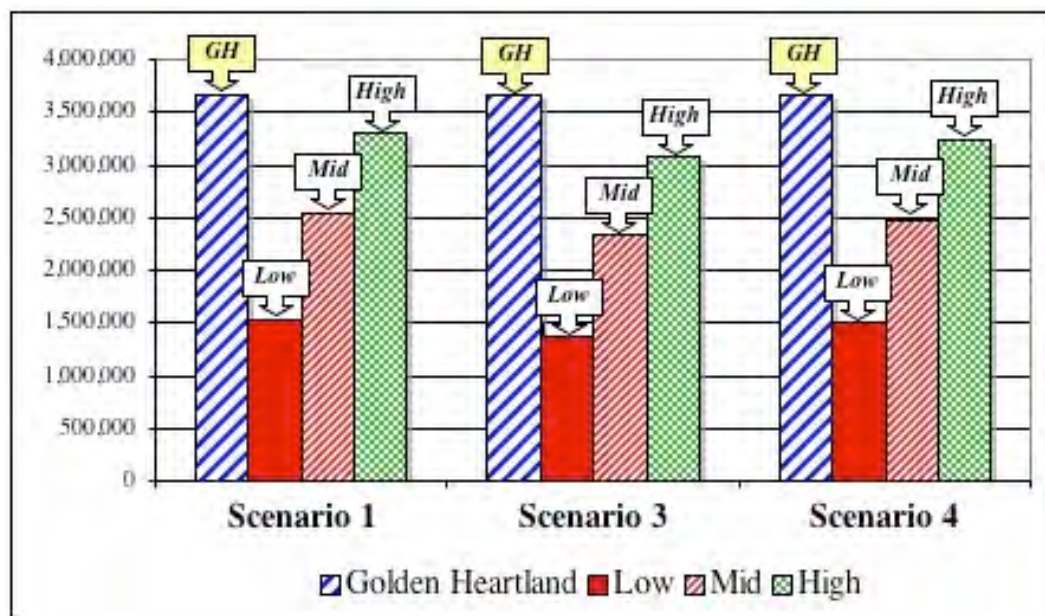
A comparison of the Golden Heartland's casino visit forecast of 3.7 million with WGR's scenario 1 projections illustrates that the Golden Heartland was:

- 2.1 million casino visits higher (138.6%) than WGR's low case forecast of 1.5 million
- 1.1 million visits higher (44.4%) than WGR's mid case projection of 2.5 million visits

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

- 357 thousand visits higher (10.8%) than WGR's high case forecast of 3.3 million visits

The relationships between the Golden Heartland's casino visit forecast and WGR's low, mid, and high projections are shown graphically below for scenarios 1, 3, and 4:



Scenario 3 – Casino Visits

The scenario 3 assumptions (Exhibit 2-2, page 2-5) include the existing casinos, the addition of the Golden Heartland, the casino expansions, all other new casinos proposed for the northeast trade area, and the Woodlands Racetrack. A comparison of the Golden Heartland's projections of 3.7 million casino visits with WGR's forecasts illustrates that the Golden Heartland's forecast was:

- 2.3 million casino visits higher (166.9%) than WGR's low case forecast of 1.4 million casino visits
- 1.3 million casino visits higher (57.2%) than WGR's low case forecast of 2.3 million casino visits
- 581 thousand casino visits higher (18.8%) than WGR's high case of 3.1 million visits

Scenario 4 – Casino Visits

Scenario 4 includes all of the assumptions developed for scenario 3 (Exhibit 2-2) minus the Woodlands Racetrack. A comparison of the Golden Heartland's forecasts with WGR's illustrates that the Golden Heartland's forecast was:

- 2.2 million casino visits higher (145.4%) than WGR's low case of 1.5 million visits
- 1.2 million casino visits higher (47.8%) than WGR's mid case of 2.5 million visits
- 424 thousand casino visits higher (13.1%) than WGR's high case of 3.2 million visits

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Gaming Revenue Projections

The Golden Heartland's application included a gaming revenue forecast of \$266,085,000 for 2012 (refer to the top row of data in Exhibit 2-3). Both WGR's revenue forecasts and those developed by the Golden Heartland were inflation adjusted. WGR's gaming revenue projections, labeled *Golden Heartland Task-4* (with inflation), are reflected in scenarios 1, 3, and 4.

Exhibit 2-3 Golden Heartland Casino  Resort  Spa Gaming Revenue Projections for 2012 - NE Trade Area

Casino Revenues	Residential	Tourist	Total
<i>Golden Heartland Application (Task-4)</i>			\$266,085,000
WGR 2012 Projections for Northeast Casino			
Scenario 1 - Existing Casinos + Golden Heartland Planned			
Casino Revenues	Low	Mid	High
<i>Golden Heartland Task-4</i>			
w/o Inflation	\$99,947,000	\$166,454,000	\$217,796,000
w/ Inflation	\$110,341,488	\$183,765,216	\$240,446,784
Generic Wyandotte County			
w/o Inflation	\$159,175,000	\$201,491,000	\$266,433,000
w/ Inflation	\$175,729,200	\$222,446,064	\$294,142,032
Difference in WGR Projections w/ Inflation	-\$65,387,712	-\$38,680,848	-\$53,695,248
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$155,743,512	\$82,319,784	\$25,638,216
Scenario 3 - Scenario 1 + Expansions & Other Proposed Casinos			
Casino Revenues	Low	Mid	High
<i>Golden Heartland Task-4</i>			
w/o Inflation	\$88,944,000	\$151,910,000	\$201,618,000
w/ Inflation	\$98,194,176	\$167,708,640	\$222,586,272
Generic Wyandotte County			
w/o Inflation	\$136,729,000	\$175,752,000	\$236,958,000
w/ Inflation	\$150,948,816	\$194,030,208	\$261,601,632
Difference in WGR Projections w/ Inflation	-\$52,754,640	-\$26,321,568	-\$39,015,360
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$167,890,824	\$98,376,360	\$43,498,728
Scenario 4 - Scenario 3 without The Woodlands			
Casino Revenues	Low	Mid	High
<i>Golden Heartland Task-4</i>			
w/o Inflation	\$96,543,000	\$161,467,000	\$211,915,000
w/ Inflation	\$106,583,472	\$178,259,568	\$233,954,160
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$159,501,528	\$87,825,432	\$32,130,840

Data Source: Wells Gaming Research, August 2008.

Scenario 1 - Revenue

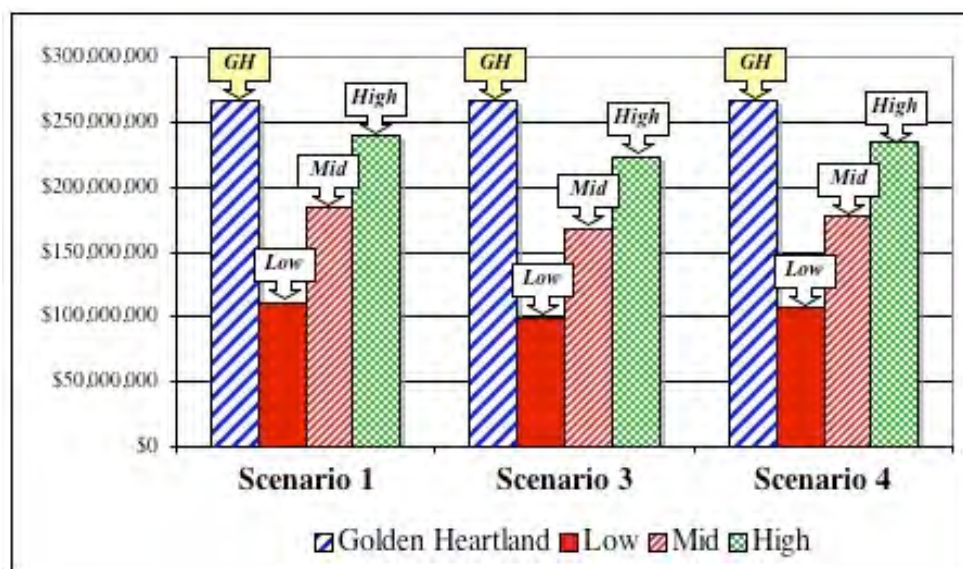
The key assumption of scenario 1 (Exhibit 2-3) is that the Golden Heartland would be located in the northeast trade area with the existing casinos (no other new casinos or casino expansions would be added).

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

The Golden Heartland's gaming revenue projections of \$266.1 million compared with WGR's scenario 1 low, mid, and high cases illustrates that the Golden Heartland was:

- \$155.7 million higher (141.1%) than WGR's low case of \$110.3 million
- \$82.3 million higher (44.8%) than WGR's mid case of \$183.8 million
- \$25.6 million higher (10.7%) than WGR's high case of \$240.4 million

The relationships between the Golden Heartland's gaming revenue forecast and WGR's low, mid, and high projections are shown graphically below:



Scenario 3 - Revenue

Scenario 3 assumptions include all existing casinos, the addition of the Golden Heartland, the casino expansions, the other new proposed casinos, and the Woodlands Racetrack (Exhibit 2-3, page 2-7). A head-to-head comparison of the Golden Heartland's gaming revenue projections of \$266.1 million with WGR's illustrates that the Golden Heartland was:

- \$167.9 million higher (171.0%) than WGR's low case of \$98.2 million
- \$98.4 million higher (58.7%) than WGR's mid case of \$167.7 million
- \$43.5 million higher (19.5%) than WGR's high case of \$222.6 million

Scenario 4 – Casino Revenues

Scenario 4 (Exhibit 2-3) includes the scenario 3 assumptions but without the Woodlands Racetrack. A comparison of the Golden Heartland's forecasts with WGR's low, mid, and high case projections illustrates that the Golden Heartland's projections were:

- \$159.5 million higher (149.6%) than WGR's low case of \$106.6 million
- \$87.8 million higher (49.3%) than WGR's mid case of \$178.5 million
- \$32.1 million higher (13.7%) than WGR's high case of \$234.0 million

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Financial Statement Analyses

WGR used the following research methodology to analyze the applicant's financial statements:

Financial Statement Comparisons were Conducted

All Nevada casinos are required to file annual *NGC-17 Reports* with the Nevada Gaming Control Board (NGCB). The *NGC-17 Reports* contain detailed financial data and operating statistics for each reporting casino. These reports are the primary source of information used by the NGCB to compile the *Nevada Gaming Abstracts*. The *Abstracts* contain consolidated balance sheets and income statements for casinos that have annual gross gaming revenues of a million dollars or more. Nevada statutes prohibit disclosure of financial information for individual casinos. As a result, all financial data were reported in the *Abstracts* by market group (for example, the market group made up of casinos with \$72 Million and Above in Annual Gaming Revenues).

The applicant's pro forma income statements were compared with the following Nevada revenue groups:

- *Statewide \$72 Million and Above in Annual Gaming Revenues with Hotel Rooms, but without the Las Vegas Strip* (the income statement numbers represent an average for the 25 casinos included in this revenue category)
- *Statewide \$72 Million and Above in Annual Gaming Revenues with Hotel Rooms and with the Las Vegas Strip* (income statement numbers represent an average for the 48 casinos in this revenue category)
- *Clark County Las Vegas Strip \$72 Million and Above in Annual Gaming Revenues with Hotel Rooms* (the income statement numbers represent an average for the 23 casinos in this revenue category)

The methodology used to analyze the pro forma income statements submitted by the Golden Heartland included:

- Calculating each line item as a percent of total revenue for a given department (for example, each line item in the casino department was calculated as a percent of total gaming revenues for that department). The 2007 (the most current available) fiscal year *Abstract* data were used as benchmarks for comparing the applicant's line item percentages with equivalent percentages calculated from the *Nevada Abstracts*.
- Percentage point differences were calculated between the applicant's results, the Nevada high, and the Nevada low.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Golden Heartland Casino ♠ Resort ♠ Spa

The Golden Heartland's pro forma financial statement data used in the following analyses was for the year 2012 (first full year of operations).

Income Statement

Revenue

Exhibit 2-4, pages 2-14 through 2-17, shows the income statement comparisons for the Golden Heartland and the three Nevada casino groups. The major differences include the following:

Casino / Gaming pro forma estimates showed \$266.1 million in gaming revenues. This was 83.4% of total revenues for the Golden Heartland, which was 19.0 percentage points above the Nevada high and 42.6 percentage points above the low.

Room revenue, projected at \$14.4 million, made up 4.5% of total revenues. This room revenue was 21.3 percentage points lower than the comparative high and 7.2 percentage points less than the low. It is important to note that the room counts were significantly different. The Golden Heartland's pro forma included 300 hotel rooms (240 standard, 60 suites). This compares with an average of 3,052 rooms for the Nevada high (*Clark County Las Vegas Strip \$72M and Above Annual Revenue Category*), and an average of 972 rooms for the Nevada low (*Nevada \$72 Million and Above Annual Revenue Category with Rooms Minus the Las Vegas Strip*).

Food revenue, projected at \$24.1 million, represented 7.6% of total revenues. It was 6.3 percentage points lower than the Nevada high and 5.3 percentage points less than the low.

Total G & A Expenses were projected at \$162.2 million, 50.9% of revenues, which was 14.3 percentage points above the comparative high and 18.0 percentage points above the low.

EBITDAR was projected at approximately \$85.0 million (26.6%). This was 1.1 percentage points above the comparative Nevada high and 2.7 percentage points higher than the low.

Casino Department

Total Casino Revenues show that the Golden Heartland projected \$266.1 million in total gaming revenues. This compares with:

- \$191.8 million for the Nevada statewide group with \$72 million and above in annual gaming revenues (includes the Las Vegas strip)
- \$258.4 million for Clark County with \$72 million and above in annual gaming revenues (includes the Las Vegas strip)

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

- \$130.5 million for the Nevada statewide group with \$72 million and above per year in gaming revenues (without the Las Vegas strip)

Table games and slot machines represented 97.6% of the gaming revenue projections for the Golden Heartland versus approximately 96% for the three Nevada casino groups. The split between table games and slots showed more variability.

Pit Revenues (include keno and bingo in Nevada) were projected at \$49.6 million, 18.7% of the gaming total. The percentage comparison shows that the 18.7% was 25.9 percentage points below the high and 2.3 percentage points above the low. Thus, the Golden Heartland has projected less gaming revenue for tables than was typical for the Nevada casinos that were used as a basis of comparison.

Slot Machine revenues forecasted at \$210 million represented 78.9% of total gaming revenue. The percentage comparison showed that this was 0.4 percentage points less than the high and 27.9 percentage points above the low.

Gaming Taxes & Licenses were estimated at nearly \$72 million for Golden Heartland (27.0% of the casino revenues). On a percentage basis, the \$72 million was 19.2 percentage points above the highest for the Nevada groups used and 19.6 percentage points more than the low.

Casino Departmental Expenses, with the exceptions of gaming taxes and licenses and gaming departmental complimentary expenses, tracked fairly close to the three Nevada groups. However:

- **Gaming taxes and licenses** were significantly higher for the Golden Heartland (27% of total gaming revenues versus a Nevada high of 7.8% and a low of 7.4%).
- **Casino complimentary expenses** at \$16.3 million were substantially below the Nevada averages (15.7 percentage points below the comparative Nevada high and 7.7 percentage points below the comparative Nevada low).

Casino Departmental Income (Loss) was estimated at \$146.4 million (55.0% of total casino revenues). A percentage comparison showed that the 55.0% was 0.6 percentage points below the comparative high and 14.2 percentage points above the low.

Room Revenues

The split between room sales and comps for the Golden Heartland relative to the three Nevada groups showed:

Room Sales were projected at \$11.7 million (81.0% of the total room revenue). This was 3.6 percentage points below the high for the comparative groups and 4.5 percentage points above the low.

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Complimentary Rooms were forecasted at \$2.7 million (19.0% of total room revenues). On a percentage basis, this was 4.5 percentage points less than the comparative high and 3.6 percentage points greater than the low.

Comp Expenses were not included in the Golden Heartland's projections.

Payroll-Other Employees was projected at \$3.8 million, 26.3% of revenues. This was 4.2 percentage points above the Nevada high and 13.4 percentage points above the low.

Departmental Income (Loss) was projected at \$7.7 million (53.3% of total room revenues). This was 15.9 percentage points below the comparative high and 4.7 percentage points less than the low.

Food Department

Combined, food sales and comps totaled \$24.1 million (\$10.9 million in sales versus \$13.2 million in comps). Food sales were 45.3% of total revenues (37.4 percentage points below the comparative high average and 25.5 percentage points below the comparative low). Conversely, food comps were 25.5 percentage points above the highest comparative group and 37.4 percentage points higher than the low.

Bad Debts, Comps Expenses, and Payroll for Officers were not included in the food expense total.

Payroll-Other Employees was projected at \$8.5 million (35.1% of the total food revenues). This was 9.0 percentage points below the comparative high and 0.1 percentage points less than the low.

Departmental Income (Loss) was forecasted near break even with a \$73.6 thousand loss (-0.3% of total revenue). This was 10.6 percentage points less than the comparative high for the Nevada groups and 5.5 percentage points higher than the low.

Beverage Department

Combined, beverage sales and comps totaled \$7.6 million (\$7.4 million in sales versus \$239 thousand in comps). Beverage sales were 96.9% of total revenues (33.8 percentage points above the comparative high average and 53.8 percentage points above the comparative low). Conversely, beverage comps were 3.1% of the total (53.8 percentage points below the highest comparative group and 33.8 percentage points less than the low).

Bad Debts, Comps Expenses, and Payroll for Officers were not included in the food expense total.

Departmental Income (Loss) was forecasted at \$2.7 million. This was 35.3% of total revenue, which was 7.4 percentage points below the comparative high for the Nevada groups and 0.6 percentage points less than the low.

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

Other Departments

To place the Golden Heartland's pro forma income statement on equal footing with the three Nevada groups, the spa, bowling, showroom, gift shop, arcade, rental, golf, and miscellaneous were combined into one revenue/cost center that has been referred to as Other Departments. Combined, the Other Departments projected \$6.8 million in total revenues (100% of the total). This was 4.4 percentage points above the comparative high and 9.5 percentage points higher than the low.

Payroll Employee Benefits were projected at \$738 thousand, which was 10.9% of total revenue for Other Department. This was 6.9 percentage points above the comparative high and 6.9 percentage points higher than the low.

Payroll – Other Employees were estimated at nearly \$2.5 million for Golden Heartland (36.3% of the casino revenues). On a percentage point basis, the \$2.5 million was 16.0 percentage points above the highest for the Nevada groups used and 20.0 percentage points higher than the low.

Departmental Income (Loss) was estimated at \$682 thousand (10.1% of total other department revenue). The percentage point comparison showed that this is 25.4 percentage points below the Nevada high and 16.7 percentage points less than the low.

FTE (Full Time Equivalents)

The Golden Heartland has estimated that 1,625 FTE's would be required to operate the casino hotel facility proposed for the northeast trade area of Kansas. This compares with an average of 1,695 FTEs for the Nevada statewide group (without the Las Vegas strip) with \$72 million and above in annual gaming revenues. Of the total 1,625 FTEs, the Golden Heartland assigned 622 (38.3%) to the casino department and 556 FTEs (34.2%) to food and beverage departments combined. In reviewing the outcomes, it is necessary to keep in mind that the comparative groups reported FTEs separately the food and the beverage departments. The Golden Heartland allocated 556 FTEs to the food department and none to the beverage department. This helps to explain why the Golden Heartland's food department numbers for FTEs are 2.9 percentage points above the comparative high and 8.4 percentage points above the comparative low.

A meaningful comparison could not be made for the beverage department.

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 2-4 Profit & Loss Comparison Golden Heartland Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Golden Heartland 1st Full Year of Operation Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
REVENUE										
Gaming	\$191,819,639	46.9%	\$258,421,481	40.8%	\$130,545,944	64.5%	\$266,085,000	83.4%	19.0%	42.6%
Rooms	\$90,822,037	22.2%	\$163,683,777	25.8%	\$23,789,236	11.7%	\$14,414,941	4.5%	-21.3%	-7.2%
Food	\$55,832,299	13.7%	\$88,230,306	13.9%	\$26,026,132	12.9%	\$24,099,856	7.6%	-6.3%	-5.3%
Beverage	\$21,721,246	5.3%	\$33,908,932	5.4%	\$10,508,575	5.2%	\$7,593,857	2.4%	-3.0%	-2.8%
Other	\$48,832,031	11.9%	\$89,272,525	14.1%	\$11,626,777	5.7%	\$6,783,489	2.1%	-12.0%	-3.6%
Total Revenue	\$409,027,251	100.0%	\$633,517,020	100.0%	\$202,496,664	100.0%	\$318,977,143	100.0%		
Cost of Sales	\$28,442,480	7.0%	\$43,119,696	6.8%	\$14,939,441	7.4%	\$14,064,908	4.4%	-3.0%	-2.4%
Gross Margin	\$380,584,772	93.0%	\$590,397,324	93.2%	\$187,557,224	92.6%	\$304,912,235	95.6%	2.4%	3.0%
Departmental Expenses	\$201,411,190	49.2%	\$316,350,268	49.9%	\$95,667,239	47.2%	\$147,484,236	46.2%	-3.7%	-1.0%
Departmental Income (Loss)	\$179,173,582	43.8%	\$274,047,056	43.3%	\$91,889,985	45.4%	\$157,427,999	49.4%	4.0%	6.1%
GENERAL & ADMINISTRATIVE EXPENSES										
Advertising & Promotion	\$5,991,876	1.5%	\$6,508,840	1.0%	\$5,516,269	2.7%	\$34,992,036	11.0%	8.2%	10.0%
Bad Debt Expense	\$36,187	0.0%	\$77,302	0.0%	-\$1,639	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$2,071,207	0.5%	\$1,707,069	0.3%	\$2,406,213	1.2%	\$0	0.0%	-1.2%	-0.3%
Depreciation - Buildings	\$13,389,684	3.3%	\$19,296,287	3.0%	\$7,955,608	3.9%	\$31,509,445	9.9%	5.9%	6.9%
Depreciation & Amort-Other	\$16,929,652	4.1%	\$27,022,726	4.3%	\$7,644,025	3.8%	\$9,411,912	3.0%	-1.3%	-0.8%
Energy Exp. (elec., gas, etc.)	\$6,497,463	1.6%	\$8,851,415	1.4%	\$4,331,827	2.1%	\$3,494,400	1.1%	-1.0%	-0.3%
Equipment Rental or Lease	\$688,120	0.2%	\$700,218	0.1%	\$676,989	0.3%	\$520,000	0.2%	-0.2%	0.1%
Interest Expense	\$30,846,681	7.5%	\$49,158,122	7.8%	\$14,000,156	6.9%	\$48,834,252	15.3%	7.5%	8.4%
Music & Entertainment	\$2,179,174	0.5%	\$3,956,074	0.6%	\$544,427	0.3%	\$0	0.0%	-0.6%	-0.3%
Payroll Taxes	\$1,528,563	0.4%	\$2,240,006	0.4%	\$874,035	0.4%	\$942,241	0.3%	-0.1%	-0.1%
Payroll - Employee Benefits	\$5,168,416	1.3%	\$8,396,173	1.3%	\$2,198,880	1.1%	\$2,651,777	0.8%	-0.5%	-0.3%
Payroll - Officers	\$597,106	0.1%	\$734,806	0.1%	\$470,422	0.2%	\$0	0.0%	-0.2%	-0.1%
Payroll - Other Employees	\$18,624,244	4.6%	\$27,852,380	4.4%	\$10,134,360	5.0%	\$8,839,257	2.8%	-2.2%	-1.6%
Rent of Premises	\$973,343	0.2%	\$816,959	0.1%	\$1,117,215	0.6%	\$0	0.0%	-0.6%	-0.1%
Taxes - Real Estate	\$4,332,479	1.1%	\$6,856,003	1.1%	\$2,010,838	1.0%	\$9,912,996	3.1%	2.0%	2.1%
Taxes & Licenses - Other	\$691,850	0.2%	\$1,051,009	0.2%	\$361,423	0.2%	\$524,297	0.2%	0.0%	0.0%
Utilities (other than energy exp.)	\$2,032,995	0.5%	\$3,454,463	0.5%	\$725,244	0.4%	\$818,688	0.3%	-0.2%	-0.1%
Other General & Admin. Exp.	\$25,828,111	6.3%	\$39,656,589	6.3%	\$13,105,912	6.5%	\$9,777,502	3.1%	-3.4%	-3.2%
Total G&A Expenses	\$138,407,151	33.8%	\$208,336,441	32.9%	\$74,072,204	36.6%	\$162,228,803	50.9%	14.3%	18.0%
Net Income (Loss) Before Federal Income Taxes & Extraordinary Items	\$40,766,431	10.0%	\$65,710,616	10.4%	\$17,817,780	8.8%	-\$4,800,804	-1.5%	-11.9%	-10.3%
EBITDAR	\$102,905,790	25.2%	\$162,004,709	25.6%	\$48,534,784	24.0%	\$84,954,805	26.6%	1.1%	2.7%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 2-4 Profit & Loss Comparison Golden Heartland Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Golden Heartland 1st Full Year of Operation Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
CASINO DEPARTMENT										
Revenue										
Pit Revenue (Incl Keno & Bingo)	\$66,359,022	34.6%	\$115,321,565	44.6%	\$21,313,482	16.3%	\$49,640,000	18.7%	-25.9%	2.3%
Slot Machines (Coin Operated)	\$117,044,333	61.0%	\$131,763,450	51.0%	\$103,502,745	79.3%	\$209,875,000	78.9%	-0.4%	27.9%
Poker and Pan	\$3,615,812	1.9%	\$5,332,482	2.1%	\$2,036,476	1.6%	\$6,570,000	2.5%	0.4%	0.9%
Race Book	\$2,022,543	1.1%	\$2,384,737	0.9%	\$1,689,325	1.3%	\$0	0.0%	-1.3%	-0.9%
Sports Pool	\$2,777,929	1.4%	\$3,619,248	1.4%	\$2,003,915	1.5%	\$0	0.0%	-1.5%	-1.4%
Total Revenue	\$191,819,639	100.0%	\$258,421,481	100.0%	\$130,545,944	100.0%	\$266,085,000	100.0%		
Departmental Expenses										
Bad Debt Expense	\$2,534,786	1.3%	\$4,892,724	1.9%	\$365,482	0.3%	\$940,000	0.4%	-1.5%	0.1%
Commissions	\$791,025	0.4%	\$484,746	0.2%	\$1,072,801	0.8%	\$0	0.0%	-0.8%	-0.2%
Complimentary Expense	\$36,443,187	19.0%	\$56,453,198	21.8%	\$18,033,976	13.8%	\$16,297,385	6.1%	-15.7%	-7.7%
Gaming Taxes and Licenses	\$14,497,398	7.6%	\$19,217,897	7.4%	\$10,154,539	7.8%	\$71,842,950	27.0%	19.2%	19.6%
Preferred Guest Expenses	\$4,917,499	2.6%	\$9,741,646	3.8%	\$479,285	0.4%	\$11,034,972	4.1%	0.3%	3.8%
Payroll Taxes	\$2,897,915	1.5%	\$4,326,817	1.7%	\$1,583,326	1.2%	\$1,152,573	0.4%	-1.3%	-0.8%
Payroll - Employee Benefits	\$6,339,099	3.3%	\$9,974,628	3.9%	\$2,994,412	2.3%	\$3,243,730	1.2%	-2.7%	-1.1%
Payroll - Officers	\$263,888	0.1%	\$462,934	0.2%	\$80,766	0.1%	\$0	0.0%	-0.2%	-0.1%
Payroll - Other Employees	\$19,689,234	10.3%	\$28,580,089	11.1%	\$11,509,647	8.8%	\$10,812,434	4.1%	-7.0%	-4.8%
Race Wire Fees	\$331,885	0.2%	\$422,918	0.2%	\$248,135	0.2%	\$0	0.0%	-0.2%	-0.2%
Other Departmental Expenses	\$14,688,840	7.7%	\$18,338,388	7.1%	\$11,331,255	8.7%	\$4,314,117	1.6%	-7.1%	-5.5%
Total Departmental Expenses	\$103,394,756	53.9%	\$152,895,986	59.2%	\$57,853,625	44.3%	\$119,638,161	45.0%	-14.2%	0.6%
Departmental Income (Loss)	\$88,424,882	46.1%	\$105,525,495	40.8%	\$72,692,318	55.7%	\$146,446,839	55.0%	-0.6%	14.2%
ROOMS DEPARTMENT										
Revenue										
Room Sales	\$75,858,666	83.5%	\$138,538,741	84.6%	\$18,192,998	76.5%	\$11,675,967	81.0%	-3.6%	4.5%
Complimentary Rooms	\$14,963,371	16.5%	\$25,145,037	15.4%	\$5,596,238	23.5%	\$2,738,974	19.0%	-4.5%	3.6%
Total Revenue	\$90,822,037	100.0%	\$163,683,777	100.0%	\$23,789,236	100.0%	\$14,414,941	100.0%		
Departmental Expenses										
Bad Debt Expense	\$134,773	0.1%	\$221,201	0.1%	\$55,259	0.2%	\$100,000	0.7%	0.5%	0.6%
Complimentary Expense	\$1,215,471	1.3%	\$2,162,530	1.3%	\$344,176	1.4%	\$0	0.0%	-1.4%	-1.3%
Payroll - Taxes	\$1,237,986	1.3%	\$2,042,179	1.2%	\$498,129	2.1%	\$404,123	2.8%	0.7%	1.6%
Payroll - Employee Benefits	\$4,611,892	5.0%	\$8,217,273	5.0%	\$1,294,941	5.4%	\$1,137,338	7.9%	2.4%	2.9%
Payroll - Officers	\$62,229	0.1%	\$129,869	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$12,821,354	14.1%	\$21,043,204	12.9%	\$5,257,252	22.1%	\$3,791,127	26.3%	4.2%	13.4%
Other Departmental Expenses	\$9,309,448	10.3%	\$16,672,790	10.2%	\$2,535,174	10.7%	\$1,293,763	9.0%	-1.7%	-1.2%
Total Departmental Expenses	\$29,393,153	32.4%	\$50,489,046	30.8%	\$9,984,931	42.0%	\$6,726,351	46.7%	4.7%	15.9%
Departmental Income (Loss)	\$61,428,884	67.6%	\$113,194,731	69.2%	\$13,804,305	58.0%	\$7,688,590	53.3%	-15.9%	-4.7%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 2-4 Profit & Loss Comparison Golden Heartland Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Golden Heartland 1st Full Year of Operation Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
FOOD DEPARTMENT										
Revenue										
Food Sales	\$44,551,686	79.8%	\$72,948,227	82.7%	\$18,426,868	70.8%	\$10,926,958	45.3%	-37.4%	-25.5%
Complimentary Food Sales	\$11,280,613	20.2%	\$15,282,079	17.3%	\$7,599,264	29.2%	\$13,172,898	54.7%	25.5%	37.4%
Total Revenue	\$55,832,299	100.0%	\$88,230,306	100.0%	\$26,026,132	100.0%	\$24,099,856	100.0%		
Cost of Sales	\$17,573,194	31.5%	\$25,769,298	29.2%	\$10,032,778	38.5%	\$11,299,256	46.9%	8.3%	17.7%
Gross Margin	\$38,259,105	68.5%	\$62,461,008	70.8%	\$15,993,354	61.5%	\$12,800,600	53.1%	-17.7%	-8.3%
Departmental Expenses										
Bad Debt Expense	\$25,542	0.0%	\$49,938	0.1%	\$3,097	0.0%	\$0	0.0%	-0.1%	0.0%
Complimentary Expense	\$389,899	0.7%	\$675,061	0.8%	\$127,551	0.5%	\$0	0.0%	-0.8%	-0.5%
Payroll - Taxes	\$2,301,669	4.1%	\$3,476,546	3.9%	\$1,220,781	4.7%	\$901,252	3.7%	-1.0%	-0.2%
Payroll - Employee Benefits	\$6,987,803	12.5%	\$11,583,261	13.1%	\$2,759,981	10.6%	\$2,536,428	10.5%	-2.6%	-0.1%
Payroll - Officers	\$126,709	0.2%	\$200,641	0.2%	\$58,692	0.2%	\$0	0.0%	-0.2%	-0.2%
Payroll - Other Employees	\$20,836,415	37.3%	\$31,018,108	35.2%	\$11,469,257	44.1%	\$8,454,761	35.1%	-9.0%	-0.1%
Other Departmental Expenses	\$4,010,289	7.2%	\$6,352,045	7.2%	\$1,855,873	7.1%	\$981,763	4.1%	-3.1%	-3.1%
Total Departmental Expenses	\$34,678,325	62.1%	\$53,355,601	60.5%	\$17,495,232	67.2%	\$12,874,204	53.4%	-13.8%	-7.1%
Departmental Income (Loss)	\$3,580,779	6.4%	\$9,105,407	10.3%	-\$1,501,878	-5.8%	-\$73,604	-0.3%	-10.6%	5.5%
BEVERAGE DEPARTMENT										
Revenue										
Beverage Sales	\$12,617,552	58.1%	\$21,411,532	63.1%	\$4,527,091	43.1%	\$7,354,744	96.9%	33.8%	53.8%
Complimentary Beverage Sales	\$9,103,694	41.9%	\$12,497,400	36.9%	\$5,981,484	56.9%	\$239,113	3.1%	-53.8%	-33.8%
Total Revenue	\$21,721,246	100.0%	\$33,908,932	100.0%	\$10,508,575	100.0%	\$7,593,857	100.0%		
Cost of Sales	\$4,638,085	21.4%	\$6,588,438	19.4%	\$2,843,761	27.1%	\$2,278,157	30.0%	2.9%	10.6%
Gross Margin	\$17,083,161	78.6%	\$27,320,494	80.6%	\$7,664,814	72.9%	\$5,315,700	70.0%	-10.6%	-2.9%
Departmental Expenses										
Bad Debt Expense	\$1,045	0.0%	\$2,078	0.0%	\$94	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$204,858	0.9%	\$403,770	1.2%	\$21,859	0.2%	\$0	0.0%	-1.2%	-0.2%
Payroll - Taxes	\$513,802	2.4%	\$750,839	2.2%	\$295,727	2.8%	\$153,567	2.0%	-0.8%	-0.2%
Payroll - Employee Benefits	\$1,472,143	6.8%	\$2,344,158	6.9%	\$669,889	6.4%	\$432,191	5.7%	-1.2%	-0.7%
Payroll - Officers	\$14,591	0.1%	\$30,451	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$4,007,207	18.4%	\$5,927,368	17.5%	\$2,240,659	21.3%	\$1,440,635	19.0%	-2.4%	1.5%
Other Departmental Expenses	\$1,963,568	9.0%	\$3,384,589	10.0%	\$656,228	6.2%	\$605,125	8.0%	-2.0%	1.7%
Total Departmental Expenses	\$8,177,213	37.6%	\$12,843,253	37.9%	\$3,884,456	37.0%	\$2,631,518	34.7%	-3.2%	-2.3%
Departmental Income (Loss)	\$8,905,947	41.0%	\$14,477,240	42.7%	\$3,780,358	36.0%	\$2,684,182	35.3%	-7.4%	-0.6%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 2-4 Profit & Loss Comparison Golden Heartland Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Golden Heartland 1st Full Year of Operation Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
OTHER DEPARTMENTS										
Revenue										
Other Oper/Non-Oper Income	\$46,359,294	94.9%	\$85,312,729	95.6%	\$10,522,133	90.5%	\$6,783,489	100.0%	4.4%	9.5%
Other Complimentary Items	\$2,472,738	5.1%	\$3,959,796	4.4%	\$1,104,644	9.5%	\$0	0.0%	-9.5%	-4.4%
Total Revenue	\$48,832,031	100.0%	\$89,272,525	100.0%	\$11,626,777	100.0%	\$6,783,489	100.0%		
Cost of Sales	\$6,231,200	12.8%	\$10,761,960	12.1%	\$2,062,901	17.7%	\$487,495	7.2%	-10.6%	-4.9%
Gross Margin	\$42,600,831	87.2%	\$78,510,565	87.9%	\$9,563,876	82.3%	\$6,295,994	92.8%	4.9%	10.6%
Departmental Expenses										
Bad Debt Expense	\$65,881	0.1%	\$35,939	0.0%	\$93,428	0.8%	\$0	0.0%	-0.8%	0.0%
Complimentary Expense	\$679,870	1.4%	\$1,166,561	1.3%	\$232,114	2.0%	\$0	0.0%	-2.0%	-1.3%
Payroll - Taxes	\$774,517	1.6%	\$1,366,565	1.5%	\$229,832	2.0%	\$258,161	3.8%	1.8%	2.3%
Payroll - Employee Benefits	\$1,945,862	4.0%	\$3,552,426	4.0%	\$467,823	4.0%	\$738,488	10.9%	6.9%	6.9%
Payroll - Officers	\$47,667	0.1%	\$97,109	0.1%	\$2,182	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$8,222,686	16.8%	\$14,596,028	16.3%	\$2,359,212	20.3%	\$2,461,626	36.3%	16.0%	20.0%
Other Departmental Expenses	\$14,031,260	28.7%	\$25,951,755	29.1%	\$3,064,404	26.4%	\$2,155,728	31.8%	2.7%	5.4%
Total Departmental Expenses	\$25,767,743	52.8%	\$46,766,383	52.4%	\$6,448,994	55.5%	\$5,614,003	82.8%	27.3%	30.4%
Departmental Income (Loss)	\$16,833,088	34.5%	\$31,744,182	35.5%	\$3,114,881	26.8%	\$681,991	10.1%	-25.4%	-16.7%

AVERAGE NUMBER OF EMPLOYEES FOR THE YEAR										
Casino Department	701	24.5%	977	23.6%	448	26.4%	622	38.3%	11.9%	14.7%
Rooms Department	474	16.5%	748	18.1%	222	13.1%	185	11.4%	-6.7%	-1.7%
Food Department	789	27.5%	1,070	25.8%	531	31.3%	556	34.2%	2.9%	8.4%
Beverage Department	196	6.8%	284	6.8%	115	6.8%	0	0.0%	-6.8%	-6.8%
G&A Department	430	15.0%	591	14.3%	282	16.7%	25	1.5%	-15.1%	-12.7%
Other Departments	277	9.7%	473	11.4%	97	5.7%	237	14.6%	3.2%	8.8%
Total	2,868	100.0%	4,142	100.0%	1,695	100.0%	1,625	100.0%		

AVERAGE NUMBER OF ROOMS AVAILABLE PER DAY										
Available Rooms	1,969		3,052		972		300			

Data Source: Wells Gaming Research, August 2008.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Section 3

Hard Rock Hotel & Casino

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

Hard Rock Hotel & Casino

The Hard Rock Hotel & Casino is competing to build a large-scale casino hotel project on a development site located at 821 Speedway Boulevard, Kansas City, Kansas (southeast corner of the Kansas Speedway). This site has excellent visibility and access. It is approximately 14 miles west of downtown Kansas City, seven miles northeast of Bonner Springs, and four miles north of Edwardsville (refer to the map on page 3-4). The Hard Rock project has been estimated to cost \$706 million.

Hard Rock management believe that its high degree of brand recognition would give it a market edge over the competition and enhance the casino hotel's chances for success (an estimated 85% of the general public is familiar with the Hard Rock brand).

Temporary Casino

Hard Rock management has suggested opening a temporary casino to speed up revenue flows for the State of Kansas and for the Hard Rock. The temporary casino could be open within eight months after the go-ahead (estimated for April 30 of 2009). It would be equipped with approximately 2,000 slot machines and 75 table games.

Permanent Casino Project

The permanent casino hotel development project has been targeted for opening in January of 2011. Highlights of the project include the following capacity statistics and customer amenities:

Casino

- Approximately 125,100 square feet of gaming space equipped with 3,000 slot machines and 140 table games (45 blackjack, 10 craps, 5 roulette, 30 other types of table games, and 50 poker tables).

- **Hotel**

A 300-room hotel would have 250 standard rooms (450 square feet) and 50 premium rooms (800 square feet). The suites would have views of the Speedway. The room base could be expanded to 1,200-hotel rooms.

Restaurants

- Café with seating capacity for 275 guests
- Buffet/Market Food Court (high volume) with seating capacity for 466 guests
- Steakhouse with seating capacity for 165 guests
- Italian (gourmet) with seating capacity for 195 guests

Bars & Lounges

- Sports Bar with seating capacity for 400 (NASCAR Sports Grille)
- Night Club (upscale), seating capacity for 850
- Casino Center Bar – high energy with live entertainment, seating capacity for 100

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

- Pool Bar & Grill with casual pool-side setting, seating capacity for 120

Music/Entertainment Venues

- Stadium-seating style theater capable of hosting headliner shows, seating capacity for 2,000
- Casino Center Bar - high energy with live entertainment, seating capacity for 100 (also listed under Bars & Lounges)
- Outdoor Pool Deck would be used to host evening live performances on a seasonal basis

Convention Facilities

- Offering 58,000 square feet of convention/meeting space with five breakout rooms (including 18,000 square feet of pre-function circulation space and back of house shared with the hotel)

Sports & Recreation Facilities

- Enclosed Pool
- Outdoor Pool
- Spa & Fitness Center

Retail Outlets

- Coffee Outlet (24-hour gourmet coffee shop)
- Hard Rock Store with branded merchandise
- Sundries / Retail

Parking Facilities

- 386 valet parking spaces and 750 employee parking spaces
- 5,584 surface parking spaces
- 1,342 enclosed parking spaces

Retail/Dining/Entertainment District (RDE) Outside the Casino

The Hard Rock's presentation to the board and template indicated that approximately 275,000 square feet would be available for the retail/dining/entertainment project. It would include promenade space that could be used for live performances, as well as other types of entertainment.

The RDE district would include high-energy retail, dining, and entertainment ideas developed by the Cordish Company. Representative concepts included in the Hard Rock's template reflect the following:

Dining

- Asian (225 seat capacity)
- Seafood (150 seat capacity)
- Burger (90 seat capacity)
- Health (125 seat capacity)

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

- Cuban/Latin (175 seat capacity)
- Gelato (90 seat capacity)

Entertainment

- Rock Bar (300 seat capacity)
- Dance Club (800 seat capacity)
- Irish Pub (350 seat capacity)
- Comedy Club (400 seat capacity)
- Jazz Club (400 seat capacity)
- Cuban/Latin (175 seat capacity)
- Country (500 seat capacity)

Bars/Lounges

- Upscale lounge (240 seat capacity)
- Players Club Lounge (90 seat capacity)

Traditional Retail

- 89,000 square feet of space

Proposed Casino Locations for the NE Gaming Zone



Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Gaming Capacity with the Hard Rock

Exhibit 3-1 profiles a summary of the existing casino capacity, the addition of Hard Rock, the expansions, and the other proposed (new) casinos.

Exhibit 3-1 Summary of Gaming Capacity Statistics for the NE Trade Area
Includes Existing Casinos, the Hard Rock, Expansions, & Proposed New Casinos

# of Loc	Casino	# of Slots	# of Pit Tables	# of Poker Tables	# of Total Tables	# of Bingo Seats	Race Book	Casino S.F.	Con-vention S.F.	# of Rooms	# of Restau-rants	Enter-tain-ment	Park-ing
Current Capacity for Existing Casinos													
1	Existing 18 Casinos	16,914	367	73	440	868	1	717,691	106,520	1,331	52	17	19,150
Scenario 1 - Hard Rock Hotel & Casino Kansas Speedway													
1	Hard Rock Hotel & Casino (KansasSpeedway)	3,000	90	50	140	0	0	125,100	40,000	300	10	10	6,926
	Subtotal of Scenario 1	3,000	90	50	140	0	0	125,100	40,000	300	10	10	6,926
Scenario 3 - Expansions and Other Proposed													
	Expansions:												
1	Buffalo Run Casino	0	0	0	0	0	0	0	0	103	0	0	0
2	Sac & Fox Casino	500	0	0	0	0	0	0	0	0	0	0	0
	Proposed:												
1	Camptown Greyhound Park	600	0	0	0	0	1	0	0	0	2	0	700
2	The Woodlands	800	0	0	0	0	1	0	0	0	4	0	1,100
3	Cherokee County Planned	1,200	40	0	40	0	0	0	10,000	250	3	2	2,500
4	Wyandotte 7th Street Casino	450	0	0	0	0	0	20,000	0	0	1	0	0
5	Downstream Casino Resort	2,000	30	15	45	0	1	70,000	8,000	226	2	2	2,200
	Subtotal of Scenario 3	5,550	70	15	85	0	3	90,000	18,000	579	12	4	6,500
	Total Existing, Expansions & New	25,464	527	138	665	868	4	932,791	164,520	2,210	74	31	32,576
	Percent Change Over Current	51%	44%	89%	51%	0%	300%	30%	54%	66%	42%	82%	70%

Data Source: Wells Gaming Research, August 2008.

Key projected gaming capacity increases include slot machines, up from 16,914 to 25,464 and total table games, up from 440 to 665. Both slots and table games increased by 51%.

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

WGR's Gravity Model Forecasts **Compared with the Hard Rock's Pro Forma Projections**

When comparing the number of casino visits and the gaming revenues for WGR's Task-4 with those projected for Task-1, it is important to keep in mind that one of the proposed casinos was eliminated from the Task-4 analyses. In addition, the attraction factors were reduced at four casinos, and the Woodland's Racetrack closed (the closure of the Woodlands only impacted WGR's scenario 4 calculations). These changes reduced market competition. As a result, WGR's Task-4 forecasts for the Hard Rock have higher numbers of casino visits and gaming revenues than those developed for the Task-1 "generic casino".

Casino Visit Forecasts

The Hard Rock Hotel & Casino's application included 4,509,893 casino visits (3,852,459 for the residential population and 657,434 for the tourist population). Refer to Exhibit 3-2, below, top row of data. WGR's casino visit projections, labeled *Hard Rock Hotel Casino Task-4*, are reflected in scenarios 1, 3, and 4.

**Exhibit 3-2 Hard Rock Hotel & Casino (Speedway)
Casino Visit Projections for 2012 - NE Trade Area**

Casino Visits	Residential	Tourist	Total
<i>Hard Rock Hotel Casino Application Task-4</i>	3,852,459	657,434	4,509,893
WGR 2012 Projections for Northeast Casino			
Scenario 1 - Existing Casinos + Speedway Hotel Casino			
Casino Visits	Low	Mid	High
<i>Hard Rock Hotel Casino Task-4</i>	2,002,109	3,214,337	4,108,515
Generic Wyandotte County	2,428,564	3,062,001	4,030,794
Difference in WGR Projections	-426,455	152,336	77,721
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	2,507,784	1,295,556	401,378
Scenario 3 - Scenario 1 + Expansions & Other Proposed Casinos			
Casino Visits	Low	Mid	High
<i>Hard Rock Hotel Casino Task-4</i>	1,814,093	2,992,146	3,878,979
Generic Wyandotte County	2,105,261	2,697,268	3,622,196
Difference in WGR Projections	-291,168	294,878	256,783
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	2,695,800	1,517,747	630,914
Scenario 4 - Scenario 3 without The Woodlands			
Casino Visits	Low	Mid	High
<i>Hard Rock Hotel Casino Task-4</i>	1,950,818	3,147,783	4,037,115
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	2,559,075	1,362,110	472,778

Data Source: Wells Gaming Research, August 2008.

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

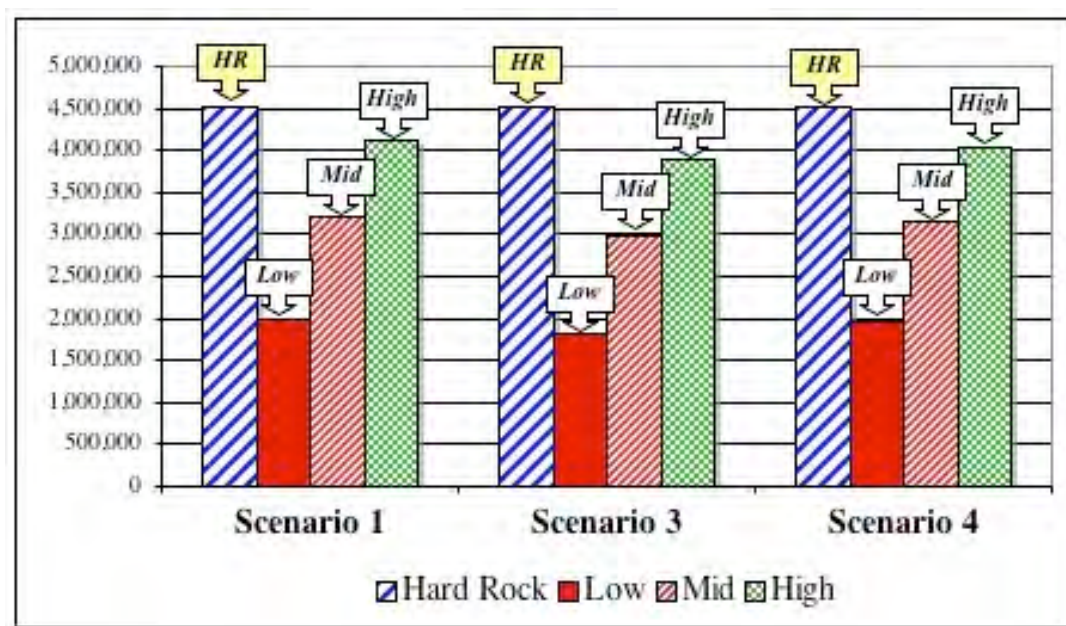
Scenario 1 – Casino Visits

The key assumptions of scenario 1 (Exhibit 3-2, page 3-6) are that the Hard Rock Hotel & Casino is the only new casino added to the northeast trade area, and that none of the existing casinos would expand.

Scenario 1 illustrates that the Hard Rock's forecast of 4.5 million casino visits was:

- 2.5 million (125.3%) higher than WGR's low case of 2.0 million visits
- 1.3 million (40.3%) higher than WGR's mid case of 3.2 million visits
- 401 thousand (9.8%) higher than WGR's high case of 4.1 million visits

The relationships between the Hard Rock's casino visit forecast and WGR's low, mid, and high projections are shown graphically below:



Scenario 3 – Casino Visits

The scenario 3 assumptions (Exhibit 3-2, page 3-6) include the existing casinos, the Hard Rock, the casino expansions, all other new casinos proposed for the northeast trade area, and the Woodlands Racetrack.

The scenario 3 forecasts (Exhibit 3-2) illustrate that the Hard Rock's projections of 4.5 million visits were:

- 2.7 million (148.6%) higher than WGR's low case of 1.8 million visits
- 1.5 million (50.7%) higher than WGR's mid case of 3.0 million visits
- 631 thousand (16.3%) higher than WGR's high case of 3.9 million visits

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Scenario 4 – Casino Visits

Scenario 4 includes the assumptions listed in scenario 3 but without the Woodlands Racetrack (refer to Exhibit 3-2, page 3-6).

Scenario 4 illustrates that the Hard Rock's forecast of 4.5 million visits was:

- 2.6 million (131.2%) higher than WGR's low case of approximately 2.0 million visits
- 1.4 million (43.3%) higher than the WGR's mid case of 3.1 million casino visits
- 473 thousand (11.7%) higher than WGR's high case of 4.0 million casino visits

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Gaming Revenue Projections

Exhibit 3-3 shows that the Hard Rock's application included a gaming revenue forecast of \$358,073,088 (\$300,212,652 from residential players and \$57,860,436 from tourists). Both WGR's revenue forecasts and those developed by the Hard Rock were inflation adjusted. WGR's gaming revenue projections, labeled *Hard Rock Hotel Casino Task-4* (with inflation), are reflected in scenarios 1, 3, and 4.

**Exhibit 3-3 Hard Rock Hotel & Casino (Speedway)
Gaming Revenue Projections for 2012 - NE Trade Area**

Casino Revenues	Residential	Tourist	Total
<i>Hard Rock Hotel Casino Application Task-4</i>	\$300,212,652	\$57,860,436	\$358,073,088
WGR 2012 Projections for Northeast Casino			
Scenario 1 - Existing Casinos + Speedway Hotel Casino			
Casino Revenues	Low	Mid	High
<i>Hard Rock Hotel Casino Task-4</i> ¹			
w/o Inflation	\$130,575,000	\$211,160,000	\$270,842,000
w/ Inflation	\$144,154,800	\$233,120,640	\$299,009,568
Generic Wyandotte County			
w/o Inflation	\$159,175,000	\$201,491,000	\$266,433,000
w/ Inflation	\$175,729,200	\$222,446,064	\$294,142,032
Difference in WGR Projections w/ Inflation	-\$31,574,400	\$10,674,576	\$4,867,536
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$213,918,288	\$124,952,448	\$59,063,520
Scenario 3 - Scenario 1 + Expansions & Other Proposed Casinos			
Casino Revenues	Low	Mid	High
<i>Hard Rock Hotel Casino Task-4</i>			
w/o Inflation	\$117,700,000	\$195,227,000	\$253,837,000
w/ Inflation	\$129,940,800	\$215,530,608	\$280,236,048
Generic Wyandotte County			
w/o Inflation	\$136,729,000	\$175,752,000	\$236,958,000
w/ Inflation	\$150,948,816	\$194,030,208	\$261,601,632
Difference in WGR Projections w/ Inflation	-\$21,008,016	\$21,500,400	\$18,634,416
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$228,132,288	\$142,542,480	\$77,837,040
Scenario 4 - Scenario 3 without The Woodlands			
Casino Revenues	Low	Mid	High
<i>Hard Rock Hotel Casino Task-4</i>			
w/o Inflation	\$126,390,000	\$205,380,000	\$264,318,000
w/ Inflation	\$139,534,560	\$226,739,520	\$291,807,072
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$218,538,528	\$131,333,568	\$66,266,016

Footnote 1: The Hard Rock's verbal presentation to the Board indicated that the casino revenue calculations (spend per casino visit) had been done in constant 2008 dollars. However, the template calculations were inflation adjusted, i.e., they showed an average compound growth rate of 1.54% for spend per visit for resident players and 1.57% for tourist players (2011 through 2015). The Hard Rock's gaming revenue calculations indicate that 84% of the gaming revenues would be generated by residents and 16% by tourists.

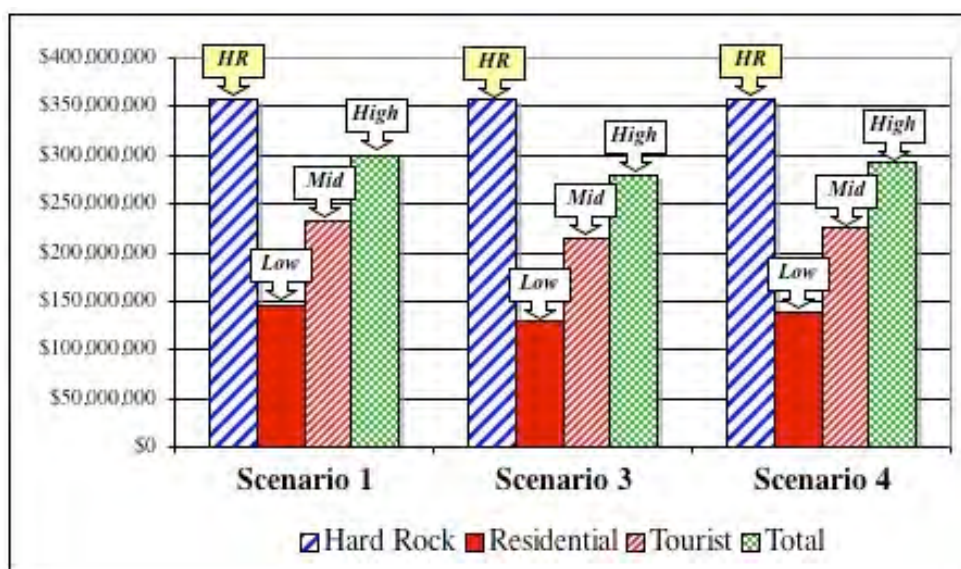
Data Source: Wells Gaming Research, August 2008.

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Scenario 1 (Exhibit 3-3, page 3-9) illustrates that the Hard Rock's forecast of \$358.1 million in gaming revenues was:

- \$213.9 million (148.4%) higher than the WGR's low case of \$144.2 million in gaming revenues (refer to Exhibit 3-3, page 3-9)
- \$125 million (53.6%) higher than WGR's mid case of \$233.1 million
- \$59.1 million (19.8%) higher than WGR's high case of \$299.0 million

The relationships between the Hard Rock's gaming revenue forecast and WGR's low, mid, and high projections are shown graphically below:



Scenario 3 - Revenue

The scenario 3 assumptions (Exhibit 3-3, page 3-9) include all existing casinos, the addition of the Hard Rock, the casino expansions, the other new proposed casinos, and the Woodlands Racetrack.

The scenario 3 forecasts shown in Exhibit 3-3 illustrate that the Hard Rock's gaming revenue projection of \$358.1 million was:

- \$228.1 million higher (175.6%) than WGR's low case of \$129.9 million in gaming revenue
- \$142.5 million above (66.1%) WGR's mid case forecast of \$215.5 million
- \$77.8 million higher (27.8%) than WGR's high case of \$280.2 million in gaming revenue

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Scenario 4 – Casino Revenues

Scenario 4 includes the scenario 3 assumptions but without the Woodlands Racetrack.

The scenario 4 projections (Exhibit 3-3, page 3-9) illustrate that the Hard Rock's gaming revenue projection of \$358.1 million was:

- \$218.5 million (156.6%) above WGR's low case projections of \$139.5 million in casino revenue
- \$131.3 million (57.9%) higher than WGR's mid case of \$226.7 million
- \$66.3 million (22.7%) greater than WGR's high case of \$291.8 million

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Income Statement Analyses **For the Hard Rock Casino Hotel**

The Hard Rock's pro forma income statement application was compared on a line item basis with three groups of Nevada casinos that were used as points of reference (refer to Section 2, page 2-9, for a description of the Nevada revenue groups). The comparative analyses that follow were based on projections developed by the Hard Rock for the year 2012 (first full year of operations).

Revenue

The most significant percentage differences in revenues were in gaming and rooms. Refer to Exhibit 3-4, pages 3-16 through 3-19, for the income statements that correspond with the discussion that follows.

Casino pro forma estimates showed \$358.1 million in gaming revenues. This was 84.1% of total revenues for the Hard Rock, 19.6 percentage points above the Nevada high of 64.5% and 43.3 percentage points above the low of 40.8%.

Room revenue, projected at \$15.7 million, made up 3.7% of total revenues for the Hard Rock. This room revenue percentage was 22.1 percentage points lower than the comparative high and 8.1 percentage points less than the low. It is important to note that the room counts were significantly different. The Hard Rock's pro forma showed 300 hotel rooms (250 standard, 50 premium) versus an average of 3,052 rooms for the high (*Clark County Las Vegas Strip \$72M+*), and an average of 972 rooms for the low (*Nevada \$72+ Million with Rooms Minus the Las Vegas Strip*).

Total G & A Expenses were projected at \$116.1 million, 27.3% of revenues, which was 9.3 percentage points below the comparative high and 5.6 percentage points less than the low.

EBITDAR was projected at \$93.5 million (22.0%). This was 3.6 percentage points below the comparative Nevada high and 2.0 percentage points less than the low.

Casino Department

Table games and slot machines represented 98.7% of gaming revenue projections for Hard Rock versus approximately 96% for the three Nevada casino groups. The split between table games and slots showed more variability.

Pit Revenues (include keno & bingo in Nevada) were projected at \$37.6 million, 10.5% of the gaming revenue total. The percentage comparison shows that the 10.5% was 34.1 percentage points below the high and 5.8 percentage points less than the low. Thus, the Hard Rock has projected less gaming revenue for tables than was typical for the Nevada casinos that were used as a basis of comparison.

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Slot Machine revenues forecasted at \$315.8 million represented 88.2% of total gaming revenue. Slot revenue, as a percent of total gaming revenue, is higher than what is typical for Nevada casinos. The percentage point comparison showed that the 88.2% was 8.9 percentage points above the Nevada high and 37.2 percentage points above the low.

Gaming Taxes & Licenses were estimated at \$107.6 million for the Hard Rock (30.0% of the total gaming revenues). On a percentage point basis, the \$107.6 million was 22.3 percentage points above the highest for the Nevada groups used and 22.6 percentage points more than the low.

Complimentary Casino Expenses at \$53.7 million were 6.8 percentage points below the comparative Nevada high and only 1.2 percentage points above the comparative Nevada low.

Departmental Income (Loss) was estimated at \$152.2 million (42.5% of total casino revenues). A percentage point comparison showed that the 42.5% was 13.2 percentage points below the comparative high and 1.7 percentage points above the low.

Room Revenues

The split between room sales and comps for the Hard Rock versus the three Nevada groups showed:

Room Sales were projected at \$4.7 million (30.0% of the total room revenue). This was 54.6 percentage points below the high for the comparative groups and 46.5 percentage points less than the low.

Complimentary Rooms were forecasted at \$11.0 million (70.0% of total room revenues). On a percentage point basis, 70.0% was 46.5 percentage points above the comparative high and 54.6 percentage points greater than the low.

Bad Debt & Comp Expenses were not included the Hard Rock's projections for the rooms department.

Departmental Income (Loss) was projected at \$8.3 million (52.8% of total room revenues). This was 16.4 percentage points below the comparative high and 5.3 percentage points less than the low.

Food Department

Food Sales were projected at \$6.8 million (33.0% of the total departmental revenues). This was 49.7 percentage points below the comparative high and 37.8 percentage points less than the low.

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Complimentary Foods were forecasted at \$13.9 million (67.0% of the total revenue forecasted for the food department). This was 37.8 percentage points more than the comparative high and 49.7 percentage points above the low.

Bad Debts, Comps Expenses, Payroll Taxes, and Payroll for Officers were not included in the food expense total.

Payroll-Other Employees was projected at \$6.3 million (30.2% of the total food revenues). This was 13.9 percentage points below the comparative high and 5.0 percentage points less than the low.

Departmental Income (Loss) was estimated at \$612 thousand (3.0% of the total). This was 7.3% below the comparative high and 8.7% above the low.

Beverage Department

Beverage Sales were projected at \$2.9 million (33.0% of the total departmental revenues). This was 30.1 percentage points below the comparative high and 10.1 percentage points less than the low.

Complimentary Beverages were forecasted at \$5.9 million (67.0% of the total revenue forecasted for the beverage department). This was 10.1 percentage points more than the comparative high and 30.1 percentage points above the low.

Bad Debts, Comps Expenses, and Payroll for Officers were not included in the food/beverage expense total.

Payroll-Other Employees was projected at \$2.7 million (30.2% of the total food revenues). This was 8.9 percentage points above the comparative high and 12.7 percentage points more than the low.

Departmental Income (Loss) was estimated at \$2.3 million (25.5% of the total). This was 17.2 percentage points below the comparative high and 10.5 percentage points less than the low.

Other Income & Corresponding Comps (includes convention, entertainment, retail, and other)

Other income and the corresponding comps were projected at \$17.6 million and \$4.8 million, respectively. Other Operating/Non-Operating Income represented 78.4% of the total for the other income department, which was 17.2 percentage points below the comparative high and 12.1 percentage points less than the low. The corresponding comps represented 21.6% of the total revenue and were 12.1 percentage points above the comparative high and 17.2 percentage points greater than the low.

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Gross Margin was shown at \$11.4 million (50.9% of the total other revenues). It was 37.0 percentage points lower than the comparative high and 31.3 percentage points less than the low.

Payroll – Other Employees was forecasted at \$3.1 million (13.6% of total revenue), which was 6.7 percentage points below the comparative high and 2.7 percentage points less than the low.

Departmental Income (Loss) was shown at a negative 722 thousand (a negative 3.2% of the total revenues). This was 38.7 percentage points below the comparative high and 30.0 percentage points less than the low.

FTE (Full Time Equivalents)

The Hard Rock has estimated that 2,068 FTE's would be required to operate the casino hotel facility proposed for the northeast trade area of Kansas. This compares with an average of 1,695 FTEs for the Nevada statewide group with \$72 million and above in annual gaming revenues (without the Las Vegas strip). The two major FTE allocations include the casino and the hotel.

The Hard Rock allocated 917 FTE's (44.3%) to the casino department. This was 17.9 percentage points above the comparative Nevada high and 20.7 percentage points greater than the low.

On the food and beverage side, the Hard Rock allocated 499 FTE's (24.1% of the total) to the food department and none to the beverage department. Even so, the results show that the Hard Rock was 7.2 percentage points below the comparative Nevada high and 1.7 percentage points less than the low.

A meaningful comparison could not be made for the beverage department.

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Exhibit 3-4										
Profit & Loss Comparison										
Hard Rock Hotel & Casino Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Hard Rock Hotel & Casino Kansas Speedway Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
REVENUE										
Gaming	\$191,819,639	46.9%	\$258,421,481	40.8%	\$130,545,944	64.5%	\$358,073,000	84.1%	19.6%	43.3%
Rooms	\$90,822,037	22.2%	\$163,683,777	25.8%	\$23,789,236	11.7%	\$15,683,000	3.7%	-22.1%	-8.1%
Food	\$55,832,299	13.7%	\$88,230,306	13.9%	\$26,026,132	12.9%	\$20,695,000	4.9%	-9.0%	-8.0%
Beverage	\$21,721,246	5.3%	\$33,908,932	5.4%	\$10,508,575	5.2%	\$8,869,000	2.1%	-3.3%	-3.1%
Other	\$48,832,031	11.9%	\$89,272,525	14.1%	\$11,626,777	5.7%	\$22,416,000	5.3%	-8.8%	-0.5%
Total Revenue	\$409,027,251	100.0%	\$633,517,020	100.0%	\$202,496,664	100.0%	\$425,736,000	100.0%		
Cost of Sales	\$28,442,480	7.0%	\$43,119,696	6.8%	\$14,939,441	7.4%	\$22,532,000	5.3%	-2.1%	-1.5%
Gross Margin	\$380,584,772	93.0%	\$590,397,324	93.2%	\$187,557,224	92.6%	\$403,204,000	94.7%	1.5%	2.1%
Departmental Expenses	\$201,411,190	49.2%	\$316,350,268	49.9%	\$95,667,239	47.2%	\$257,508,000	60.5%	10.6%	13.2%
Departmental Income (Loss)	\$179,173,582	43.8%	\$274,047,056	43.3%	\$91,889,985	45.4%	\$145,696,000	34.2%	-11.2%	-9.1%
GENERAL & ADMINISTRATIVE EXPENSES										
Advertising & Promotion	\$5,991,876	1.5%	\$6,508,840	1.0%	\$5,516,269	2.7%	\$8,057,000	1.9%	-0.8%	0.9%
Bad Debt Expense	\$36,187	0.0%	\$77,302	0.0%	-\$1,639	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$2,071,207	0.5%	\$1,707,069	0.3%	\$2,406,213	1.2%	\$0	0.0%	-1.2%	-0.3%
Depreciation - Buildings	\$13,389,684	3.3%	\$19,296,287	3.0%	\$7,955,608	3.9%	\$0	0.0%	-3.9%	-3.0%
Depreciation & Amort. - Other	\$16,929,652	4.1%	\$27,022,726	4.3%	\$7,644,025	3.8%	\$28,085,000	6.6%	2.3%	2.8%
Energy Exp. (elec., gas, etc.)	\$6,497,463	1.6%	\$8,851,415	1.4%	\$4,331,827	2.1%	\$7,416,000	1.7%	-0.4%	0.3%
Equipment Rental or Lease	\$688,120	0.2%	\$700,218	0.1%	\$676,989	0.3%	\$0	0.0%	-0.3%	-0.1%
Interest Expense	\$30,846,681	7.5%	\$49,158,122	7.8%	\$14,000,156	6.9%	\$35,886,000	8.4%	0.6%	1.5%
Music & Entertainment	\$2,179,174	0.5%	\$3,956,074	0.6%	\$544,427	0.3%	\$0	0.0%	-0.6%	-0.3%
Payroll Taxes	\$1,528,563	0.4%	\$2,240,006	0.4%	\$874,035	0.4%	\$1,607,000	0.4%	-0.1%	0.0%
Payroll - Employee Benefits	\$5,168,416	1.3%	\$8,396,173	1.3%	\$2,198,880	1.1%	\$2,494,000	0.6%	-0.7%	-0.5%
Payroll - Officers	\$597,106	0.1%	\$734,806	0.1%	\$470,422	0.2%	\$0	0.0%	-0.2%	-0.1%
Payroll - Other Employees	\$18,624,244	4.6%	\$27,852,380	4.4%	\$10,134,360	5.0%	\$12,364,000	2.9%	-2.1%	-1.5%
Rent of Premises	\$973,343	0.2%	\$816,959	0.1%	\$1,117,215	0.6%	\$0	0.0%	-0.6%	-0.1%
Taxes - Real Estate	\$4,332,479	1.1%	\$6,856,003	1.1%	\$2,010,838	1.0%	\$9,480,000	2.2%	1.1%	1.2%
Taxes & Licenses - Other	\$691,850	0.2%	\$1,051,009	0.2%	\$361,423	0.2%	\$0	0.0%	-0.2%	-0.2%
Utilities (other than energy exp.)	\$2,032,995	0.5%	\$3,454,463	0.5%	\$725,244	0.4%	\$1,854,000	0.4%	-0.1%	0.1%
Other General & Admin. Exp.	\$25,828,111	6.3%	\$39,656,589	6.3%	\$13,105,912	6.5%	\$8,895,000	2.1%	-4.4%	-4.2%
Total G&A Expenses	\$138,407,151	33.8%	\$208,336,441	32.9%	\$74,072,204	36.6%	\$116,138,000	27.3%	-9.3%	-5.6%
Net Income (Loss) Before Federal Income Taxes & Extraordinary Items	\$40,766,431	10.0%	\$65,710,616	10.4%	\$17,817,780	8.8%	\$29,558,000	6.9%	-3.5%	-1.9%
EBITDAR	\$102,905,790	25.2%	\$162,004,709	25.6%	\$48,534,784	24.0%	\$93,529,000	22.0%	-3.6%	-2.0%

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Exhibit 3-4 Profit & Loss Comparison Hard Rock Hotel & Casino Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Hard Rock Hotel & Casino Kansas Speedway Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
CASINO DEPARTMENT										
Revenue										
Pit Revenue (Incl Keno & Bingo)	\$66,359,022	34.6%	\$115,321,565	44.6%	\$21,313,482	16.3%	\$37,598,000	10.5%	-34.1%	-5.8%
Slot Machines (Coin Operated)	\$117,044,333	61.0%	\$131,763,450	51.0%	\$103,502,745	79.3%	\$315,820,000	88.2%	8.9%	37.2%
Poker and Pan	\$3,615,812	1.9%	\$5,332,482	2.1%	\$2,036,476	1.6%	\$4,655,000	1.3%	-0.8%	-0.3%
Race Book	\$2,022,543	1.1%	\$2,384,737	0.9%	\$1,689,325	1.3%	\$0	0.0%	-1.3%	-0.9%
Sports Pool	\$2,777,929	1.4%	\$3,619,248	1.4%	\$2,003,915	1.5%	\$0	0.0%	-1.5%	-1.4%
Total Revenue	\$191,819,639	100.0%	\$258,421,481	100.0%	\$130,545,944	100.0%	\$358,073,000	100.0%		
Departmental Expenses										
Bad Debt Expense	\$2,534,786	1.3%	\$4,892,724	1.9%	\$365,482	0.3%	\$895,000	0.2%	-1.7%	0.0%
Commissions	\$791,025	0.4%	\$484,746	0.2%	\$1,072,801	0.8%	\$0	0.0%	-0.8%	-0.2%
Complimentary Expense	\$36,443,187	19.0%	\$56,453,198	21.8%	\$18,033,976	13.8%	\$53,711,000	15.0%	-6.8%	1.2%
Gaming Taxes and Licenses	\$14,497,398	7.6%	\$19,217,897	7.4%	\$10,154,539	7.8%	\$107,583,000	30.0%	22.3%	22.6%
Preferred Guest Expenses	\$4,917,499	2.6%	\$9,741,646	3.8%	\$479,285	0.4%	\$4,476,000	1.3%	-2.5%	0.9%
Payroll Taxes	\$2,897,915	1.5%	\$4,326,817	1.7%	\$1,583,326	1.2%	\$2,876,000	0.8%	-0.9%	-0.4%
Payroll - Employee Benefits	\$6,339,099	3.3%	\$9,974,628	3.9%	\$2,994,412	2.3%	\$7,015,000	2.0%	-1.9%	-0.3%
Payroll - Officers	\$263,888	0.1%	\$462,934	0.2%	\$80,766	0.1%	\$0	0.0%	-0.2%	-0.1%
Payroll - Other Employees	\$19,689,234	10.3%	\$28,580,089	11.1%	\$11,509,647	8.8%	\$22,121,000	6.2%	-4.9%	-2.6%
Race Wire Fees	\$331,885	0.2%	\$422,918	0.2%	\$248,135	0.2%	\$0	0.0%	-0.2%	-0.2%
Other Departmental Expenses	\$14,688,840	7.7%	\$18,338,388	7.1%	\$11,331,255	8.7%	\$7,161,000	2.0%	-6.7%	-5.1%
Total Departmental Expenses	\$103,394,756	53.9%	\$152,895,986	59.2%	\$57,853,625	44.3%	\$205,838,000	57.5%	-1.7%	13.2%
Departmental Income (Loss)	\$88,424,882	46.1%	\$105,525,495	40.8%	\$72,692,318	55.7%	\$152,235,000	42.5%	-13.2%	1.7%
ROOMS DEPARTMENT										
Revenue										
Room Sales	\$75,858,666	83.5%	\$138,538,741	84.6%	\$18,192,998	76.5%	\$4,705,000	30.0%	-54.6%	-46.5%
Complimentary Rooms	\$14,963,371	16.5%	\$25,145,037	15.4%	\$5,596,238	23.5%	\$10,978,000	70.0%	46.5%	54.6%
Total Revenue	\$90,822,037	100.0%	\$163,683,777	100.0%	\$23,789,236	100.0%	\$15,683,000	100.0%		
Departmental Expenses										
Bad Debt Expense	\$134,773	0.1%	\$221,201	0.1%	\$55,259	0.2%	\$0	0.0%	-0.2%	-0.1%
Complimentary Expense	\$1,215,471	1.3%	\$2,162,530	1.3%	\$344,176	1.4%	\$0	0.0%	-1.4%	-1.3%
Payroll - Taxes	\$1,237,986	1.3%	\$2,042,179	1.2%	\$498,129	2.1%	\$565,000	3.6%	1.5%	2.4%
Payroll - Employee Benefits	\$4,611,892	5.0%	\$8,217,273	5.0%	\$1,294,941	5.4%	\$1,461,000	9.3%	3.9%	4.3%
Payroll - Officers	\$62,229	0.1%	\$129,869	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$12,821,354	14.1%	\$21,043,204	12.9%	\$5,257,252	22.1%	\$4,348,000	27.7%	5.6%	14.8%
Other Departmental Expenses	\$9,309,448	10.3%	\$16,672,790	10.2%	\$2,535,174	10.7%	\$1,035,000	6.6%	-4.1%	-3.6%
Total Departmental Expenses	\$29,393,153	32.4%	\$50,489,046	30.8%	\$9,984,931	42.0%	\$7,409,000	47.2%	5.3%	16.4%
Departmental Income (Loss)	\$61,428,884	67.6%	\$113,194,731	69.2%	\$13,804,305	58.0%	\$8,274,000	52.8%	-16.4%	-5.3%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 3-4 Profit & Loss Comparison Hard Rock Hotel & Casino Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Hard Rock Hotel & Casino Kansas Speedway Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
FOOD DEPARTMENT										
Revenue										
Food Sales	\$44,551,686	79.8%	\$72,948,227	82.7%	\$18,426,868	70.8%	\$6,829,000	33.0%	-49.7%	-37.8%
Complimentary Food Sales	\$11,280,613	20.2%	\$15,282,079	17.3%	\$7,599,264	29.2%	\$13,865,000	67.0%	37.8%	49.7%
Total Revenue	\$55,832,299	100.0%	\$88,230,306	100.0%	\$26,026,132	100.0%	\$20,694,000	100.0%		
Cost of Sales	\$17,573,194	31.5%	\$25,769,298	29.2%	\$10,032,778	38.5%	\$9,313,000	45.0%	6.5%	15.8%
Gross Margin	\$38,259,105	68.5%	\$62,461,008	70.8%	\$15,993,354	61.5%	\$11,381,000	55.0%	-15.8%	-6.5%
Departmental Expenses										
Bad Debt Expense	\$25,542	0.0%	\$49,938	0.1%	\$3,097	0.0%	\$0	0.0%	-0.1%	0.0%
Complimentary Expense	\$389,899	0.7%	\$675,061	0.8%	\$127,551	0.5%	\$0	0.0%	-0.8%	-0.5%
Payroll - Taxes	\$2,301,669	4.1%	\$3,476,546	3.9%	\$1,220,781	4.7%	\$812,000	3.9%	-0.8%	0.0%
Payroll - Employee Benefits	\$6,987,803	12.5%	\$11,583,261	13.1%	\$2,759,981	10.6%	\$2,672,000	12.9%	-0.2%	2.3%
Payroll - Officers	\$126,709	0.2%	\$200,641	0.2%	\$58,692	0.2%	\$0	0.0%	-0.2%	-0.2%
Payroll - Other Employees	\$20,836,415	37.3%	\$31,018,108	35.2%	\$11,469,257	44.1%	\$6,250,000	30.2%	-13.9%	-5.0%
Other Departmental Expenses	\$4,010,289	7.2%	\$6,352,045	7.2%	\$1,855,873	7.1%	\$1,035,000	5.0%	-2.2%	-2.1%
Total Departmental Expenses	\$34,678,325	62.1%	\$53,355,601	60.5%	\$17,495,232	67.2%	\$10,769,000	52.0%	-15.2%	-8.5%
Departmental Income (Loss)	\$3,580,779	6.4%	\$9,105,407	10.3%	-\$1,501,878	-5.8%	\$612,000	3.0%	-7.3%	8.7%
BEVERAGE DEPARTMENT										
Revenue										
Beverage Sales	\$12,617,552	58.1%	\$21,411,532	63.1%	\$4,527,091	43.1%	\$2,927,000	33.0%	-30.1%	-10.1%
Complimentary Beverage Sales	\$9,103,694	41.9%	\$12,497,400	36.9%	\$5,981,484	56.9%	\$5,942,000	67.0%	10.1%	30.1%
Total Revenue	\$21,721,246	100.0%	\$33,908,932	100.0%	\$10,508,575	100.0%	\$8,869,000	100.0%		
Cost of Sales	\$4,638,085	21.4%	\$6,588,438	19.4%	\$2,843,761	27.1%	\$2,217,000	25.0%	-2.1%	5.6%
Gross Margin	\$17,083,161	78.6%	\$27,320,494	80.6%	\$7,664,814	72.9%	\$6,652,000	75.0%	-5.6%	2.1%
Departmental Expenses										
Bad Debt Expense	\$1,045	0.0%	\$2,078	0.0%	\$94	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$204,858	0.9%	\$403,770	1.2%	\$21,859	0.2%	\$0	0.0%	-1.2%	-0.2%
Payroll - Taxes	\$513,802	2.4%	\$750,839	2.2%	\$295,727	2.8%	\$348,000	3.9%	1.1%	1.7%
Payroll - Employee Benefits	\$1,472,143	6.8%	\$2,344,158	6.9%	\$669,889	6.4%	\$1,145,000	12.9%	6.0%	6.5%
Payroll - Officers	\$14,591	0.1%	\$30,451	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$4,007,207	18.4%	\$5,927,368	17.5%	\$2,240,659	21.3%	\$2,678,000	30.2%	8.9%	12.7%
Other Departmental Expenses	\$1,963,568	9.0%	\$3,384,589	10.0%	\$656,228	6.2%	\$222,000	2.5%	-7.5%	-3.7%
Total Departmental Expenses	\$8,177,213	37.6%	\$12,843,253	37.9%	\$3,884,456	37.0%	\$4,393,000	49.5%	11.6%	12.6%
Departmental Income (Loss)	\$8,905,947	41.0%	\$14,477,240	42.7%	\$3,780,358	36.0%	\$2,259,000	25.5%	-17.2%	-10.5%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 3-4 Profit & Loss Comparison Hard Rock Hotel & Casino Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Hard Rock Hotel & Casino Kansas Speedway Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
OTHER DEPARTMENTS										
Revenue										
Other Oper/Non-Oper Income	\$46,359,294	94.9%	\$85,312,729	95.6%	\$10,522,133	90.5%	\$17,573,000	78.4%	-17.2%	-12.1%
Other Complimentary Items	\$2,472,738	5.1%	\$3,959,796	4.4%	\$1,104,644	9.5%	\$4,843,000	21.6%	12.1%	17.2%
Total Revenue	\$48,832,031	100.0%	\$89,272,525	100.0%	\$11,626,777	100.0%	\$22,416,000	100.0%		
Cost of Sales	\$6,231,200	12.8%	\$10,761,960	12.1%	\$2,062,901	17.7%	\$11,002,000	49.1%	31.3%	37.0%
Gross Margin	\$42,600,831	87.2%	\$78,510,565	87.9%	\$9,563,876	82.3%	\$11,414,000	50.9%	-37.0%	-31.3%
Departmental Expenses										
Bad Debt Expense	\$65,881	0.1%	\$35,939	0.0%	\$93,428	0.8%	\$0	0.0%	-0.8%	0.0%
Complimentary Expense	\$679,870	1.4%	\$1,166,561	1.3%	\$232,114	2.0%	\$0	0.0%	-2.0%	-1.3%
Payroll - Taxes	\$774,517	1.6%	\$1,366,565	1.5%	\$229,832	2.0%	\$397,000	1.8%	-0.2%	0.3%
Payroll - Employee Benefits	\$1,945,862	4.0%	\$3,552,426	4.0%	\$467,823	4.0%	\$1,033,000	4.6%	0.6%	0.6%
Payroll - Officers	\$47,667	0.1%	\$97,109	0.1%	\$2,182	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$8,222,686	16.8%	\$14,596,028	16.3%	\$2,359,212	20.3%	\$3,051,000	13.6%	-6.7%	-2.7%
Other Departmental Expenses	\$14,031,260	28.7%	\$25,951,755	29.1%	\$3,064,404	26.4%	\$7,655,000	34.1%	5.0%	7.8%
Total Departmental Expenses	\$25,767,743	52.8%	\$46,766,383	52.4%	\$6,448,994	55.5%	\$12,136,000	54.1%	-1.3%	1.7%
Departmental Income (Loss)	\$16,833,088	34.5%	\$31,744,182	35.5%	\$3,114,881	26.8%	-\$722,000	-3.2%	-38.7%	-30.0%

AVERAGE NUMBER OF EMPLOYEES FOR THE YEAR										
Casino Department	701	24.5%	977	23.6%	448	26.4%	917	44.3%	17.9%	20.7%
Rooms Department	474	16.5%	748	18.1%	222	13.1%	191	9.2%	-8.8%	-3.9%
Food Department	789	27.5%	1,070	25.8%	531	31.3%	499	24.1%	-7.2%	-1.7%
Beverage Department	196	6.8%	284	6.8%	115	6.8%	0	0.0%	-6.8%	-6.8%
G&A Department	430	15.0%	591	14.3%	282	16.7%	326	15.8%	-0.9%	1.5%
Other Departments	277	9.7%	473	11.4%	97	5.7%	135	6.5%	-4.9%	0.8%
Total	2,868	100.0%	4,142	100.0%	1,695	100.0%	2,068	100.0%		

AVERAGE NUMBER OF ROOMS AVAILABLE PER DAY										
Available Rooms	1,969		3,052		972		300			

Data Source: Wells Gaming Research, August 2008.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Section 4

Legends Sun

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

Legends Sun

The Legends Sun is competing for the opportunity to build a large-scale casino hotel project in the northeast gaming zone. The Legends Sun has a master plan to develop its casino hotel project on a 250-acre site located off the I-70 and I-435 interchange in Wyandotte County, Kansas. The subject location is adjacent to the Village West tourism district (refer to the map on page 4-3).

The Legends Sun has targeted December of 2010 for completion of phase 1 of the Kansas casino hotel development project. The projected investment cost is \$767 million for phase 1. Highlights of the casino and hotel capacity statistics and facility amenities include:

Casino

- Estimated 131,000 square feet of gaming space
- 2,000 slot machines
- 60 table games (45 Blackjack, 5 Craps, 3 Roulette, 2 Pai Gow Poker, and 5 other games including Mini-Baccarat, Let It Ride, and Caribbean Stud)
- 25 poker games

Hotel

- Four-star facility is planned with 350 guest rooms (314 standard rooms with 560 square feet and 36 premium rooms averaging 1,200 square feet).
-

Luxury Spa & Pool Complex

- A luxury spa featuring a 4,000 square foot fitness center is planned (may be branded with a nationally recognized name)
- Expensive pool complex with water features, private cabanas, and a pool bar are planned

Restaurants

- 24-Hour Coffee Shop with American contemporary menu and 200 seats
- Buffet with fresh market theme, international & southwestern influences, and 350 seats
- Bistro with casual themed concept featuring authentic international cuisine, and 120 seats
- Quick Service would include a mix of 4-to-5 nationally branded concepts with shared seating for 150 (includes a free standing coffee area)
- Michael Jordan's Steakhouse (a world-class restaurant with 150 seats would be tenant leased or licensed)

Bars & Lounges

- Casino Center Bar with seating capacity for 80
- Lobby Bar would be an upscale, relaxing lounge with seating for 35
- Entertainment Bar would be a lounge adjacent to the entertainment venue profiling the best of sports and entertainment with seating for 120

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

- Terrace & Pool Bar with tropical theme specializing in frozen exotic drinks, and seating for 12
- High Limit Lounge with seating for 30
- Cabaret Theater lounge with seating for 350 (included in oral presentation to the board, but not in the template)

Entertainment Venues

- Multi purpose showroom with convertible space (36,000 square feet) for special events, concerts, theater shows, or large banquets with 1,200 seats

Convention Facilities

- The convention facilities would offer 40,500 square feet of convention/meeting space equipped with eight breakout rooms

Entertainment & Convention Square Footage Combined

The combination of the 36,000 square feet of entertainment space and the 40,500 square feet of convention/meeting included in the template totals the 76,500 square feet mentioned in the board presentation.

Sports & Recreation Facilities

- Tentatively called Legends National Golf Club (semi private with access allowed to the general public)

FTEs (Full time equivalents)

- 1,776 FTEs were included in the template versus 1,850 casino/resort FTEs that were included in the oral presentation to the board.

Retail Outlets (200,000 sq. ft.)

- Legends Sun Logo Shop
- Tobacco Shop would be a high-end smoke shop featuring walk-in humidor and a broad selection of imported cigars
- Hotel Shop would offer a variety of convenience and sundry items
- High-end jewelry
- Retail-Lifestyle Center Shopping (200,000 square feet) would offer an appropriate mix of a large anchor, in-line, and restaurant/bars retail tenants (specifics yet to be determined)

Parking

- 2,000 surface spaces (valet and employees)
- 1,500 enclosed parking spaces

Other Facilities

- Residential component would include 250 residential units would be located above the lifestyle retail storefronts.

Proposed Casino Locations for the NE Gaming Zone



Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Gaming Capacity with the Legends Sun

Exhibit 4-1 profiles a summary of the existing casino capacity, the addition of Legends Sun, the expansions, the other proposed (new) casinos, and the Woodlands Racetrack.

**Exhibit 4-1 Summary of Gaming Capacity Statistics for the NE Trade Area
Includes Existing Casinos, the Legends Sun, Expansions, & Proposed New Casinos**

# of Loc	Casino	# of Slots	# of Pit Tables	# of Poker Tables	# of Total Tables	# of Bingo Seats	Race Book	Casino S.F.	Con-vention S.F.	# of Rooms	# of Restau-rants	Enter-tain-ment	Park-ing
Current Capacity for Existing Casinos													
1	Existing 18 Casinos	16,914	367	73	440	868	1	717,691	106,520	1,331	52	17	19,150
Scenario 1 - Legends Sun (RED Development LLC/Mohegan Sun/Olympia Gaming LLC)													
1	Legends Sun	2,000	60	25	85	0	0	131,000	40,500	350	5	3	3,500
	Subtotal of Scenario 1	2,000	60	25	85	0	0	131,000	40,500	350	5	3	3,500
Scenario 3 - Expansions and Other Proposed													
	Expansions:												
1	Buffalo Run Casino	0	0	0	0	0	0	0	0	103	0	0	0
2	Sac & Fox Casino	500	0	0	0	0	0	0	0	0	0	0	0
	Proposed:												
1	Camtown Greyhound Park	600	0	0	0	0	1	0	0	0	2	0	700
2	The Woodlands	800	0	0	0	0	1	0	0	0	4	0	1,100
3	Cherokee County Planned	1,200	40	0	40	0	0	0	10,000	250	3	2	2,500
4	Wyandotte 7th Street Casino	450	0	0	0	0	0	20,000	0	0	1	0	0
5	Downstream Casino Resort	2,000	30	15	45	0	1	70,000	8,000	226	2	2	2,200
	Subtotal of Scenario 3	5,550	70	15	85	0	3	90,000	18,000	579	12	4	6,500
	Total Existing, Expansions & New	24,464	497	113	610	868	4	938,691	165,020	2,260	69	24	29,150
	Percent Change Over Current	45%	35%	55%	39%	0%	300%	31%	55%	70%	33%	41%	52%

Data Source: Wells Gaming Research, August 2008.

Key projected gaming capacity increases include slot machines, up from 16,914 to 24,464 (45%), and total table games, up from 440 to 610 (39%).

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

WGR's Gravity Model Forecasts
Compared with the Pro Forma Projections for the Legends Sun

When comparing the number of casino visits and the gaming revenues for Task-4 versus Task-1, it is important to keep in mind that in Task-4 one proposed casino were eliminated, the attraction factors were reduced at four casinos, and the Woodlands Racetrack closed (the closure of the Woodlands Racetrack only impacted scenario 4 of WGR's analyses). The end result of the foregoing Task-4 changes was lower competition with higher numbers of casino visits and improved gaming revenues for the applicants.

Casino Visit Forecasts

The Legends Sun's application included 2,980,965 casino visits (2,114,735 for the residential population and 866,230 for the tourist population). Refer to Exhibit 4-2, top row of data. WGR's casino visit forecasts are shown below in scenarios 1, 3 and 4. WGR's casino visit projections, labeled *Legends Sun Task-4*, are reflected in scenarios 1, 3, and 4.

Exhibit 4-2 Legends Sun
Casino Visit Projections for 2012 - NE Trade Area

Casino Visits	Residential	Tourist	Total
<i>Legends Sun Application Task-4</i>	2,114,735	866,230	2,980,965
WGR 2012 Projections for Northeast Casino			
Scenario 1 - Existing Casinos + Legends Sun			
Casino Visits	Low	Mid	High
<i>Legends Sun Task-4</i>	1,380,871	2,318,955	3,054,257
Generic Wyandotte County	2,428,564	3,062,001	4,030,794
Difference in WGR Projections	-1,047,693	-743,046	-976,537
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	1,600,094	662,010	-73,292
Scenario 3 - Scenario 1 + Expansions & Other Proposed Casinos			
Casino Visits	Low	Mid	High
<i>Legends Sun Task-4</i>	1,226,712	2,120,314	2,836,835
Generic Wyandotte County	2,105,261	2,697,268	3,622,196
Difference in WGR Projections	-878,549	-576,954	-785,361
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	1,754,253	860,651	144,130
Scenario 4 - Scenario 3 without The Woodlands			
Casino Visits	Low	Mid	High
<i>Legends Sun Task-4</i>	1,343,462	2,265,806	2,993,290
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	1,637,503	715,159	-12,325

Data Source: Wells Gaming Research, August 2008.

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

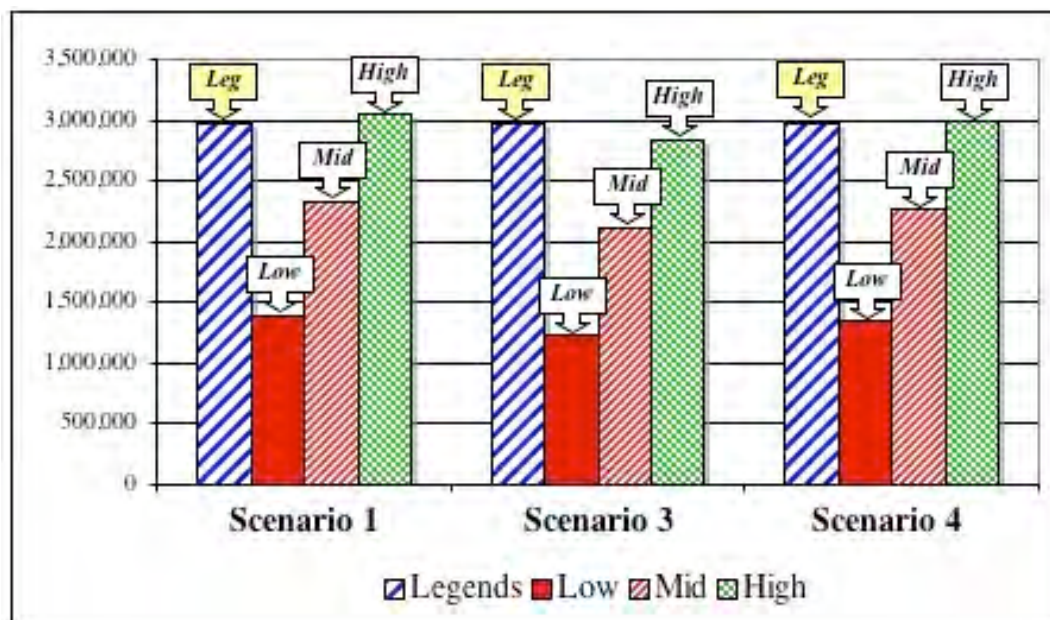
Scenario 1 – Casino Visits

The key assumptions for scenario 1 (Exhibit 4-2, page 4-5) are that the Legends Sun is the only new casino added to the northeast trade area, and that none of the existing casinos are expanded.

Scenario 1 illustrates that the Legends Sun's projection of approximately 3 million casino visits was:

- 1.6 million casino visits higher (115.9%) than WGR's low case of 1.4 million visits
- 662 thousand visits higher (28.5%) than WGR's mid case of 2.3 million
- 73 thousand casino visits lower (2.4%) than the WGR's high case forecast of 3.1 million visits

The relationships between the Legends Sun's casino visit forecast and WGR's low, mid, and high projections are shown graphically below:



Scenario 3 – Casino Visits

The scenario 3 assumptions include the existing casinos, the Legends Sun, the casino expansions, all other new casinos proposed for the northeast trade area, and the Woodlands Racetrack (refer to Exhibit 4-2, page 4-5).

The scenario 3 forecasts shown in Exhibit 4-2 illustrate that the Legends Sun's forecast of 3 million casino visits was:

- 1.8 million casino visits higher (143.0%) than WGR's low case of 1.2 million visits
- 861 thousand visits higher (40.6%) than WGR's mid case of 2.1 million visits
- 144 thousand visits higher (5.1%) than WGR's high case of 2.8 million visits

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Scenario 4 – Casino Visits

Scenario 4 includes the scenario 3 assumptions minus the Woodlands Racetrack (refer to the lower section of Exhibit 4-2, page 4-5).

Scenario 4, Exhibit 4-2, illustrates that the Legends Sun's forecast of 3 million casino visits was:

- 1.6 million casino visits higher (121.9%) than WGR's low case of 1.3 million visits
- 715 thousand casino visits higher (31.6%) than WGR's mid case of 2.3 million visits
- 12 thousand visits lower (0.4%) than WGR's high case of approximately 3.0 million

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Gaming Revenue Projections

The Legends Sun's application included a gaming revenue forecast of \$281,568,300 (\$179,472,910 for residential players and \$102,095,390 for tourists). Refer to the top row of data in Exhibit 4-3, below. Both WGR's revenue forecasts and those developed by the Legends Sun were inflation adjusted. WGR's gaming revenue projections, labeled *Legends Sun Task-4* (with inflation), are reflected in scenarios 1, 3, and 4.

Exhibit 4-3 Legends Sun
Gaming Revenue Projections for 2012 - NE Trade Area

Casino Revenues	Residential	Tourist	Total
<i>Legends Sun Application Task-4</i>	\$179,472,910	\$102,095,390	\$281,568,300
WGR 2012 Projections for Northeast Casino			
Scenario 1 - Existing Casinos + Legends Sun			
Casino Revenues	Low	Mid	High
<i>Legends Sun Task-4</i>			
w/o Inflation	\$90,225,000	\$152,604,000	\$201,732,000
w/ Inflation	\$99,608,400	\$168,474,816	\$222,712,128
Generic Wyandotte County			
w/o Inflation	\$159,175,000	\$201,491,000	\$266,433,000
w/ Inflation	\$175,729,200	\$222,446,064	\$294,142,032
Difference in WGR Projections w/ Inflation	-\$76,120,800	-\$53,971,248	-\$71,429,904
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$181,959,900	\$113,093,484	\$58,856,172
Scenario 3 - Scenario 1 + Expansions & Other Proposed Casinos			
Casino Revenues	Low	Mid	High
<i>Legends Sun Task-4</i>			
w/o Inflation	\$79,835,000	\$138,671,000	\$186,048,000
w/ Inflation	\$88,137,840	\$153,092,784	\$205,396,992
Generic Wyandotte County			
w/o Inflation	\$136,729,000	\$175,752,000	\$236,958,000
w/ Inflation	\$150,948,816	\$194,030,208	\$261,601,632
Difference in WGR Projections w/ Inflation	-\$62,810,976	-\$40,937,424	-\$56,204,640
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$193,430,460	\$128,475,516	\$76,171,308
Scenario 4 - Scenario 3 without The Woodlands			
Casino Revenues	Low	Mid	High
<i>Legends Sun Task-4</i>			
w/o Inflation	\$87,140,000	\$147,973,000	\$196,183,000
w/ Inflation	\$96,202,560	\$163,362,192	\$216,586,032
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$185,365,740	\$118,206,108	\$64,982,268

Data Source: Wells Gaming Research, August 2008.

Task-4 - Project Specific Gaming Revenue Projections

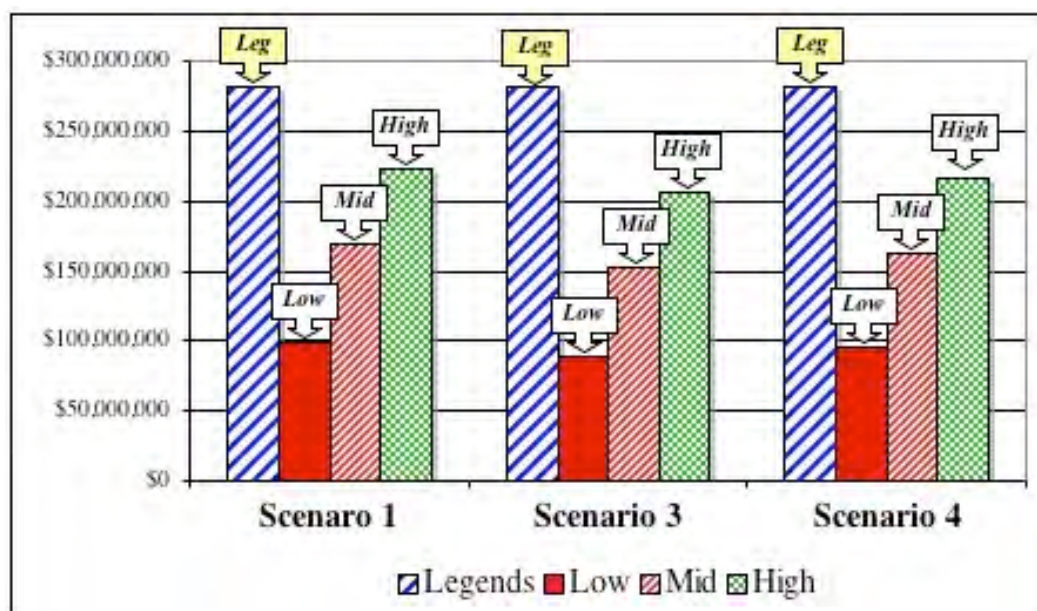
Northeast Gaming Zone of Kansas

Scenario 1

The Legends Sun's forecast of \$281.6 million in gaming revenues. The comparison with WGR illustrates that the Legends Sun's forecast was:

- \$182.0 million higher (182.7%) than the WGR's low case of \$99.6 million in gaming revenues (refer to Exhibit 4-3, page 4-8).
- \$113.1 million higher (67.1%) than WGR's mid case projections of \$168.5 million in gaming revenue
- \$58.9 million higher (26.4%) than WGR's high case of \$222.7 million in gaming revenue

The relationships between the Legends Sun's gaming revenue forecast and WGR's low, mid, and high projections are shown graphically below:



Scenario 3 - Revenue

The scenario 3 assumptions include all existing casinos, the addition of the Legends Sun, the casino expansions, the other new proposed casinos, and the Woodlands Racetrack (refer to the mid section of Exhibit 4-3, page 4-8).

The scenario 3 forecasts illustrate that the Legends Sun's forecast of \$281.6 million in gaming revenues was:

- \$193.4 million above (219.5%) WGR's low case of \$88.1 million in gaming revenue
- \$128.5 million higher (83.9%) than WGR's mid case of \$153.1 million
- \$76.2 million above (37.1%) WGR's high case of \$205.4 million in gaming revenue

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Scenario 4 - Revenue

The scenario 4 assumptions include scenario 3 minus the Woodlands Racetrack.

The scenario 4 projections shown in Exhibit 4-3, page 4-8, illustrate that the Legends Sun's forecast of \$281.6 million in gaming revenues was:

- \$185.4 million higher (192.7%) than WGR's low case of \$96.2 million
- \$118.2 million higher (72.4%) than WGR's mid case of \$163.4 million
- \$65.0 million higher (30.0%) than the WGR's high case of \$216.6 million in gaming revenue

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Income Statement Analyses **For the Legends Sun Casino Hotel**

The Legends Sun's pro forma income statement application was compared on a line item basis with three groups of Nevada casinos that were used as points of reference (refer to Section 2, page 2-9, for a description of the Nevada revenue groups). The comparative analyses that follow were based on projections developed by the Legends Sun for the year 2012.

Revenue

The most significant percentage differences in revenues were in gaming and rooms. Refer to Exhibit 4-4, pages 4-14 through 4-17 for the income statements that correspond with the discussions that follow.

Casino pro forma estimates showed \$281.6 million in gaming revenues. This was 79.3% of total revenues for the Legends Sun, which was 14.8 percentage points above the Nevada high and 38.5 percentage points above the low.

Room revenue, projected at \$16.0 million, made up 4.5% of total revenues for the Legends Sun. This room revenue percentage was 21.3 percentage points lower than the comparative high and 7.2 percentage points less than the low. It is important to note that the room counts were significantly different. The Legends Sun's pro forma statistics showed a total of 350 hotel rooms (314 standard and 36 premium) versus an average of 3,052 rooms for the high (*Clark County Las Vegas Strip \$72M+*), and an average of 972 rooms for the low (*Nevada \$72+ Million with Rooms Minus the Las Vegas Strip*).

Total G & A Expenses were projected at \$167.8 million, 47.2% of revenues, which was 10.7 percentage points above the comparative high and 14.3 percentage points above the low.

EBITDAR was projected at \$79.1 million (22.3%). This was 3.3 percentage points lower than the comparative Nevada high and 1.7 percentage points below the low.

Casino Department

Table games and slot machines represented 98.4% of gaming revenue projections for the Legend Sun versus approximately 96% for the three Nevada casino groups. The split between table games and slots showed greater variability.

Pit Revenues (including keno and bingo in Nevada) were projected at \$38.2 million, 13.5% of the gaming total. The percentage comparison shows that the 13.5% was 31.1 percentage points below the high and 2.8 percentage points less than the low. Thus, the percent of table game revenues projected by the Legend Sun is lower than the typical for the Nevada casinos that were used as a basis of comparison.

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Slot Machine revenues forecasted at \$239.1 million represented 84.9% of total gaming revenue. The percentage point comparison showed that this was 5.6 percentage points above the high and 33.9 percentage points more than the low. Thus, the percent of revenues from slots is expected to be higher than is typical for the Nevada casinos.

Complimentary Expenses were projected at \$33.8 million (12.0% of total gaming revenues). This was 9.8 percentage points below the Nevada high and 1.8 percentage points below the low.

Gaming Taxes & Licenses were estimated at \$79.4 million for the Legends Sun (28.2% of the casino revenues). On a percentage point basis, this was 20.4 percentage points above the highest for the comparative Nevada groups and 20.8 percentage points more than the low.

Departmental Income (Loss) was estimated at \$119 million (42.3% of total casino revenues). A percentage comparison showed that the 42.3% was 13.4 percentage points below the comparative high and 1.5 percentage points above the low.

Room Revenues

The Legend Sun has proposed to build 350 guest rooms (314 standard and 36 premium). The split between room sales and comps for the Legends Sun versus the three Nevada groups showed:

Room Sales were projected at \$16.0 million (100.0% of the total room revenue). This was 15.4 percentage points above the comparative high and 23.5 percentage points more than the low.

Room Comps were not forecasted. This would be highly unusual for a casino hotel.

Bad Debt & Comp Expenses were not included in the Legends Sun's projections.

Departmental Income (Loss) was projected at \$8.7 million (54.3% of total room revenues). This was 14.9 percentage points below the comparative high and 3.8 percentage points less than the low.

Food & Beverage Departments

Food and beverage revenues and expenses were combined in the Legends Sun pro forma. The split between food and beverage sales and comps showed:

Food/Beverage Sales were projected at \$27.4 million (100.0% of the total departmental revenues). This was 17.3 percentage points above the comparative high and 29.2 percentage points more than the low.

Food/Beverage Comps were not included in the Legends Suns' forecast. This is highly unusual for a hotel casino.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Bad Debts, Comps Expenses were not included in the food/beverage expense total.

Payroll

Employee Benefits was projected at \$5.4 million (19.7% of the total food/beverage revenues). This was 6.6 percentage points above the comparative high and 9.1 percentage points more than the low.

Officers payroll was forecasted at \$2.3 million (8.3% of total revenues). This was 8.1 percentage points above the comparative high and 8.1 percentage points above the low.

Other Employees payroll was forecasted at \$6.5 million (23.8% of total revenues). This was 20.3 percentage points below the comparative high and 11.4 percentage points less than the low.

Departmental Income for Food & Beverage was forecasted at \$1.3 million (4.8% of total revenue). This was 5.5 percentage points less than the comparative high for the Nevada groups and 10.5 percentage points above the low.

Other Departments-Income includes convention business, entertainment, retail, and other. Total revenues were estimated at \$30.2 million (100.0% of the total). This was 4.4 percentage points above the comparative high and 9.5 percentage points greater than the low.

Complimentary Items were not included in the Other Departmental projections.

Departmental Income (Loss) was shown at \$15.5 million (51.5% of the total). This was 16.0 percentage points greater than the comparative high and 24.7 percentage points more than the low.

FTE (Full Time Equivalents)

The Legend Sun estimated that 1,776 FTE's would be required to operate the casino hotel facility proposed for the northeast trade area of Kansas. This compares with an average of 1,695 FTE's for the Nevada statewide group with \$72 million and above in annual gaming revenues (without the Las Vegas strip). The two major FTE allocations included the casino and the food and beverage departments.

The Legends Sun allocated 715 FTE's to the casino department (40.3% of the total). This was 13.8 percentage points above the comparative Nevada high and 16.7 percentage points greater than the low. The food department was allocated 482 FTEs (27.1% of the total). With 482 FTEs, the food department was 4.2 percentage points below the comparative Nevada high and 1.3 percentage points above the low.

The Legends Sun did not specify FTE allocations for the beverage department.

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 4-4 Profit & Loss Comparison Legends Sun Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Legends Sun Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
REVENUE										
Gaming	\$191,819,639	46.9%	\$258,421,481	40.8%	\$130,545,944	64.5%	\$281,568,000	79.3%	14.8%	38.5%
Rooms	\$90,822,037	22.2%	\$163,683,777	25.8%	\$23,789,236	11.7%	\$16,017,000	4.5%	-21.3%	-7.2%
Food	\$55,832,299	13.7%	\$88,230,306	13.9%	\$26,026,132	12.9%	\$27,398,000	7.7%	-6.2%	-5.1%
Beverage	\$21,721,246	5.3%	\$33,908,932	5.4%	\$10,508,575	5.2%	\$0	0.0%	-5.4%	-5.2%
Other	\$48,832,031	11.9%	\$89,272,525	14.1%	\$11,626,777	5.7%	\$30,169,000	8.5%	-5.6%	2.8%
Total Revenue	\$409,027,251	100.0%	\$633,517,020	100.0%	\$202,496,664	100.0%	\$355,152,000	100.0%		
Cost of Sales	\$28,442,480	7.0%	\$43,119,696	6.8%	\$14,939,441	7.4%	\$11,654,000	3.3%	-4.1%	-3.5%
Gross Margin	\$380,584,772	93.0%	\$590,397,324	93.2%	\$187,557,224	92.6%	\$343,498,000	96.7%	3.5%	4.1%
Departmental Expenses	\$201,411,190	49.2%	\$316,350,268	49.9%	\$95,667,239	47.2%	\$191,935,000	54.0%	4.1%	6.8%
Departmental Income (Loss)	\$179,173,582	43.8%	\$274,047,056	43.3%	\$91,889,985	45.4%	\$151,563,000	42.7%	-2.7%	-0.6%
GENERAL & ADMINISTRATIVE EXPENSES										
Advertising & Promotion	\$5,991,876	1.5%	\$6,508,840	1.0%	\$5,516,269	2.7%	\$0	0.0%	-2.7%	-1.0%
Bad Debt Expense	\$36,187	0.0%	\$77,302	0.0%	-\$1,639	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$2,071,207	0.5%	\$1,707,069	0.3%	\$2,406,213	1.2%	\$0	0.0%	-1.2%	-0.3%
Depreciation - Buildings	\$13,389,684	3.3%	\$19,296,287	3.0%	\$7,955,608	3.9%	\$0	0.0%	-3.9%	-3.0%
Depreciation & Amort-Other	\$16,929,652	4.1%	\$27,022,726	4.3%	\$7,644,025	3.8%	\$48,640,000	13.7%	9.4%	9.9%
Energy Exp. (elec., gas, etc.)	\$6,497,463	1.6%	\$8,851,415	1.4%	\$4,331,827	2.1%	\$5,294,000	1.5%	-0.6%	0.1%
Equipment Rental or Lease	\$688,120	0.2%	\$700,218	0.1%	\$676,989	0.3%	\$0	0.0%	-0.3%	-0.1%
Interest Expense	\$30,846,681	7.5%	\$49,158,122	7.8%	\$14,000,156	6.9%	\$43,672,000	12.3%	4.5%	5.4%
Music & Entertainment	\$2,179,174	0.5%	\$3,956,074	0.6%	\$544,427	0.3%	\$0	0.0%	-0.6%	-0.3%
Payroll Taxes	\$1,528,563	0.4%	\$2,240,006	0.4%	\$874,035	0.4%	\$1,030,000	0.3%	-0.1%	-0.1%
Payroll - Employee Benefits	\$5,168,416	1.3%	\$8,396,173	1.3%	\$2,198,880	1.1%	\$8,618,000	2.4%	1.1%	1.3%
Payroll - Officers	\$597,106	0.1%	\$734,806	0.1%	\$470,422	0.2%	\$6,109,000	1.7%	1.5%	1.6%
Payroll - Other Employees	\$18,624,244	4.6%	\$27,852,380	4.4%	\$10,134,360	5.0%	\$6,761,000	1.9%	-3.1%	-2.5%
Rent of Premises	\$973,343	0.2%	\$816,959	0.1%	\$1,117,215	0.6%	\$3,012,000	0.8%	0.3%	0.7%
Taxes - Real Estate	\$4,332,479	1.1%	\$6,856,003	1.1%	\$2,010,838	1.0%	\$8,160,000	2.3%	1.2%	1.3%
Taxes & Licenses - Other	\$691,850	0.2%	\$1,051,009	0.2%	\$361,423	0.2%	\$0	0.0%	-0.2%	-0.2%
Utilities (other than energy exp.)	\$2,032,995	0.5%	\$3,454,463	0.5%	\$725,244	0.4%	\$0	0.0%	-0.5%	-0.4%
Other General & Admin. Exp.	\$25,828,111	6.3%	\$39,656,589	6.3%	\$13,105,912	6.5%	\$36,463,000	10.3%	3.8%	4.0%
Total G&A Expenses	\$138,407,151	33.8%	\$208,336,441	32.9%	\$74,072,204	36.6%	\$167,759,000	47.2%	10.7%	14.3%
Net Income (Loss) Before Federal Income Taxes & Extraordinary Items	\$40,766,431	10.0%	\$65,710,616	10.4%	\$17,817,780	8.8%	-\$16,196,000	-4.6%	-15.0%	-13.4%
EBITDAR	\$102,905,790	25.2%	\$162,004,709	25.6%	\$48,534,784	24.0%	\$79,128,000	22.3%	-3.3%	-1.7%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 4-4 Profit & Loss Comparison Legends Sun Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Legends Sun Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
CASINO DEPARTMENT										
Revenue										
Pit Revenue (Incl Keno & Bingo)	\$66,359,022	34.6%	\$115,321,565	44.6%	\$21,313,482	16.3%	\$38,150,000	13.5%	-31.1%	-2.8%
Slot Machines (Coin Operated)	\$117,044,333	61.0%	\$131,763,450	51.0%	\$103,502,745	79.3%	\$239,148,000	84.9%	5.6%	33.9%
Poker and Pan	\$3,615,812	1.9%	\$5,332,482	2.1%	\$2,036,476	1.6%	\$4,271,000	1.5%	-0.6%	0.0%
Race Book	\$2,022,543	1.1%	\$2,384,737	0.9%	\$1,689,325	1.3%	\$0	0.0%	-1.3%	-0.9%
Sports Pool	\$2,777,929	1.4%	\$3,619,248	1.4%	\$2,003,915	1.5%	\$0	0.0%	-1.5%	-1.4%
Total Revenue	\$191,819,639	100.0%	\$258,421,481	100.0%	\$130,545,944	100.0%	\$281,569,000	100.0%		
Departmental Expenses										
Bad Debt Expense	\$2,534,786	1.3%	\$4,892,724	1.9%	\$365,482	0.3%	\$51,000	0.0%	-1.9%	-0.3%
Commissions	\$791,025	0.4%	\$484,746	0.2%	\$1,072,801	0.8%	\$0	0.0%	-0.8%	-0.2%
Complimentary Expense	\$36,443,187	19.0%	\$56,453,198	21.8%	\$18,033,976	13.8%	\$33,788,000	12.0%	-9.8%	-1.8%
Gaming Taxes and Licenses	\$14,497,398	7.6%	\$19,217,897	7.4%	\$10,154,539	7.8%	\$79,436,000	28.2%	20.4%	20.8%
Preferred Guest Expenses	\$4,917,499	2.6%	\$9,741,646	3.8%	\$479,285	0.4%	\$0	0.0%	-3.8%	-0.4%
Payroll Taxes	\$2,897,915	1.5%	\$4,326,817	1.7%	\$1,583,326	1.2%	\$1,460,000	0.5%	-1.2%	-0.7%
Payroll - Employee Benefits	\$6,339,099	3.3%	\$9,974,628	3.9%	\$2,994,412	2.3%	\$8,860,000	3.1%	-0.8%	0.9%
Payroll - Officers	\$263,888	0.1%	\$462,934	0.2%	\$80,766	0.1%	\$5,489,000	1.9%	1.7%	1.9%
Payroll - Other Employees	\$19,689,234	10.3%	\$28,580,089	11.1%	\$11,509,647	8.8%	\$12,758,000	4.5%	-6.6%	-4.3%
Race Wire Fees	\$331,885	0.2%	\$422,918	0.2%	\$248,135	0.2%	\$0	0.0%	-0.2%	-0.2%
Other Departmental Expenses	\$14,688,840	7.7%	\$18,338,388	7.1%	\$11,331,255	8.7%	\$20,755,000	7.4%	-1.3%	0.3%
Total Departmental Expenses	\$103,394,756	53.9%	\$152,895,986	59.2%	\$57,853,625	44.3%	\$162,597,000	57.7%	-1.5%	13.4%
Departmental Income (Loss)	\$88,424,882	46.1%	\$105,525,495	40.8%	\$72,692,318	55.7%	\$118,972,000	42.3%	-13.4%	1.5%
ROOMS DEPARTMENT										
Revenue										
Room Sales	\$75,858,666	83.5%	\$138,538,741	84.6%	\$18,192,998	76.5%	\$16,017,000	100.0%	15.4%	23.5%
Complimentary Rooms	\$14,963,371	16.5%	\$25,145,037	15.4%	\$5,596,238	23.5%	\$0	0.0%	-23.5%	-15.4%
Total Revenue	\$90,822,037	100.0%	\$163,683,777	100.0%	\$23,789,236	100.0%	\$16,017,000	100.0%		
Departmental Expenses										
Bad Debt Expense	\$134,773	0.1%	\$221,201	0.1%	\$55,259	0.2%	\$0	0.0%	-0.2%	-0.1%
Complimentary Expense	\$1,215,471	1.3%	\$2,162,530	1.3%	\$344,176	1.4%	\$0	0.0%	-1.4%	-1.3%
Payroll - Taxes	\$1,237,986	1.3%	\$2,042,179	1.2%	\$498,129	2.1%	\$244,000	1.5%	-0.6%	0.3%
Payroll - Employee Benefits	\$4,611,892	5.0%	\$8,217,273	5.0%	\$1,294,941	5.4%	\$1,237,000	7.7%	2.3%	2.7%
Payroll - Officers	\$62,229	0.1%	\$129,869	0.1%	\$0	0.0%	\$1,248,000	7.8%	7.7%	7.8%
Payroll - Other Employees	\$12,821,354	14.1%	\$21,043,204	12.9%	\$5,257,252	22.1%	\$1,799,000	11.2%	-10.9%	-1.7%
Other Departmental Expenses	\$9,309,448	10.3%	\$16,672,790	10.2%	\$2,535,174	10.7%	\$2,796,000	17.5%	6.8%	7.3%
Total Departmental Expenses	\$29,393,153	32.4%	\$50,489,046	30.8%	\$9,984,931	42.0%	\$7,324,000	45.7%	3.8%	14.9%
Departmental Income (Loss)	\$61,428,884	67.6%	\$113,194,731	69.2%	\$13,804,305	58.0%	\$8,693,000	54.3%	-14.9%	-3.8%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 4-4 Profit & Loss Comparison Legends Sun Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Legends Sun Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
FOOD DEPARTMENT										
Revenue										
Food Sales	\$44,551,686	79.8%	\$72,948,227	82.7%	\$18,426,868	70.8%	\$27,398,000	100.0%	17.3%	29.2%
Complimentary Food Sales	\$11,280,613	20.2%	\$15,282,079	17.3%	\$7,599,264	29.2%	\$0	0.0%	-29.2%	-17.3%
Total Revenue	\$55,832,299	100.0%	\$88,230,306	100.0%	\$26,026,132	100.0%	\$27,398,000	100.0%		
Cost of Sales	\$17,573,194	31.5%	\$25,769,298	29.2%	\$10,032,778	38.5%	\$9,313,000	34.0%	-4.6%	4.8%
Gross Margin	\$38,259,105	68.5%	\$62,461,008	70.8%	\$15,993,354	61.5%	\$18,085,000	66.0%	-4.8%	4.6%
Departmental Expenses										
Bad Debt Expense	\$25,542	0.0%	\$49,938	0.1%	\$3,097	0.0%	\$0	0.0%	-0.1%	0.0%
Complimentary Expense	\$389,899	0.7%	\$675,061	0.8%	\$127,551	0.5%	\$0	0.0%	-0.8%	-0.5%
Payroll - Taxes	\$2,301,669	4.1%	\$3,476,546	3.9%	\$1,220,781	4.7%	\$844,000	3.1%	-1.6%	-0.8%
Payroll - Employee Benefits	\$6,987,803	12.5%	\$11,583,261	13.1%	\$2,759,981	10.6%	\$5,392,000	19.7%	6.6%	9.1%
Payroll - Officers	\$126,709	0.2%	\$200,641	0.2%	\$58,692	0.2%	\$2,276,000	8.3%	8.1%	8.1%
Payroll - Other Employees	\$20,836,415	37.3%	\$31,018,108	35.2%	\$11,469,257	44.1%	\$6,525,000	23.8%	-20.3%	-11.4%
Other Departmental Expenses	\$4,010,289	7.2%	\$6,352,045	7.2%	\$1,855,873	7.1%	\$1,740,000	6.4%	-0.8%	-0.8%
Total Departmental Expenses	\$34,678,325	62.1%	\$53,355,601	60.5%	\$17,495,232	67.2%	\$16,777,000	61.2%	-6.0%	0.7%
Departmental Income (Loss)	\$3,580,779	6.4%	\$9,105,407	10.3%	-\$1,501,878	-5.8%	\$1,308,000	4.8%	-5.5%	10.5%
BEVERAGE DEPARTMENT										
Revenue										
Beverage Sales	\$12,617,552	58.1%	\$21,411,532	63.1%	\$4,527,091	43.1%	\$0	0.0%	-63.1%	-43.1%
Complimentary Beverage Sales	\$9,103,694	41.9%	\$12,497,400	36.9%	\$5,981,484	56.9%	\$0	0.0%	-56.9%	-36.9%
Total Revenue	\$21,721,246	100.0%	\$33,908,932	100.0%	\$10,508,575	100.0%	\$0	0.0%		
Cost of Sales	\$4,638,085	21.4%	\$6,588,438	19.4%	\$2,843,761	27.1%	\$0	0.0%	-27.1%	-19.4%
Gross Margin	\$17,083,161	78.6%	\$27,320,494	80.6%	\$7,664,814	72.9%	\$0	0.0%	-80.6%	-72.9%
Departmental Expenses										
Bad Debt Expense	\$1,045	0.0%	\$2,078	0.0%	\$94	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$204,858	0.9%	\$403,770	1.2%	\$21,859	0.2%	\$0	0.0%	-1.2%	-0.2%
Payroll - Taxes	\$513,802	2.4%	\$750,839	2.2%	\$295,727	2.8%	\$0	0.0%	-2.8%	-2.2%
Payroll - Employee Benefits	\$1,472,143	6.8%	\$2,344,158	6.9%	\$669,889	6.4%	\$0	0.0%	-6.9%	-6.4%
Payroll - Officers	\$14,591	0.1%	\$30,451	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$4,007,207	18.4%	\$5,927,368	17.5%	\$2,240,659	21.3%	\$0	0.0%	-21.3%	-17.5%
Other Departmental Expenses	\$1,963,568	9.0%	\$3,384,589	10.0%	\$656,228	6.2%	\$0	0.0%	-10.0%	-6.2%
Total Departmental Expenses	\$8,177,213	37.6%	\$12,843,253	37.9%	\$3,884,456	37.0%	\$0	0.0%	-37.9%	-37.0%
Departmental Income (Loss)	\$8,905,947	41.0%	\$14,477,240	42.7%	\$3,780,358	36.0%	\$0	0.0%	-42.7%	-36.0%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 4-4 Profit & Loss Comparison Legends Sun Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Legends Sun Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
OTHER DEPARTMENTS										
Revenue										
Other Oper/Non-Oper Income	\$46,359,294	94.9%	\$85,312,729	95.6%	\$10,522,133	90.5%	\$30,169,000	100.0%	4.4%	9.5%
Other Complimentary Items	\$2,472,738	5.1%	\$3,959,796	4.4%	\$1,104,644	9.5%	\$0	0.0%	-9.5%	-4.4%
Total Revenue	\$48,832,031	100.0%	\$89,272,525	100.0%	\$11,626,777	100.0%	\$30,169,000	100.0%		
Cost of Sales	\$6,231,200	12.8%	\$10,761,960	12.1%	\$2,062,901	17.7%	\$2,530,000	8.4%	-9.4%	-3.7%
Gross Margin	\$42,600,831	87.2%	\$78,510,565	87.9%	\$9,563,876	82.3%	\$27,639,000	91.6%	3.7%	9.4%
Departmental Expenses										
Bad Debt Expense	\$65,881	0.1%	\$35,939	0.0%	\$93,428	0.8%	\$0	0.0%	-0.8%	0.0%
Complimentary Expense	\$679,870	1.4%	\$1,166,561	1.3%	\$232,114	2.0%	\$0	0.0%	-2.0%	-1.3%
Payroll - Taxes	\$774,517	1.6%	\$1,366,565	1.5%	\$229,832	2.0%	\$267,000	0.9%	-1.1%	-0.6%
Payroll - Employee Benefits	\$1,945,862	4.0%	\$3,552,426	4.0%	\$467,823	4.0%	\$1,175,000	3.9%	-0.1%	-0.1%
Payroll - Officers	\$47,667	0.1%	\$97,109	0.1%	\$2,182	0.0%	\$780,000	2.6%	2.5%	2.6%
Payroll - Other Employees	\$8,222,686	16.8%	\$14,596,028	16.3%	\$2,359,212	20.3%	\$1,902,000	6.3%	-14.0%	-10.0%
Other Departmental Expenses	\$14,031,260	28.7%	\$25,951,755	29.1%	\$3,064,404	26.4%	\$7,971,000	26.4%	-2.7%	0.1%
Total Departmental Expenses	\$25,767,743	52.8%	\$46,766,383	52.4%	\$6,448,994	55.5%	\$12,095,000	40.1%	-15.4%	-12.3%
Departmental Income (Loss)	\$16,833,088	34.5%	\$31,744,182	35.5%	\$3,114,881	26.8%	\$15,544,000	51.5%	16.0%	24.7%

AVERAGE NUMBER OF EMPLOYEES FOR THE YEAR										
Casino Department	701	24.5%	977	23.6%	448	26.4%	715	40.3%	13.8%	16.7%
Rooms Department	474	16.5%	748	18.1%	222	13.1%	121	6.8%	-11.2%	-6.3%
Food Department	789	27.5%	1,070	25.8%	531	31.3%	482	27.1%	-4.2%	1.3%
Beverage Department	196	6.8%	284	6.8%	115	6.8%	0	0.0%	0.0%	0.0%
G&A Department	430	15.0%	591	14.3%	282	16.7%	330	18.6%	1.9%	4.3%
Other Departments	277	9.7%	473	11.4%	97	5.7%	128	7.2%	-4.2%	1.5%
Total	2,868	100.0%	4,142	100.0%	1,695	100.0%	1,776	100.0%		

AVERAGE NUMBER OF ROOMS AVAILABLE PER DAY										
Available Rooms	1,969		3,052		972		350			

Data Source: Wells Gaming Research, August 2008.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Section 5

Pinnacle Entertainment

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

Pinnacle Entertainment

Pinnacle Entertainment is competing for the opportunity to build a major casino-hotel project on a development site located at the southeast corner of I-435 and Parallel Parkway in the Village West/Kansas Speedway section of Kansas City, (Wyandotte County) Kansas. The development site is located adjacent to Schlitterbahn Vacation Village. The Schlitterbahn master plan includes 1,600 hotel rooms that would be located in nearby proximity to the casino. Refer to the map on page 5-3. Pinnacle's casino hotel project has been estimated to cost \$650 million.

Pinnacle's template indicated that they are reviewing options for a temporary casino that could open in July of 2009; however, neither the location nor the capacity details were discussed in the template.

Permanent Casino

The permanent casino-hotel development project has been targeted for opening in July of 2011. Highlights of the project include the following capacity statistics and customer amenities:

Casino

- 100,000 square feet with capacity to expand to 200,000
- 2,300 slot machines
- 60 pit table games including 33 Blackjack, 6 Craps, 4 Roulette, 4 Pai Gow Poker, and 13 other games (potentially Mini-Baccarat, Three Card Poker, Four Card Poker, Let It Ride, Caribbean Stud, Texas Hole'em, and Spanish 21)
- 25 poker tables.

Hotel

- 500 guest rooms (300 standard rooms with 475 square feet and 200 premium, five star, rooms averaging 650 square feet)
- Spa, salon, and pool

Restaurants (numerous options would be available)

- Buffet with fresh market theme, international & southwestern influences, 629 seats
- Fine dining, 286 seats
- Fine dining, 245 seats
- Casual, 223 seats
- Casual, 223 seats
- Casual, 223 seats
- Casual, 179 seats
- Coffee, 30 seats

Room services would be available in addition to the foregoing restaurant choices

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Bars & Lounges

- Piano Bar with seating capacity for 122
- Sports Bar with seating capacity for 122
- Central Island Bar, 306 seats
- Beer Garden Bar, 122 seats

Entertainment Venues

- Event venue will double as an entertainment venue with seating capacity for 3,500

Convention Facilities would offer

- 100,000 square feet of conference space with 24 breakout rooms. Half of the square footage could be converted into a concert/event venue with seating for 4,000 for special events.

Retail Outlets (15,000 square feet of retail space)

- Sundries 1,000
- Men's Clothing 5,000
- Woman's clothing 5,000
- Art Store 4,000

Parking

- 2,800 surface spaces (includes 700 valet, 800 employee, and 20 RV parking spaces)

Proposed Casino Locations for the NE Gaming Zone



Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Capacity including Pinnacle Entertainment's Project

Exhibit 5-1 profiles a summary of the existing casino capacity, the addition of Pinnacle Entertainment, the expansions, and the other proposed (new) casinos.

**Exhibit 5-1 Summary of Gaming Capacity Statistics for the NE Trade Area
Includes Pinnacle Entertainment, Existing, Expansions, & Proposed New Casinos**

# of Loc	Casino	# of Slots	# of Pit Tables	# of Poker Tables	# of Total Tables	# of Bingo Seats	Race Book	Casino S.F.	Con-vention S.F.	# of Rooms	# of Restau-rants	Enter-tain-ment	Park-ing
Current Capacity for Existing Casinos													
1	Existing 18 Casinos	16,914	367	73	440	868	1	717,691	106,520	1,331	52	17	19,150
Scenario 1 - Pinnacle Entertainment Planned													
1	Pinnacle Entertainment Planned	2,300	60	25	85	0	0	100,000	68,540	500	8	3	2,820
	Subtotal of Scenario 1	2,300	60	25	85	0	0	100,000	68,540	500	8	3	2,820
Scenario 3 - Expansions and Other Proposed													
	Expansions:												
1	Buffalo Run Casino	0	0	0	0	0	0	0	0	103	0	0	0
2	Sac & Fox Casino	500	0	0	0	0	0	0	0	0	0	0	0
	Proposed:												
1	Camptown Greyhound Park	600	0	0	0	0	1	0	0	0	2	0	700
2	The Woodlands	800	0	0	0	0	1	0	0	0	4	0	1,100
3	Cherokee County Planned	1,200	40	0	40	0	0	0	10,000	250	3	2	2,500
4	Wyandotte 7th Street Casino	450	0	0	0	0	0	20,000	0	0	1	0	0
5	Downstream Casino Resort	2,000	30	15	45	0	1	70,000	8,000	226	2	2	2,200
	Subtotal of Scenario 3	5,550	70	15	85	0	3	90,000	18,000	579	12	4	6,500
	Total Existing, Expansions & New	24,764	497	113	610	868	4	907,691	193,060	2,410	72	24	28,470
	Percent Change Over Current	46%	35%	55%	39%	0%	300%	26%	81%	81%	38%	41%	49%

Data Source: Wells Gaming Research, August 2008.

Key projected gaming capacity increases include slot machines, up from 16,914 to 24,764 (46%), and total table games, up from 440 to 610 (39%).

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

WGR's Gravity Model Forecasts **Compared w/ the Pro Forma Projections for the Pinnacle Entertainment**

When comparing the number of casino visits and the gaming revenues for WGR's Task-4 with those projected for Task-1, it is important to keep in mind that one proposed casino was eliminated, the attraction factors were reduced at four casinos, and the Woodlands Racetrack closed (the closure only impacts scenario 4 of WGR's analyses). These changes reduced market competition. As a result, WGR's Task-4 forecasts for Pinnacle have higher numbers of casino visits and gaming revenues than those developed for the Task-1 "generic casino".

Casino Visit Forecasts

Pinnacle Entertainment's application included 3,967,433 casino visits (3,570,690 for the residential population and 396,743 for the tourist population). Refer to Exhibit 5-2, top row of data. WGR's casino visit projections, labeled *Pinnacle Entertainment Task-4*, are reflected in scenarios 1, 3, and 4.

Exhibit 5-2 Pinnacle Entertainment
Casino Visit Projections for 2012 - NE Trade Areas

Casino Visits	Residential	Tourist	Total
<i>Pinnacle Entertainment Application task-4</i>	3,570,690	396,743	3,967,433
WGR 2012 Projections for Northeast Casino			
Scenario 1 - Existing Casinos + Pinnacle Entertainment Planned			
Casino Visits	Low	Mid	High
<i>Pinnacle Entertainment Task-4</i>	1,671,820	2,749,317	3,573,078
Generic Wyandotte County	2,428,564	3,062,001	4,030,794
Difference in WGR Projections	-756,744	-312,684	-457,716
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	2,295,613	1,218,116	394,355
Scenario 3 - Scenario 1 + Expansions & Other Proposed Casinos			
Casino Visits	Low	Mid	High
<i>Pinnacle Entertainment Task-4</i>	1,500,992	2,539,788	3,349,627
Generic Wyandotte County	2,105,261	2,697,268	3,622,196
Difference in WGR Projections	-604,269	-157,480	-272,569
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	2,466,441	1,427,645	617,806
Scenario 4 - Scenario 3 without The Woodlands			
Casino Visits	Low	Mid	High
<i>Pinnacle Entertainment Task-4</i>	1,627,697	2,688,793	3,505,455
Variance in Casino Visits	Low	Mid	High
Applicant vs WGR	2,339,736	1,278,640	461,978

Data Source: Wells Gaming Research, August 2008.

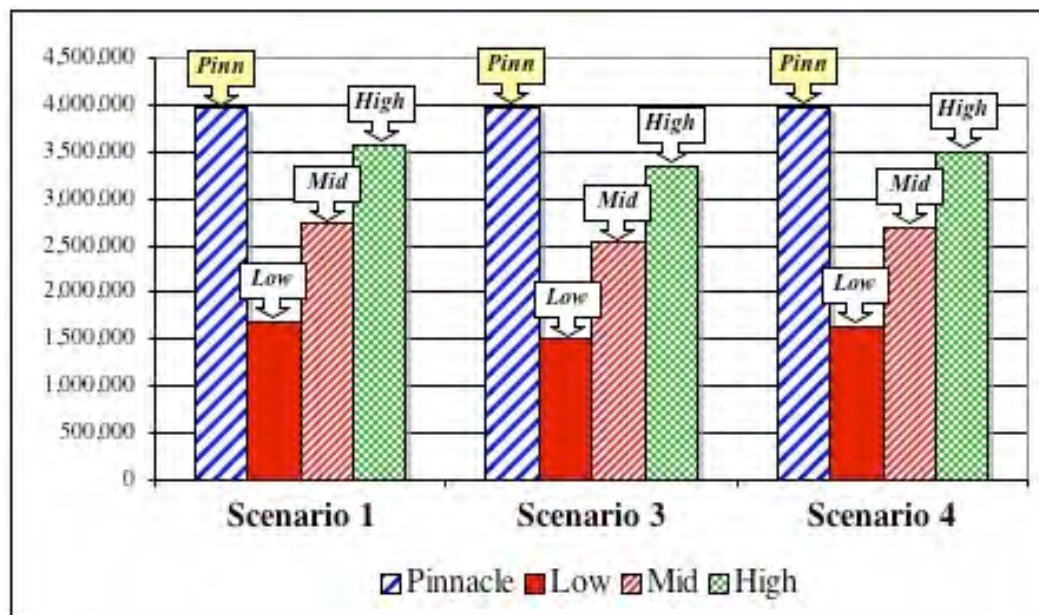
Scenario 1 – Casino Visits

The key assumptions of scenario 1 are that Pinnacle Entertainment is the only new casino added to the northeast trade area, and that none of the existing casinos would expand.

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Exhibit 5-2, page 5-5, illustrates that Pinnacle has projected approximately 4.0 million casino visits. A comparison with WGR's casino visit forecasts developed for scenario 1 illustrates that Pinnacle's projections was:

- 2.3 million visits higher (137.3%) than WGR's low case of 1.7 million visits
- 1.2 million visits higher (44.3%) than WGR's mid case of 2.7 million visits
- 394 thousand visits higher (11.0%) than WGR's high case of 3.6 million visits



Scenario 3 – Casino Visits

The scenario 3 assumptions include the existing casinos, Pinnacle, the casino expansions, all other new casinos proposed casinos for the northeast trade area, and the Woodlands Racetrack (refer to the mid section of Exhibit 5-2, page 5-5).

A comparison between Pinnacle's forecast and WGR's scenario 3 projections illustrates that Pinnacle's was:

- 2.5 million visits higher (164.3%) than WGR's low case of 1.5 million visits
- 1.4 million visits higher (56.2%) than WGR's mid case of 2.5 million visits
- 618 thousand higher (18.4%) than WGR's high case of 3.3 million visits

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Scenario 4 – Casino Visits

Scenario 4 includes the scenario 3 assumptions without the Woodlands Racetrack (refer to the lower section of Exhibit 5-2, page 5-6).

A comparison between Pinnacle's forecast with WGR's scenario 4 projections illustrates that Pinnacle was:

- 2.3 million visits higher (143.7%) than WGR's low case of 1.6 million visits
- 1.3 million visits higher (47.6%) than WGR's mid case of 2.7 million visits
- 462 thousand visits higher (13.2%) than WGR's high case of 3.5 million visits

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Gaming Revenue Projections

Pinnacle's application included a gaming revenue forecast of \$401,456,200 (\$341,237,770 for residential players and \$60,218,430 for tourists). Refer to the top row of data in Exhibit 5-3. Both Pinnacle's and WGR's revenue forecasts are inflation adjusted. WGR's gaming revenue projections, labeled *Pinnacle Entertainment Task-4* (with inflation), are reflected in scenarios 1, 3, and 4.

**Exhibit 5-3 Pinnacle Entertainment
Gaming Revenue Projections for 2012 - NE Trade Area**

Casino Revenues	Residential	Tourist	Total
Pinnacle Entertainment Application	\$341,237,770	\$60,218,430	\$401,456,200
WGR 2012 Projections for Northeast Casino			
Scenario 1 - Existing Casinos + Pinnacle Entertainment Planned			
Casino Revenues	Low	Mid	High
Pinnacle Entertainment Planned			
w/o Inflation	\$108,692,000	\$180,178,000	\$235,088,000
w/ Inflation	\$119,995,968	\$198,916,512	\$259,537,152
Generic Wyandotte County			
w/o Inflation	\$159,175,000	\$201,491,000	\$266,433,000
w/ Inflation	\$175,729,200	\$222,446,064	\$294,142,032
Difference in WGR Projections w/ Inflation	-\$55,733,232	-\$23,529,552	-\$34,604,880
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$281,460,232	\$202,539,688	\$141,919,048
Scenario 3 - Scenario 1 + Expansions & Other Proposed Casinos			
Casino Revenues	Low	Mid	High
Pinnacle Entertainment Planned			
w/o Inflation	\$97,166,000	\$165,382,000	\$218,822,000
w/ Inflation	\$107,271,264	\$182,581,728	\$241,579,488
Generic Wyandotte County			
w/o Inflation	\$136,729,000	\$175,752,000	\$236,958,000
w/ Inflation	\$150,948,816	\$194,030,208	\$261,601,632
Difference in WGR Projections w/ Inflation	-\$43,677,552	-\$11,448,480	-\$20,022,144
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$294,184,936	\$218,874,472	\$159,876,712
Scenario 4 - Scenario 3 without The Woodlands			
Casino Revenues	Low	Mid	High
Pinnacle Entertainment Planned			
w/o Inflation	\$105,093,000	\$174,951,000	\$228,977,000
w/ Inflation	\$116,022,672	\$193,145,904	\$252,790,608
Variance in Casino Revenues	Low	Mid	High
Applicant vs WGR w/ Inflation	\$285,433,528	\$208,310,296	\$148,665,592

Data Source: Wells Gaming Research, August 2008.

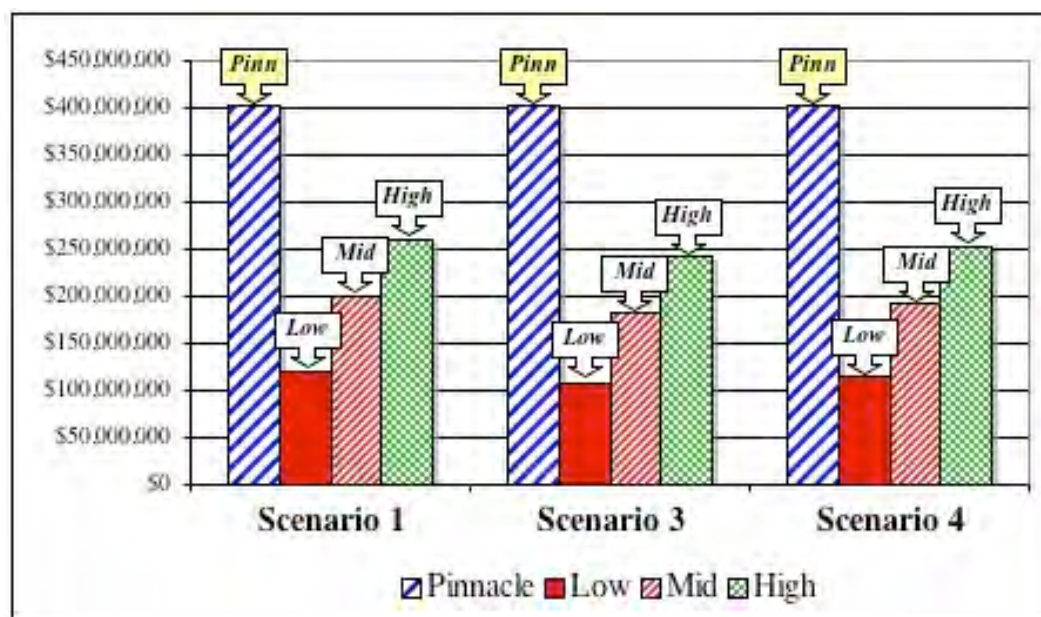
Scenario 1

The key assumption of scenario 1 is that the Pinnacle would be located in the northeast trade area with the existing casinos (no other new casinos or casino expansions would be added).

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

A comparison of the scenario 1 data (Exhibit 5-3, page 5-8) illustrates that Pinnacle's forecast of \$401.5 million in gaming revenues was:

- \$281.5 million higher (234.6%) than WGR's low case of approximately \$120.0 million in gaming revenues
- \$202.5 million above (101.8%) WGR's mid case of \$198.9 million in gaming revenues
- \$141.9 million higher (54.7%) than WGR's high case of \$259.5 million in gaming revenue



Scenario 3 - Revenue

The scenario 3 assumptions include all existing casinos, the addition of Pinnacle Entertainment, the casino expansions, the other new proposed casinos, and the Woodlands Racetrack.

A comparison of Pinnacle's gaming revenue forecast of \$401.5 million with WGR's scenario 3 projections illustrates that Pinnacle was:

- \$294.2 million above (274.2%) WGR's low case of \$107.3 million in gaming revenue
- \$218.9 million higher (119.9%) that WGR's mid case of \$182.6 million
- \$159.9 million above (66.2%) WGR's high case of \$241.6 million

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Scenario 4 - Revenue

The scenario 4 assumptions incorporate the scenario 3 assumptions, but without the Woodlands Racetrack (refer to Exhibit 5-3, page 5-8).

A comparison of Pinnacle's gaming revenue forecast of \$401.5 million with WGR's scenario 4 projections illustrates that Pinnacle was:

- \$285.4 million higher (246.0%) that WGR's low case of \$116.0 million in gaming revenue
- \$208.3 million higher (107.9%) that WGR's mid case projection of \$193.1 million
- \$148.7 million above (58.8%) WGR's high case projection of \$252.8 million in gaming revenue

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Income Statement Analyses **For Pinnacle Casino Hotel**

Pinnacle's pro forma income statement application was compared on a line item basis with three groups of Nevada casinos that were used as points of reference (refer to Section 2, page 2-9, for a description of the Nevada revenue groups). The comparative analyses that follow were based on projections developed by Pinnacle for the year 2012 (first full year of operations).

Revenue

The most significant percentage differences in revenues were in gaming and rooms. Refer to Exhibit 5-4, pages 5-15 through 5-18 for the income statements that correspond with the discussion that follows.

Casino pro forma estimates showed \$401.5 million in gaming revenues. This was 82.2% of total revenues for Pinnacle, which was 17.7 percentage points above the Nevada high and 41.4 percentage points above the low.

Room revenue, projected at \$15.2 million, made up 3.1% of total revenues for Pinnacle. The room revenue percentage was 22.7 percentage points lower than the comparative high and 8.6 percentage points less than the low. It is important to note that the room counts were significantly different. Pinnacle's pro forma showed 500 hotel rooms (300 standard, 200 premium) versus an average of 3,052 rooms for the high (*Clark County Las Vegas Strip \$72M+*), and an average of 972 rooms for the low (*Nevada \$72+ Million with Rooms Minus the Las Vegas Strip*).

Food revenues were projected at \$40.1 million (8.2% of total revenues). This was 5.7 percentage points below the comparative high and 4.6 percentage points less than the low.

Complimentary Expenses in G & A totaled over \$41 million (8.4% of revenue), whereas complimentary expenses in the casino department were \$252 thousand. It appears as though Pinnacle put the casino comp expenses in G & A rather in the casino department where they belong. The \$41 million was 7.2 percentage points higher than the comparative Nevada high and 8.1 percentages above the Nevada low.

Total G & A Expenses were projected at \$199 million (40.8% of revenues). This was 4.2 percentage points above the comparative high and 7.9 percentage points above the low.

EBITDAR was projected at \$102.8 million, 21.1% of total revenues. This was 4.5 percentage points lower than the comparative Nevada high and 2.9 percentage points below the low.

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

Casino Department

Pit revenue and slot machines represented 99.3% of gaming revenue projections for the Pinnacle versus approximately 96% for the three Nevada casino groups. The split between table games and slots showed more variability.

Pit Revenues were projected at \$87.6 million, 21.8% of the gaming total. The percentage comparison shows that the 21.8% was 22.8 percentage points below the high and 5.5 percentage points more than the low. In Nevada, pit revenue includes keno and bingo.

Slot Machine revenues forecasted at \$311 million represented 77.5% of total gaming revenue. The percentage comparison showed that this was 1.8 percentage points below the high and 26.5 percentage points more than the low.

Gaming Taxes & Licenses were estimated at nearly \$108.9 million for Pinnacle (27.1% of the casino revenues). On a percentage point basis, the \$108.9 million was 19.3 percentage points above the highest for the comparative Nevada groups and 19.7 percentage points more than the low.

Complimentary Expenses were estimated at \$252 thousand (0.1% of casino revenues). This was substantially below Nevada casinos (21.7 percentage points below the comparative Nevada high and 13.8 percentage points below the low).

Payroll-Other Employees were estimated at nearly \$16.9 million for Pinnacle (4.2% of the casino revenues). On a percentage point basis, this was 6.9 percentage points below the highest comparative Nevada groups used and 4.6 percentage points less than the lowest.

Departmental Income (Loss) was estimated at \$255.8 million (63.7% of total casino revenues). A percentage point comparison shows that the 63.7% was 8.0 percentage points above the comparative high and 22.9 percentage points greater than the low.

Room Revenues

The split between room sales and comps for Pinnacle versus the three Nevada groups showed:

Room Sales were projected at \$8.5 million (56.2% of the total room revenue). This was 28.4 percentage points below the high for the comparative groups and 20.2 percentage points less the low.

Room Comps were forecasted at \$6.6 million (43.8% of total room revenues). On a percentage point basis, it was 20.2 percentage points above the comparative high and 28.4 percentage points greater than the low.

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Departmental Income (Loss) was projected at \$7.7 million (51.0% of total room revenues). This was 18.2 percentage points below the comparative high and 7.1 percentage points less than the low.

Food Department

Food Sales were projected at \$20.5 million (51.0% of the total departmental revenues). This was 31.7 percentage points below the comparative high and 19.8 percentage points less than the low.

Food Comps were forecasted at \$19.7 million (49.0% of the total revenue forecasted for the food department). This was 19.8 percentage points above the comparative high and 31.7 percentage points above the low.

Bad Debts & Payroll for Officers were not included in the food expense total.

Payroll-Other Employees was projected at \$10.8 million (26.9% of the total food revenue). This was 17.2 percentage points below the comparative high and 8.3 percentage points less than the low.

Departmental Income (Loss) was forecasted at \$3.2 million (7.9% of total revenue). This was 2.4 percentage points less than the comparative high for the Nevada groups and 13.6 percentage points more than the low.

Beverage Department

Beverage Sales were projected at \$1.1 million (20.0% of the total departmental revenues). This was 43.1 percentage points below the comparative high and 23.1 percentage points less than the low.

Beverage Comps were forecasted at \$4.4 million (80.0% of the total revenue forecasted for the beverage department). This was 23.1 percentage points more than the comparative high and 43.1 percentage points above the low.

Bad Debts, Comp Expense, & Payroll for Officers were not included in the beverage expense total.

Payroll-Other Employees was projected at \$1.4 million (25.3% of the total beverage revenues). This was 4.0 percentage points above the comparative high and 7.8 percentage points greater than the low.

Departmental Income (Loss) was forecasted at \$1.4 million (25.9% of total revenue). This was 16.8 percentage points less than the comparative high for the Nevada groups and 10.1 percentage points less than the low.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Other includes convention, entertainment, retail, & other departments combined.

Other Income was estimated at \$19.2 million (73.7% of the total). This was 21.9 percentage points below the comparative high and 16.8 percentage points less than the low.

Other Comps were projected at \$6.9 million (26.3% of the total revenue for the department), which was 16.8 percentage points above the comparative high and 21.9 percentage points above the low.

Gross Margin was shown at approximately \$18.0 million (68.9%). It was 19.0 percentage points below the comparative high and 13.4 percentage points less than the low.

Payroll – Other Employees was \$3.8 million (14.4% of total revenues), which was 5.9 percentage points below the comparative high and 1.9 percentage points less than the low.

Departmental Income was shown a \$7.5 million (28.6% of the total). This was 6.9% below the comparative high and 1.8% above the low.

Full Time Equivalents (FTE's)

Pinnacle projected 2,074 FTE's for the proposed casino hotel project in Kansas. Of these, Pinnacle assigned 805 (38.8% of the total FTE's) to the casino. This is 12.4 percentage points above the comparative Nevada high and 15.2 percentage points above the low.

The second largest block of FTE's was allocated to food/beverage services. In reviewing the outcomes, it is necessary to keep in mind that the comparative Nevada groups reported FTEs separately for the food and the beverage departments. Pinnacle, on the other hand, allocated 811 FTEs to the food department and none to the beverage department. This helps to explain why Pinnacle's is 7.8 percentage points higher in the food department than the comparative Nevada high and 13.3 percentage points above the low.

A meaningful comparison could not be made for the beverage department.

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 5-4 Profit & Loss Comparison Pinnacle Entertainment Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Pinnacle 1st Full Year of Operation Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
REVENUE										
Gaming	\$191,819,639	46.9%	\$258,421,481	40.8%	\$130,545,944	64.5%	\$401,456,000	82.2%	17.7%	41.4%
Rooms	\$90,822,037	22.2%	\$163,683,777	25.8%	\$23,789,236	11.7%	\$15,152,000	3.1%	-22.7%	-8.6%
Food	\$55,832,299	13.7%	\$88,230,306	13.9%	\$26,026,132	12.9%	\$40,147,000	8.2%	-5.7%	-4.6%
Beverage	\$21,721,246	5.3%	\$33,908,932	5.4%	\$10,508,575	5.2%	\$5,464,000	1.1%	-4.3%	-4.1%
Other	\$48,832,031	11.9%	\$89,272,525	14.1%	\$11,626,777	5.7%	\$26,078,000	5.3%	-8.8%	-0.4%
Total Revenue	\$409,027,251	100.0%	\$633,517,020	100.0%	\$202,496,664	100.0%	\$488,297,000	100.0%		
Cost of Sales	\$28,442,480	7.0%	\$43,119,696	6.8%	\$14,939,441	7.4%	\$26,740,000	5.5%	-1.9%	-1.3%
Gross Margin	\$380,584,772	93.0%	\$590,397,324	93.2%	\$187,557,224	92.6%	\$461,557,000	94.5%	1.3%	1.9%
Departmental Expenses	\$201,411,190	49.2%	\$316,350,268	49.9%	\$95,667,239	47.2%	\$185,955,000	38.1%	-11.8%	-9.2%
Departmental Income (Loss)	\$179,173,582	43.8%	\$274,047,056	43.3%	\$91,889,985	45.4%	\$275,602,000	56.4%	11.1%	13.1%
GENERAL & ADMINISTRATIVE EXPENSES										
Advertising & Promotion	\$5,991,876	1.5%	\$6,508,840	1.0%	\$5,516,269	2.7%	\$57,457,000	11.8%	9.0%	10.8%
Bad Debt Expense	\$36,187	0.0%	\$77,302	0.0%	-\$1,639	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$2,071,207	0.5%	\$1,707,069	0.3%	\$2,406,213	1.2%	\$41,031,000	8.4%	7.2%	8.1%
Depreciation - Buildings	\$13,389,684	3.3%	\$19,296,287	3.0%	\$7,955,608	3.9%	\$11,811,000	2.4%	-1.5%	-0.6%
Depreciation & Amort-Other	\$16,929,652	4.1%	\$27,022,726	4.3%	\$7,644,025	3.8%	\$14,437,000	3.0%	-1.3%	-0.8%
Energy Exp. (elec., gas, etc.)	\$6,497,463	1.6%	\$8,851,415	1.4%	\$4,331,827	2.1%	\$5,061,000	1.0%	-1.1%	-0.4%
Equipment Rental or Lease	\$688,120	0.2%	\$700,218	0.1%	\$676,989	0.3%	\$45,000	0.0%	-0.3%	-0.1%
Interest Expense	\$30,846,681	7.5%	\$49,158,122	7.8%	\$14,000,156	6.9%	\$0	0.0%	-7.8%	-6.9%
Music & Entertainment	\$2,179,174	0.5%	\$3,956,074	0.6%	\$544,427	0.3%	\$0	0.0%	-0.6%	-0.3%
Payroll Taxes	\$1,528,563	0.4%	\$2,240,006	0.4%	\$874,035	0.4%	\$1,260,000	0.3%	-0.2%	-0.1%
Payroll - Employee Benefits	\$5,168,416	1.3%	\$8,396,173	1.3%	\$2,198,880	1.1%	\$3,781,000	0.8%	-0.5%	-0.3%
Payroll - Officers	\$597,106	0.1%	\$734,806	0.1%	\$470,422	0.2%	\$0	0.0%	-0.2%	-0.1%
Payroll - Other Employees	\$18,624,244	4.6%	\$27,852,380	4.4%	\$10,134,360	5.0%	\$11,077,000	2.3%	-2.7%	-2.1%
Rent of Premises	\$973,343	0.2%	\$816,959	0.1%	\$1,117,215	0.6%	\$0	0.0%	-0.6%	-0.1%
Taxes - Real Estate	\$4,332,479	1.1%	\$6,856,003	1.1%	\$2,010,838	1.0%	\$17,800,000	3.6%	2.5%	2.7%
Taxes & Licenses - Other	\$691,850	0.2%	\$1,051,009	0.2%	\$361,423	0.2%	\$2,994,000	0.6%	0.4%	0.4%
Utilities (other than energy exp.)	\$2,032,995	0.5%	\$3,454,463	0.5%	\$725,244	0.4%	\$939,000	0.2%	-0.3%	-0.2%
Other General & Admin. Exp.	\$25,828,111	6.3%	\$39,656,589	6.3%	\$13,105,912	6.5%	\$31,333,000	6.4%	-0.1%	0.1%
Total G&A Expenses	\$138,407,151	33.8%	\$208,336,441	32.9%	\$74,072,204	36.6%	\$199,026,000	40.8%	4.2%	7.9%
Net Income (Loss) Before Federal Income Taxes & Extraordinary Items	\$40,766,431	10.0%	\$65,710,616	10.4%	\$17,817,780	8.8%	\$76,576,000	15.7%	5.3%	6.9%
EBITDAR	\$102,905,790	25.2%	\$162,004,709	25.6%	\$48,534,784	24.0%	\$102,824,000	21.1%	-4.5%	-2.9%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 5-4 Profit & Loss Comparison Pinnacle Entertainment Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Pinnacle 1st Full Year of Operation Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
CASINO DEPARTMENT										
Revenue										
Pit Revenue (Incl Keno & Bingo)	\$66,359,022	34.6%	\$115,321,565	44.6%	\$21,313,482	16.3%	\$87,600,000	21.8%	-22.8%	5.5%
Slot Machines (Coin Operated)	\$117,044,333	61.0%	\$131,763,450	51.0%	\$103,502,745	79.3%	\$311,119,000	77.5%	-1.8%	26.5%
Poker and Pan	\$3,615,812	1.9%	\$5,332,482	2.1%	\$2,036,476	1.6%	\$2,738,000	0.7%	-1.4%	-0.9%
Race Book	\$2,022,543	1.1%	\$2,384,737	0.9%	\$1,689,325	1.3%	\$0	0.0%	-1.3%	-0.9%
Sports Pool	\$2,777,929	1.4%	\$3,619,248	1.4%	\$2,003,915	1.5%	\$0	0.0%	-1.5%	-1.4%
Total Revenue	\$191,819,639	100.0%	\$258,421,481	100.0%	\$130,545,944	100.0%	\$401,457,000	100.0%		
Departmental Expenses										
Bad Debt Expense	\$2,534,786	1.3%	\$4,892,724	1.9%	\$365,482	0.3%	\$1,384,000	0.3%	-1.6%	0.1%
Commissions	\$791,025	0.4%	\$484,746	0.2%	\$1,072,801	0.8%	\$0	0.0%	-0.8%	-0.2%
Complimentary Expense	\$36,443,187	19.0%	\$56,453,198	21.8%	\$18,033,976	13.8%	\$252,000	0.1%	-21.7%	-13.8%
Gaming Taxes and Licenses	\$14,497,398	7.6%	\$19,217,897	7.4%	\$10,154,539	7.8%	\$108,898,000	27.1%	19.3%	19.7%
Preferred Guest Expenses	\$4,917,499	2.6%	\$9,741,646	3.8%	\$479,285	0.4%	\$0	0.0%	-3.8%	-0.4%
Payroll Taxes	\$2,897,915	1.5%	\$4,326,817	1.7%	\$1,583,326	1.2%	\$3,067,000	0.8%	-0.9%	-0.4%
Payroll - Employee Benefits	\$6,339,099	3.3%	\$9,974,628	3.9%	\$2,994,412	2.3%	\$6,753,000	1.7%	-2.2%	-0.6%
Payroll - Officers	\$263,888	0.1%	\$462,934	0.2%	\$80,766	0.1%	\$0	0.0%	-0.2%	-0.1%
Payroll - Other Employees	\$19,689,234	10.3%	\$28,580,089	11.1%	\$11,509,647	8.8%	\$16,850,000	4.2%	-6.9%	-4.6%
Race Wire Fees	\$331,885	0.2%	\$422,918	0.2%	\$248,135	0.2%	\$0	0.0%	-0.2%	-0.2%
Other Departmental Expenses	\$14,688,840	7.7%	\$18,338,388	7.1%	\$11,331,255	8.7%	\$8,406,000	2.1%	-6.6%	-5.0%
Total Departmental Expenses	\$103,394,756	53.9%	\$152,895,986	59.2%	\$57,853,625	44.3%	\$145,610,000	36.3%	-22.9%	-8.0%
Departmental Income (Loss)	\$88,424,882	46.1%	\$105,525,495	40.8%	\$72,692,318	55.7%	\$255,847,000	63.7%	8.0%	22.9%
ROOMS DEPARTMENT										
Revenue										
Room Sales	\$75,858,666	83.5%	\$138,538,741	84.6%	\$18,192,998	76.5%	\$8,522,000	56.2%	-28.4%	-20.2%
Complimentary Rooms	\$14,963,371	16.5%	\$25,145,037	15.4%	\$5,596,238	23.5%	\$6,630,000	43.8%	20.2%	28.4%
Total Revenue	\$90,822,037	100.0%	\$163,683,777	100.0%	\$23,789,236	100.0%	\$15,152,000	100.0%		
Departmental Expenses										
Bad Debt Expense	\$134,773	0.1%	\$221,201	0.1%	\$55,259	0.2%	\$136,000	0.9%	0.7%	0.8%
Complimentary Expense	\$1,215,471	1.3%	\$2,162,530	1.3%	\$344,176	1.4%	\$132,000	0.9%	-0.6%	-0.4%
Payroll - Taxes	\$1,237,986	1.3%	\$2,042,179	1.2%	\$498,129	2.1%	\$290,000	1.9%	-0.2%	0.7%
Payroll - Employee Benefits	\$4,611,892	5.0%	\$8,217,273	5.0%	\$1,294,941	5.4%	\$879,000	5.8%	0.4%	0.8%
Payroll - Officers	\$62,229	0.1%	\$129,869	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$12,821,354	14.1%	\$21,043,204	12.9%	\$5,257,252	22.1%	\$3,014,000	19.9%	-2.2%	7.0%
Other Departmental Expenses	\$9,309,448	10.3%	\$16,672,790	10.2%	\$2,535,174	10.7%	\$2,980,000	19.7%	9.0%	9.5%
Total Departmental Expenses	\$29,393,153	32.4%	\$50,489,046	30.8%	\$9,984,931	42.0%	\$7,431,000	49.0%	7.1%	18.2%
Departmental Income (Loss)	\$61,428,884	67.6%	\$113,194,731	69.2%	\$13,804,305	58.0%	\$7,721,000	51.0%	-18.2%	-7.1%

Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Exhibit 5-4 Profit & Loss Comparison Pinnacle Entertainment Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Pinnacle 1st Full Year of Operation Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
FOOD DEPARTMENT										
<u>Revenue</u>										
Food Sales	\$44,551,686	79.8%	\$72,948,227	82.7%	\$18,426,868	70.8%	\$20,493,000	51.0%	-31.7%	-19.8%
Complimentary Food Sales	\$11,280,613	20.2%	\$15,282,079	17.3%	\$7,599,264	29.2%	\$19,654,000	49.0%	19.8%	31.7%
Total Revenue	\$55,832,299	100.0%	\$88,230,306	100.0%	\$26,026,132	100.0%	\$40,147,000	100.0%		
Cost of Sales	\$17,573,194	31.5%	\$25,769,298	29.2%	\$10,032,778	38.5%	\$17,264,000	43.0%	4.5%	13.8%
Gross Margin	\$38,259,105	68.5%	\$62,461,008	70.8%	\$15,993,354	61.5%	\$22,883,000	57.0%	-13.8%	-4.5%
<u>Departmental Expenses</u>										
Bad Debt Expense	\$25,542	0.0%	\$49,938	0.1%	\$3,097	0.0%	\$0	0.0%	-0.1%	0.0%
Complimentary Expense	\$389,899	0.7%	\$675,061	0.8%	\$127,551	0.5%	\$696,000	1.7%	0.9%	1.2%
Payroll - Taxes	\$2,301,669	4.1%	\$3,476,546	3.9%	\$1,220,781	4.7%	\$1,064,000	2.7%	-2.0%	-1.2%
Payroll - Employee Benefits	\$6,987,803	12.5%	\$11,583,261	13.1%	\$2,759,981	10.6%	\$3,137,000	7.8%	-5.3%	-2.8%
Payroll - Officers	\$126,709	0.2%	\$200,641	0.2%	\$58,692	0.2%	\$0	0.0%	-0.2%	-0.2%
Payroll - Other Employees	\$20,836,415	37.3%	\$31,018,108	35.2%	\$11,469,257	44.1%	\$10,806,000	26.9%	-17.2%	-8.3%
Other Departmental Expenses	\$4,010,289	7.2%	\$6,352,045	7.2%	\$1,855,873	7.1%	\$4,019,000	10.0%	2.8%	2.9%
Total Departmental Expenses	\$34,678,325	62.1%	\$53,355,601	60.5%	\$17,495,232	67.2%	\$19,722,000	49.1%	-18.1%	-11.4%
Departmental Income (Loss)	\$3,580,779	6.4%	\$9,105,407	10.3%	-\$1,501,878	-5.8%	\$3,161,000	7.9%	-2.4%	13.6%
BEVERAGE DEPARTMENT										
<u>Revenue</u>										
Beverage Sales	\$12,617,552	58.1%	\$21,411,532	63.1%	\$4,527,091	43.1%	\$1,093,000	20.0%	-43.1%	-23.1%
Complimentary Beverage Sales	\$9,103,694	41.9%	\$12,497,400	36.9%	\$5,981,484	56.9%	\$4,371,000	80.0%	23.1%	43.1%
Total Revenue	\$21,721,246	100.0%	\$33,908,932	100.0%	\$10,508,575	100.0%	\$5,464,000	100.0%		
Cost of Sales	\$4,638,085	21.4%	\$6,588,438	19.4%	\$2,843,761	27.1%	\$1,363,000	24.9%	-2.1%	5.5%
Gross Margin	\$17,083,161	78.6%	\$27,320,494	80.6%	\$7,664,814	72.9%	\$4,101,000	75.1%	-5.5%	2.1%
<u>Departmental Expenses</u>										
Bad Debt Expense	\$1,045	0.0%	\$2,078	0.0%	\$94	0.0%	\$0	0.0%	0.0%	0.0%
Complimentary Expense	\$204,858	0.9%	\$403,770	1.2%	\$21,859	0.2%	\$0	0.0%	-1.2%	-0.2%
Payroll - Taxes	\$513,802	2.4%	\$750,839	2.2%	\$295,727	2.8%	\$268,000	4.9%	2.1%	2.7%
Payroll - Employee Benefits	\$1,472,143	6.8%	\$2,344,158	6.9%	\$669,889	6.4%	\$849,000	15.5%	8.6%	9.2%
Payroll - Officers	\$14,591	0.1%	\$30,451	0.1%	\$0	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$4,007,207	18.4%	\$5,927,368	17.5%	\$2,240,659	21.3%	\$1,385,000	25.3%	4.0%	7.8%
Other Departmental Expenses	\$1,963,568	9.0%	\$3,384,589	10.0%	\$656,228	6.2%	\$186,000	3.4%	-6.6%	-2.8%
Total Departmental Expenses	\$8,177,213	37.6%	\$12,843,253	37.9%	\$3,884,456	37.0%	\$2,688,000	49.2%	11.3%	12.2%
Departmental Income (Loss)	\$8,905,947	41.0%	\$14,477,240	42.7%	\$3,780,358	36.0%	\$1,413,000	25.9%	-16.8%	-10.1%

***Task-4 Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas***

Exhibit 5-4 Profit & Loss Comparison Pinnacle Entertainment Versus Three Nevada Casino Groups										
Description	Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007		Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007		Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007		Pinnacle 1st Full Year of Operation Pro Forma for 2012		% Point Differences	
	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	Average Per Casino	Percent	% High	% Low
OTHER DEPARTMENTS										
Revenue										
Other Oper/Non-Oper Income	\$46,359,294	94.9%	\$85,312,729	95.6%	\$10,522,133	90.5%	\$19,217,000	73.7%	-21.9%	-16.8%
Other Complimentary Items	\$2,472,738	5.1%	\$3,959,796	4.4%	\$1,104,644	9.5%	\$6,861,000	26.3%	16.8%	21.9%
Total Revenue	\$48,832,031	100.0%	\$89,272,525	100.0%	\$11,626,777	100.0%	\$26,078,000	100.0%		
Cost of Sales	\$6,231,200	12.8%	\$10,761,960	12.1%	\$2,062,901	17.7%	\$8,113,000	31.1%	13.4%	19.0%
Gross Margin	\$42,600,831	87.2%	\$78,510,565	87.9%	\$9,563,876	82.3%	\$17,965,000	68.9%	-19.0%	-13.4%
Departmental Expenses										
Bad Debt Expense	\$65,881	0.1%	\$35,939	0.0%	\$93,428	0.8%	\$0	0.0%	-0.8%	0.0%
Complimentary Expense	\$679,870	1.4%	\$1,166,561	1.3%	\$232,114	2.0%	\$247,000	0.9%	-1.0%	-0.4%
Payroll - Taxes	\$774,517	1.6%	\$1,366,565	1.5%	\$229,832	2.0%	\$506,000	1.9%	0.0%	0.4%
Payroll - Employee Benefits	\$1,945,862	4.0%	\$3,552,426	4.0%	\$467,823	4.0%	\$1,488,000	5.7%	1.7%	1.7%
Payroll - Officers	\$47,667	0.1%	\$97,109	0.1%	\$2,182	0.0%	\$0	0.0%	-0.1%	0.0%
Payroll - Other Employees	\$8,222,686	16.8%	\$14,596,028	16.3%	\$2,359,212	20.3%	\$3,755,000	14.4%	-5.9%	-1.9%
Other Departmental Expenses	\$14,031,260	28.7%	\$25,951,755	29.1%	\$3,064,404	26.4%	\$4,505,000	17.3%	-11.8%	-9.1%
Total Departmental Expenses	\$25,767,743	52.8%	\$46,766,383	52.4%	\$6,448,994	55.5%	\$10,501,000	40.3%	-15.2%	-12.1%
Departmental Income (Loss)	\$16,833,088	34.5%	\$31,744,182	35.5%	\$3,114,881	26.8%	\$7,464,000	28.6%	-6.9%	1.8%

AVERAGE NUMBER OF EMPLOYEES FOR THE YEAR										
Casino Department	701	24.5%	977	23.6%	448	26.4%	805	38.8%	12.4%	15.2%
Rooms Department	474	16.5%	748	18.1%	222	13.1%	160	7.7%	-10.3%	-5.4%
Food Department	789	27.5%	1,070	25.8%	531	31.3%	811	39.1%	7.8%	13.3%
Beverage Department	196	6.8%	284	6.8%	115	6.8%	0	0.0%	-6.8%	-6.8%
G&A Department	430	15.0%	591	14.3%	282	16.7%	214	10.3%	-6.3%	-3.9%
Other Departments	277	9.7%	473	11.4%	97	5.7%	84	4.1%	-7.4%	-1.7%
Total	2,868	100.0%	4,142	100.0%	1,695	100.0%	2,074	100.0%		

AVERAGE NUMBER OF ROOMS AVAILABLE PER DAY										
Available Rooms	1,969		3,052		972		500			

Data Source: Wells Gaming Research, August 2008.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Section 6

Information on Wells Gaming Research & Richard H. Wells

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Information on Wells Gaming Research & Richard H. Wells

Following is detailed information regarding Wells Gaming Research's many services, as well as personal information about Richard H. Wells, WGR's president:

- Professional Services Offered (**page 6-2**)
- Casino Feasibility Studies (**page 6-3**)
- Casino Gaming Market Studies (**page 6-3**)
- Competitive Gaming Equipment Inventories (**page 6-4**)
- Litigation & Legislative Support (**page 6-4**)
- Marketing Research (**page 6-4**)
- Marketing Surveys (**page 6-5**)
- Market & Financial Due Diligence (**page 6-5**)
- Financial Benchmark Studies (**page 6-5**)
- Special Projects (**page 6-5**)
- Other Casino Gaming Services (**page 6-6**)
- Corporate Background (**page 6-6**)
- Online Casino Player Count Service™ (**page 6-7**)
- Richard H. Wells, Experience and Qualifications (**page 6-8**)
- Client List, including current and previous WGR clients (**page 6-9**)

Task-4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone of Kansas

Professional Services Offered:

Wells Gaming Research (hereinafter referred to as WGR) is a highly respected provider of a wide-range of research and advisory services for the casino gaming industry.

Casino Player Count Service™:

WGR's Casino Player Count Service™ has become the standard for measuring relative player count performance within the casino gaming industry. Our player count service is widely used by casinos, as well as by equity analysts who track public gaming companies. WGR's weekly online player count reports are accompanied by a host of powerful, user friendly analytical tools that make it quick and easy for a client casino to monitor the competition. Client casinos can log on to WGR's website and evaluate their competitors using the following performance criteria:

- Casino rankings based on player count volume
- Number of table game and/or slot machine players
- Percent distribution of players
- Gaming capacity inventory for both table games and slot machines
- Percent distribution of market capacity
- Percent of capacity utilized
- User defined market fair share percentages

Fair Share Goal Setting Targets for User Defined Markets

One of the newest and most exciting features of WGR's Casino Player Count Service™ is fair share goal setting for user-defined markets. WGR's online player count service automatically calculates the number of players required for a casino to reach a series of fair market share targets (for example, 100%, 105%, and 110%).

Gaming Capacity Inventories

WGR updates the gaming capacity inventory statistics for the player count service on a quarterly basis. Client casinos can easily monitor capacity adjustments for both table games and slot machines for their casino, as well as for their competitors. WGR's website also provides a capacity trend analysis feature.

Equity Analysts

Equity analysts use WGR's Casino Player Count Service™ reports to monitor player counts for individual casinos owned by public companies, and to track entire market areas. WGR's player count statistics are also given consideration by equity analysts when forecasting quarterly casino revenues.

Data Collection for WGR's Casino Player Count Service

WGR's field representatives physically count casino players five or more times per week in 164 casinos located throughout the U.S. WGR's current player count service areas include California, Louisiana, Mississippi, Nevada, and New Mexico.

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Casino Feasibility Studies

WGR's databases contain a detailed history of casino player counts collected in eleven major gaming markets located throughout the U.S. This exclusive player count information provides WGR with a proprietary resource that is unmatched for projecting player volume, which is a key variable in the revenue function.

WGR has conducted casino feasibility studies and financial projections for a number of new casinos, including those proposed in:

- **Mississippi** – Tunica.
- **Nevada** - Las Vegas (the Strip, the Offstrip, and North Las Vegas), as well as for Reno, Henderson, and Jackpot.
- **Nova Scotia** - Halifax and Sydney.

Casino Gaming Market Studies

WGR's databases contain over 350,000 casino player counts collected between 1990 and 2007. Capacity information is collected and updated regularly on each casino's inventory capacity mix of slot machines and table games. The player count data allows WGR to track individual casinos, groups of casinos, and casino markets more closely and accurately than any other organization except the state gaming regulatory authorities.

WGR has developed a custom casino gravity modeling system designed to forecast casino revenues while taking into account the impacts that new or expanded competing casinos could have on the project. The model is customized to include the appropriate trade area and competitive casinos for each project.

Major market studies include:

- Las Vegas, Nevada area (Strip, Offstrip, North Las Vegas, & Henderson)
- Reno & Sparks, Nevada
- Minden/Gardnerville, Nevada
- Carson City, Nevada
- Northern California
- South Lake Tahoe
- Mississippi (Tunica, Natchez, & Vicksburg)
- Shreveport, Louisiana
- Iowa (Spencer, Ottumwa, Emmetsburg, Waterloo, Davenport, & Bettendorf)
- Sugar Creek, Missouri
- Southern Kansas
- Southern Indiana
- North-East Kentucky

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Competitive Gaming Equipment Inventories

WGR conducts capacity inventories of slot machines, electronic player tracking systems, and other gaming equipment located in casinos throughout the U.S. The client selects the casinos to be inventoried. Then, WGR conducts the equipment inventories and does the comparative analyses. WGR's clients include both casinos and major slot machine manufacturers. Slot machine inventory projects include:

- 38 Tribal casinos in California.
- 108,000 slot machines located in 50 U.S. casinos, as well as five Canadian casinos (inventories are conducted twice each year).
- 18,000 slot machines located in eight large Las Vegas casinos.

Litigation & Legislative Support

WGR provides a host of gaming related services to attorneys in the form of:

- Financial and market analyses
- Expert testimony and depositions
- Analyses of opposing expert reports
- Development of questions for depositions
- Development of exhibits for use in court
- Competitive analyses for anti-trust issues
- Exhibits, documents, and expert testimony for legislative issues

Marketing Research

WGR has conducted a wide variety of gaming related marketing research studies for casino clients, as well as for proprietary internal use. For example, WGR has analyzed:

- The demographics and gambling characteristics of golfers on a nationwide basis.
- The gambling and demographic characteristics of local residents in both Reno and Las Vegas.
- The growth of various forms of gaming in Reno's four major feeder markets (California, Oregon, Washington, and British Columbia).

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Marketing Surveys

Recent market research surveys include:

- 600 Las Vegas Strip visitors for a casino client
- 465 slot directors for a slot manufacturer
- 900 gaming establishments for a slot manufacturer
- 600 telephone inquiries to casino slot departments regarding online slot machine systems

Market & Financial Due Diligence

WGR is well positioned to assist casino buyers in evaluating gaming markets in terms of:

- Competition
- Financial and operating performance
- Improvement potential of casino acquisition candidates

Financial Benchmark Studies

WGR conducts financial benchmark studies for existing casinos. Both revenue and expense line items are compared with a casino's peer group of competitors. Differences are flagged. One such study greatly aided the Client in improving its financial performance and in turning losses into profits.

Special Projects

WGR conducts special projects on an ongoing basis. Some examples include:

- Casino market supply and demand analyses
- Slot and table game trends
- Casino player trend analyses
- Utilization analyses (table games including Caribbean Stud and Let-It-Ride, as well as slot machines and automatic shuffler)
- Competitive analyses of slot machine inventories and utilization
- Table game instruction programs
- Average bets by table minimums for blackjack and craps
- Player counts by ethnic groups

Task-4 - Project Specific Gaming Revenue Projections **Northeast Gaming Zone of Kansas**

Other Casino Gaming Services

Slot Payback Certification

WGR provides verification and certification of win percentages for slot machines and video poker machines. Casinos have successfully used the win percentages in advertising campaigns.

Pedestrian Traffic Counts

WGR has conducted pedestrian traffic studies to determine pedestrian volumes, directions, and other characteristics of pedestrian traffic behavior in targeted areas in Las Vegas and Reno. Two specific locations were the intersection of Las Vegas Boulevard and Tropicana Avenue in Las Vegas and on Virginia Street in downtown Reno.

Special Event Attendance

WGR conducts attendance counts at special events, primarily in Nevada (Reno, Las Vegas, and Laughlin) for convention authorities and other clients. WGR has conducted attendance counts at most of Reno's special events.

Corporate Background

WGR was established in 1990. In 1995, WGR was incorporated under the laws of the State of Nevada.

WGR is a privately held corporation. The principal officers include Richard H. Wells, President and Peggy P. Wells, Vice President and Secretary/Treasurer.

WGR's president, Richard H. Wells, has over thirty years of experience in conducting financial and market feasibility studies for the casino, hotel, banking, and oil and gas industries. Wells is supported by a well-trained staff with experience and expertise in computer programming, finance, economics, and market analyses.

In addition to the staff, WGR subcontracts, on an as-needed basis, with highly qualified and respected professionals who specialize in a wide-range of technical disciplines including marketing research, statistics, demographic statistics and data analyses, economic and social impact analyses, and legal counsel.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Online Casino Player Count Service™

WGR has converted its player count reporting system from a weekly hard copy report to a suite of powerful, online, easy-to-use reporting and analysis tools. The Internet now makes it possible for WGR to share these tools with our clients.

WGR not only provides the Casino Player Count Service™ Reports online via the Internet, we also provide our clients with a host of online analytical tools. For example, WGR's clients can now select a specific set of competitive casinos and time periods to conduct custom analyses.

A total of seven (7) online reporting menu options are offered:

1. Monthly
2. Weekly
3. Daily
4. Multi-Month Trend Analysis
5. User Defined Two-Period Comparisons
6. Capacity Trend Analysis
7. Average Counts by Day-of-Week or Time-of-Day

Four (4) options are provided for viewing, downloading, and printing the user defined reports:

1. Web Browser,
2. Tab Delimited Download (Excel or other spreadsheet compatible)
3. PDF file uncompressed
4. PDF file compressed (ZIP)

Weekend player counts are now available to our clients by Monday afternoon, 5PM Pacific Time. All weekly player count data is audited and finalized by Thursday afternoon, 5PM Pacific Time. This puts the player count data in the clients hands several days earlier than the hard copy reports.

Online Access & Client Training:

Each person in our Client's organization who needs access to WGR online service will be assigned a username and password for secure website access. WGR's clients are allowed an unlimited number of users, at no additional cost.

WGR will conduct a training session to acquaint Client users with the new online system. WGR's new online reporting system is easy-to-use and quick at creating user defined custom player count reports. A half-hour training/orientation session is all that is needed for a user to get started with WGR's new online reporting system.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Richard H. Wells, Experience & Qualifications

Wells is founder and president of **Wells Gaming Research**, a Nevada Corporation that provides Casino Player Count Service™, a market share tracking service, to over 160 casino clients in Nevada, Mississippi, Louisiana, New Mexico, and California.

Wells Gaming Research also performs a wide range of consulting and gaming research assignments including casino market studies, financial feasibility studies, financial projections, due diligence, litigation support, legislative issue support, and gaming industry expert witness services for the gaming industry.



Wells has fifteen years experience as a senior executive in the casino-hotel industry with Holiday Inns, Harrah's, and Bally's. Wells has also held positions in management, planning, and financial analysis for a large regional bank and a major international oil company.

Wells has a B.S. degree in business from Oklahoma State University and completed a post-graduate program in Systems Dynamics at M.I.T. Wells has participated in a wide range of community service activities and is listed in Marquis Who's Who in Finance and Industry and Marquis Who's Who in America.

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Wells Gaming Research Client List
(Current and/or Prior Customers)

Aladdin Gaming, LLC:

Aladdin Resort & Casino ~ Las Vegas, Nevada

Ameristar Casinos, Inc. ~ Las Vegas, Nevada

Alamo Travel Center ~ Sparks, Nevada

Aristocrat Technologies, Inc. ~ Las Vegas, Nevada

Arizona Charlie's Casino Hotel ~ Las Vegas, Nevada

Arizona Charlie's East Casino Hotel ~ Las Vegas, Nevada

Avi Resort & Casino ~ Laughlin, Nevada

Baldini's Sports Casino ~ Reno, Nevada

Bear Stearns Companies, Inc.

Binion's Horseshoe ~ Tunica, Mississippi

Boyd Gaming Corporation:

California Hotel & Casino ~ Las Vegas, Nevada

Fremont Hotel & Casino ~ Las Vegas, Nevada

Main Street Station Hotel Casino ~ Las Vegas, Nevada

Sam's Town Hotel & Gambling Hall ~ Las Vegas, NV

Sam's Town Tunica Hotel & Gambling Hall ~ Tunica, MS

Stardust Resort & Casino ~ Las Vegas, Nevada

Bronco Billy's Sports Bar & Casino ~ Cripple Creek, CO

Caesars Palace Hotel & Casino ~ Las Vegas, Nevada

Cannery Casino Hotel ~ Las Vegas, Nevada

Clay County Gaming Initiative, Inc. ~ Clay Co, Iowa

Club Cal-Neva/Virginian Hotel Casino ~ Reno, Nevada

Coast Hotel & Casinos, Inc.:

Gold Coast Hotel Casino ~ Las Vegas, Nevada

Suncoast Hotel & Casino ~ Las Vegas, Nevada

The Orleans Hotel & Casino ~ Las Vegas, Nevada

Copa Casino ~ Gulfport, Mississippi

DRKW - Grantchester, Inc. ~ New York, New York

Eldorado Hotel Casino ~ Reno, Nevada

Fallon Paiute-Shoshone Tribe ~ Fallon, Nevada

Fidelity Investments ~ Boston

Fitzgeralds Hotel Casino ~ Reno, Nevada

Four Queens Hotel Casino ~ Las Vegas, Nevada

Greenspun Corporation ~ Las Vegas, Nevada

Guild, Russell, Gallagher, & Fuller, LTD ~ Reno, Nevada

Galleria Associates ~ Henderson, Nevada

Golden Phoenix Hotel Casino ~ Reno, Nevada

GEM, LLC ~ Reno, Nevada

Harrah's Casino Hotel ~ Lake Tahoe, Nevada

Harrah's Casino Hotel ~ Laughlin, Nevada

Harrah's Hotel Casino ~ Reno, Nevada

Harrah's Hotel Casino ~ Tunica, Mississippi

Hollywood Casino ~ Tunica, Mississippi

Horseshoe Casino & Hotel ~ Bossier City, Louisiana

Innovative Gaming Corporation of America

International Gaming Technology

Isle of Capri Casinos, Inc.:

Isle of Capri Casino ~ Bossier City, Louisiana

Isle of Capri Casino ~ Biloxi, Mississippi

Isle of Capri Casino - Lula, Mississippi

Isle of Capri Casino - Vicksburg, Mississippi

Isleta Casino & Resort - Albuquerque, New Mexico

ITT Sheraton Gaming Division

John Ascuaga's Nugget ~ Reno, Nevada

Lady Luck Hotel Casino ~ Las Vegas, Nevada

Little Creek Casino ~ Shelton, Washington

Majestic Star Casinos:

Fitzgeralds Hotel Casino ~ Las Vegas, Nevada

Fitzgeralds Hotel Casino ~ Tunica, Mississippi

Mandalay Resort Group:

Circus Circus Hotel Casino ~ Reno, Nevada

Circus Circus Hotel Resort & Casino ~ Las Vegas, NV

Colorado Belle Hotel & Casino ~ Laughlin, Nevada

Edgewater Hotel & Casino ~ Laughlin, Nevada

Excalibur Resort Hotel & Casino ~ Las Vegas, Nevada

Gold Strike Casino & Resort ~ Tunica, Mississippi

Luxor Resort Hotel & Casino ~ Las Vegas, Nevada

Mandalay Bay Resort & Casino ~ Las Vegas, Nevada

Monte Carlo Resort & Casino ~ Las Vegas, Nevada

Silver City ~ Las Vegas, Nevada

Silver Legacy Resort & Casino ~ Reno, Nevada

Slots-A-Fun ~ Las Vegas, Nevada

Monarch Casino & Resort, Inc.:

Atlantis Casino Resort ~ Reno, Nevada

Task-4 - Project Specific Gaming Revenue Projections
Northeast Gaming Zone of Kansas

Wells Gaming Research Client List (Continued)
(Current and/or Prior Customers)

Mikhon Gaming Corporation	Ramada Inn Speakeasy Casino ~ Reno, Nevada
Nevada Resort Association ~ Las Vegas, Nevada	Rampart Casino ~ Las Vegas, Nevada
MGM • Mirage:	Reno/Sparks Convention & Visitor's Authority
Beau Rivage Hotel & Casino ~ Biloxi, Mississippi	Rio Suite Hotel Casino ~ Las Vegas, Nevada
Bellagio Hotel & Casino ~ Las Vegas, Nevada	River Palms Resort Casino ~ Laughlin, Nevada
Golden Nugget Hotel & Casino ~ Laughlin, Nevada	Riverside Resort Hotel Casino ~ Laughlin, Nevada
MGM Grand Hotel Casino ~ Las Vegas, Nevada	Riviera Hotel & Casino ~ Las Vegas, Nevada
New York New York Hotel & Casino ~ Las Vegas, NV	Sands Regency Hotel Casino ~ Reno, Nevada
The Mirage Hotel & Casino ~ Las Vegas, Nevada	Seven Circle Resorts, Inc.
Treasure Island at the Mirage ~ Las Vegas, Nevada	Sheraton Casino ~ Halifax, Nova Scotia
Palms Casino Hotel ~ Las Vegas, Nevada	Sheraton Hotel Casino ~ Tunica, Mississippi
Park Place Entertainment:	Showboat Hotel Casino ~ Las Vegas, Nevada
Bally's Casino Las Vegas ~ Las Vegas, Nevada	Si Redd's Oasis Hotel & Casino ~ Mesquite, Nevada
Bally's Casino Tunica ~ Tunica, Mississippi	Silicon Gaming, Inc.
Flamingo Las Vegas ~ Las Vegas, Nevada	Silver Club Hotel Casino ~ Sparks, Nevada
Flamingo Laughlin ~ Laughlin, Nevada	Silverton Hotel & Casino ~ Las Vegas, Nevada
Grand Casino Biloxi ~ Biloxi, Mississippi	Station Casinos, Inc.:
Grand Casino Gulfport ~ Gulfport, Mississippi	Boulder Station Hotel & Casino ~ Las Vegas, NV
Grand Casino Tunica ~ Tunica, Mississippi	Fiesta Henderson ~ Las Vegas, Nevada
Las Vegas Hilton ~ Las Vegas, Nevada	Fiesta Rancho Casino Hotel ~ Las Vegas, Nevada
Oshea's ~ Las Vegas, Nevada	Green Valley Ranch Resort & Spa ~ Las Vegas, NV
Paris Las Vegas ~ Las Vegas, Nevada	Palace Station Hotel & Casino ~ Las Vegas, Nevada
Reno Hilton ~ Reno, Nevada	Santa Fe Station Hotel Casino ~ Las Vegas, Nevada
Sheraton Casino ~ Tunica, Mississippi	Sunset Station Hotel & Casino ~ Las Vegas, Nevada
Peppermill, Inc.:	Texas Station Gambling Hall & Hotel ~ Las Vegas, NV
Peppermill Hotel Casino ~ Reno, Nevada	Stratosphere Casino Hotel & Tower ~ Las Vegas, Nevada
Western Village Inn & Casino ~ Sparks, Nevada	Terrible's Casino Hotel ~ Las Vegas, Nevada
Penn National Gaming, Inc.	Thunder Valley Casino ~ Lincoln, California
Boomtown Casino ~ Biloxi, Mississippi	Treasure Bay Casino Resort ~ Biloxi, Mississippi
Casino Magic ~ Bay St. Louis, Mississippi	Tropicana Hotel Casino ~ Las Vegas, Nevada
Pinnacle Entertainment, Inc.:	Tuscany Hotel & Casino ~ Las Vegas, Nevada
Boomtown Hotel • Casino • RV Park ~ Reno, Nevada	Venetian Resort Hotel Casino ~ Las Vegas, Nevada
Casino Magic ~ Biloxi, Mississippi	WMS Gaming Inc. ~ Waukegan, Illinois
Boomtown Casino ~ Bossier City, Louisiana	Wild Game NG:
R&R Advertising	Siena Hotel Spa & Casino ~ Reno, Nevada
Rail City Casino ~ Sparks	Wynne Resorts, LTD ~ Las Vegas, Nevada
Ramada Express Hotel & Casino ~ Laughlin, Nevada	Zeh Saint-Aubin Spoo ~ Reno, Nevada

Task 4 - Project Specific Gaming Revenue Projections

Northeast Gaming Zone - Wyandotte County, Kansas



Prepared For:
Kansas Lottery Gaming Facility Review Board
September 2-3, 2008

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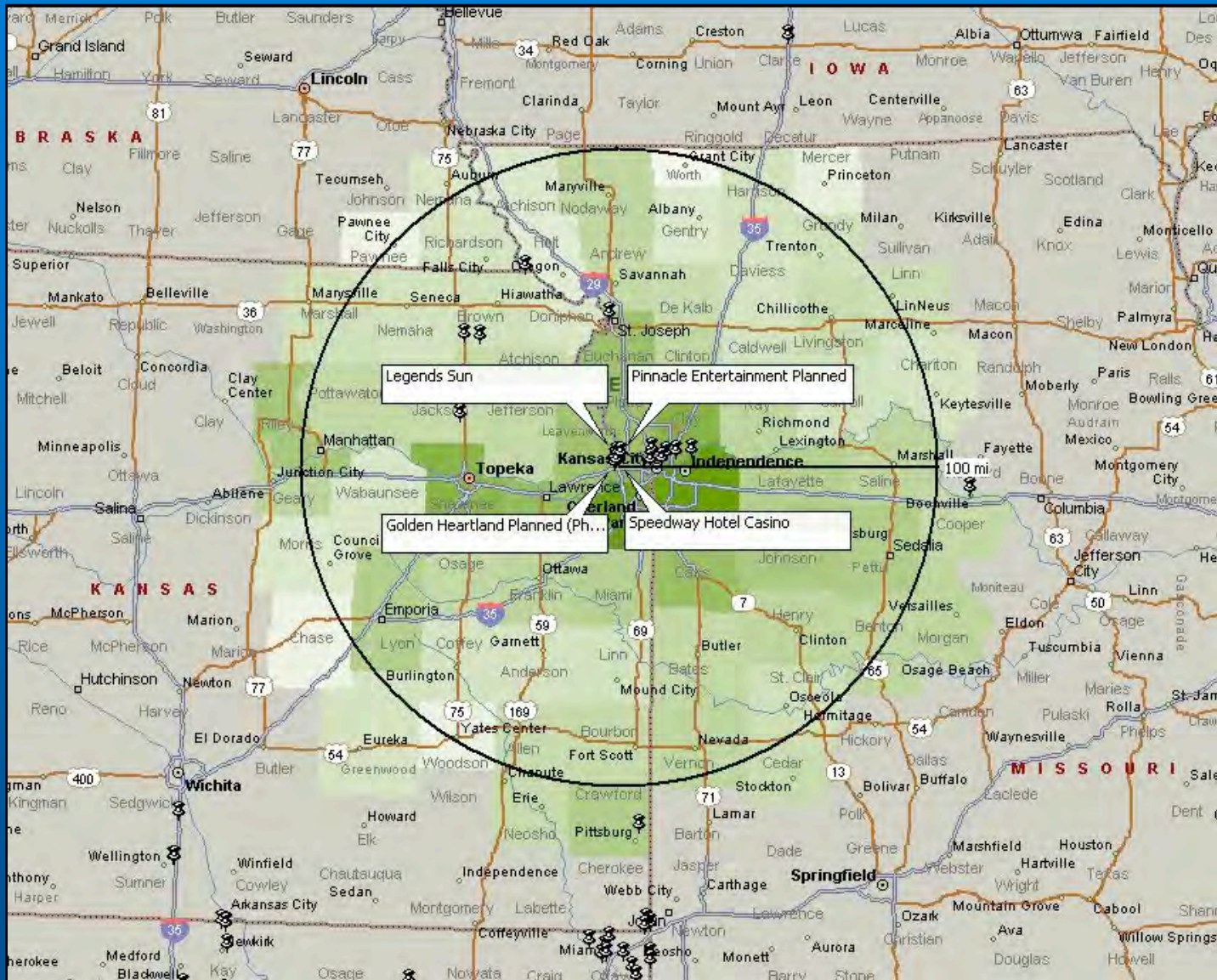
Methodology

- Used WGR's proprietary gravity model
- Defined trade area to include all counties that a 100-mile radius of Wyandotte County encompasses or touches
- Used 2007 data as status quo for baseline projections
- Population data at census tract level 2000 through 2012

Methodology

- Utilized size, scope, and location assumptions for each of the proposed Wyandotte County casinos: Golden Heartland, Legends Sun, Hard Rock, and Pinnacle Entertainment
- Developed a custom gravity model for each proposed casino project
- Defined and ran 3 scenarios with low, mid, and high cases for each proposed casino

NE - Wyandotte County Trade Map



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NE Kansas - Wyandotte

- Trade area (approximate 125-mile radius) includes 32 counties in Kansas, 36 counties in Missouri, and 3 counties in Nebraska
- This trade area overlaps with the trade areas of proposed Kansas Lottery casinos in the Southeastern and South Central Kansas gaming zones

NE Kansas - Wyandotte

- The trade area population is 3,121,829; of which 2,174,051 are adults
- Of the adult population, 1,190,250 (55%) live in Wyandotte County and the five contiguous counties

Visits to Competing Casinos

- Visited existing casinos within the trade area and made the following changes in assumptions:

Reduced Attraction Factors:

1 Buffalo Run Casino	-10%
2 Terrible's St. Jo Frontier Casino	-10%
3 The Stables Casino	-10%
4 Wyandotte 7th Street Casino	-30%

Removed Proposed Casinos from Competitive Set:

- 1 Wild Rose Entertainment Sugar Creek Planned

- Limited competition to casinos within 150 miles
- These changes resulted in additional \$11M to \$41M in revenues, depending on applicant

Existing Casinos

- 1 casino in Iowa
- 4 casinos in Kansas
- 6 casinos in Missouri
- 7 casinos in Oklahoma
- Total existing capacity: 16,914 slots, 367 pit tables, and 73 poker tables

Expansions & Proposed

- 2 Expansions & 6 Proposed New Casinos (added one expansion)
- 8 casinos with 8,050 slots, 150 pit tables, and 33 poker tables (including Golden Heartland Casino)
- 8 casinos with 8,550 slots, 160 pit tables, and 65 poker tables (including Hard Rock Hotel & Casino)
- 8 casinos with 7,550 slots, 130 pit tables, and 40 poker tables (including Legends Sun)
- 8 casinos with 7,850 slots, 130 pit tables, and 40 poker tables (including Pinnacle Entertainment)

Visitor Projections

Visitor Projections of Each Applicant & WGR's Projections of Each Applicant WGR's Projections are based on Task 4, Scenario 4								
Applicant's Projections	2010	2011	2012	2013	2014	2015	CAGR	Periods
Golden Heartland		3,669,732			3,753,382		N/A	N/A
Hard Rock		4,465,240	4,509,892	4,554,991	4,600,541	4,646,547	1.0%	4
Legends Sun		2,914,540	2,980,965	3,048,329	3,122,671	3,210,213	2.4%	4
Pinnacle Entertainment		3,630,612	3,967,433	4,019,009	4,071,257	4,124,183	3.2%	4
WGR's Projections	2010	2011	2012				CAGR	Periods
Golden Heartland								
Low	1,471,880	1,483,411	1,495,140				0.787%	2
Mid	2,443,067	2,462,544	2,482,351				0.801%	2
High	3,194,096	3,219,492	3,245,316				0.799%	2
Hard Rock								
Low	1,921,025	1,935,793	1,950,818				0.772%	2
Mid	3,099,118	3,123,244	3,147,783				0.782%	2
High	3,975,130	4,005,861	4,037,115				0.777%	2
Legends Sun								
Low	1,323,983	1,333,641	1,343,462				0.733%	2
Mid	2,231,808	2,248,665	2,265,806				0.759%	2
High	2,948,037	2,970,475	2,993,290				0.765%	2
Pinnacle Entertainment								
Low	1,604,391	1,615,940	1,627,697				0.724%	2
Mid	2,648,776	2,668,612	2,688,793				0.753%	2
High	3,452,957	3,478,981	3,505,455				0.757%	2

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Revenue Projections

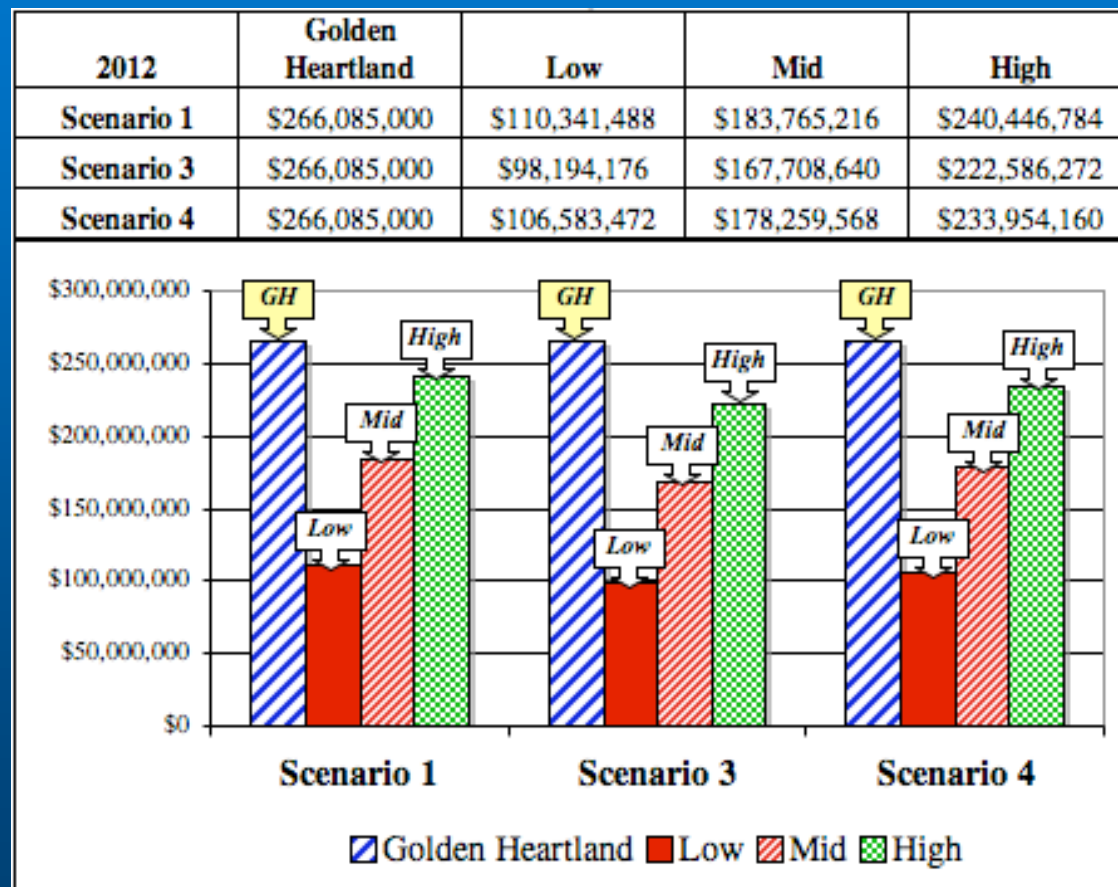
Revenue Projections of Each Applicant & WGR's Projections of Each Applicant WGR's Projections are based on Task 4, Scenario 4 data adjusted for inflation								
Applicant's Projections	2010	2011	2012	2013	2014	2015	CAGR	Periods
Golden Heartland		\$239,275,750	\$266,085,000	\$284,681,750	\$293,241,000	\$301,800,250	6.0%	4
Hard Rock		\$349,339,598	\$358,073,088	\$367,024,915	\$376,200,538	\$385,605,551	2.5%	4
Legends Sun		\$270,738,750	\$281,568,300	\$295,646,715	\$304,516,116	\$313,651,600	3.7%	4
Pinnacle Entertainment		\$361,310,580	\$401,456,200	\$413,499,886	\$425,904,883	\$438,682,029	5.0%	4
WGR's Projections w/ Inflation	2010	2011	2012				CAGR	Periods
Golden Heartland								
Low	\$100,826,830	\$103,633,960	\$106,583,472				2.82%	2
Mid	\$168,604,571	\$173,312,596	\$178,259,568				2.82%	2
High	\$221,303,380	\$227,473,188	\$233,954,160				2.82%	2
Hard Rock								
Low	\$132,036,145	\$135,692,538	\$139,534,560				2.80%	2
Mid	\$214,535,261	\$220,486,714	\$226,739,520				2.81%	2
High	\$276,144,348	\$283,782,632	\$291,807,072				2.80%	2
Legends Sun								
Low	\$91,095,338	\$93,586,508	\$96,202,560				2.77%	2
Mid	\$154,629,079	\$158,888,454	\$163,362,192				2.79%	2
High	\$204,997,932	\$210,649,170	\$216,586,032				2.79%	2
Pinnacle Entertainment								
Low	\$109,877,160	\$112,874,240	\$116,022,672				2.76%	2
Mid	\$182,835,764	\$187,864,414	\$193,145,904				2.78%	2
High	\$239,290,513	\$245,874,762	\$252,790,608				2.78%	2

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Golden Heartland

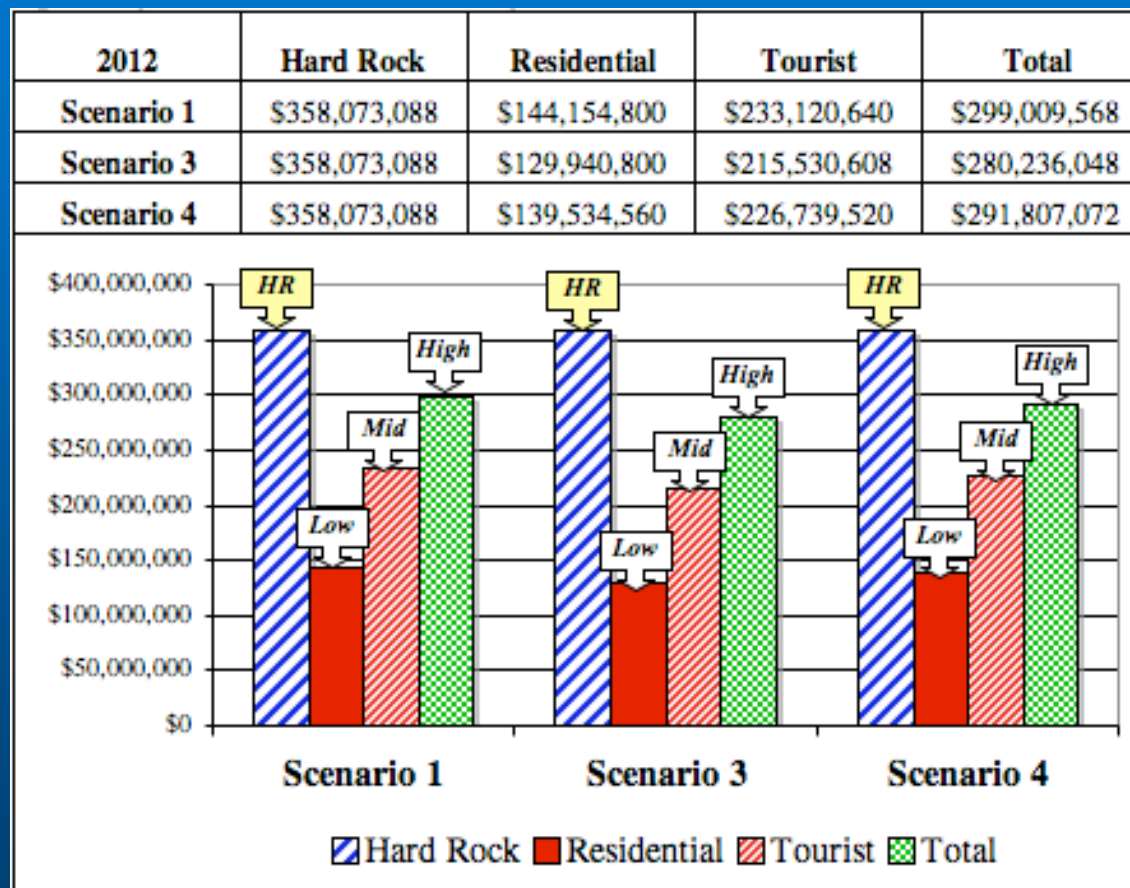


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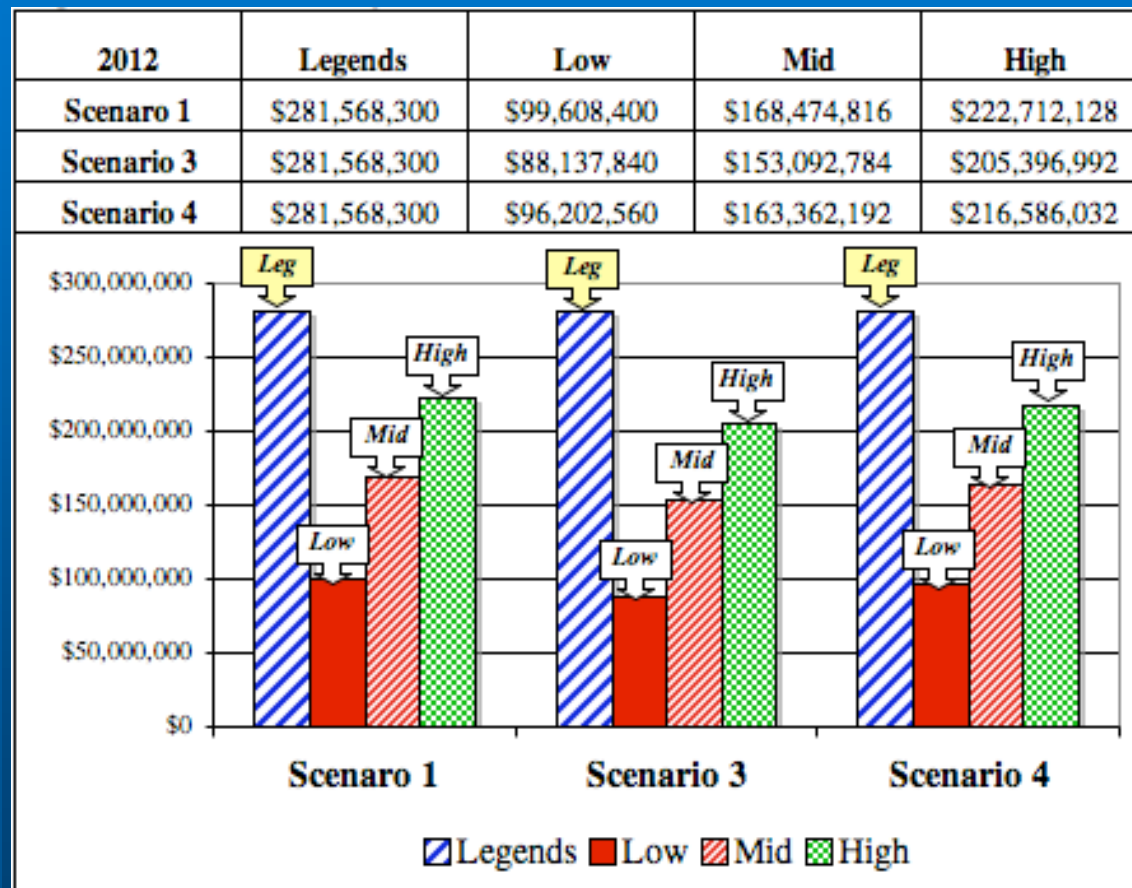
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Hard Rock



Legends Sun



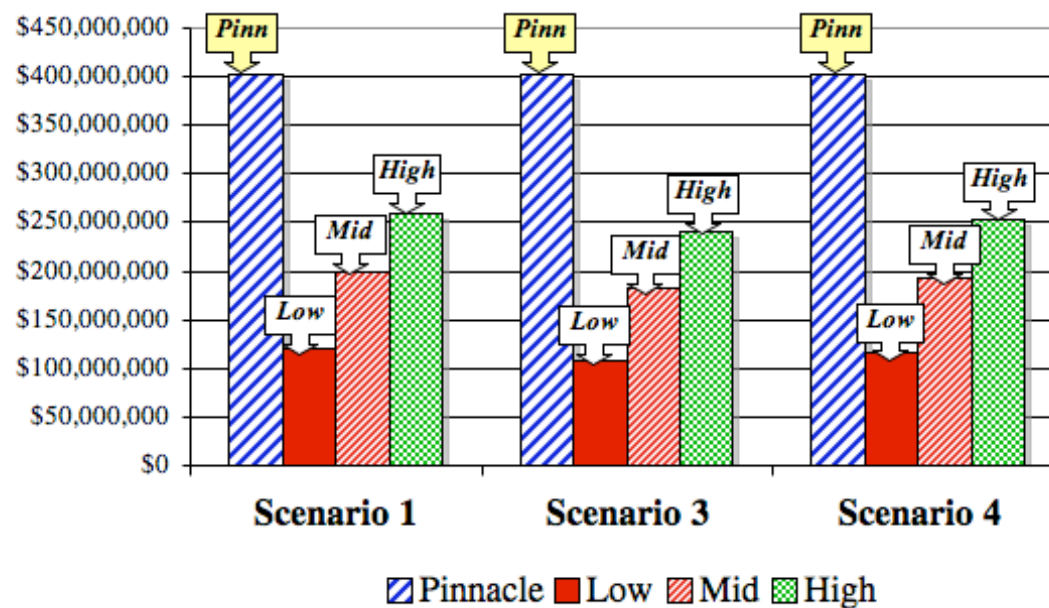
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Pinnacle Entertainment

2012	Pinnacle	Low	Mid	High
Scenario 1	\$401,456,200	\$119,995,968	\$198,916,512	\$259,537,152
Scenario 3	\$401,456,200	\$107,271,264	\$182,581,728	\$241,579,488
Scenario 4	\$401,456,200	\$116,022,672	\$193,145,904	\$252,790,608



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Attraction/Mass Factor Comparison

WGR Attraction Factor Comparison where Ameristar Casino Hotel KC is 100%				
Casino	Low	Mid	High	Tuned
Ameristar Casino Hotel KC	100%	100%	100%	100%
Golden Heartland	38%	76%	114%	140%
Hard Rock	54%	108%	163%	235%
Legends Sun	36%	72%	108%	164%
Pinnacle Entertainment	43%	86%	129%	292%
WGR Revenue Projections for 2012 w/ Inflation				
Golden Heartland Scenario 4	Low	Mid	High	Tuned
Ameristar Casino Hotel KC	\$258,252,096	\$239,174,976	\$224,297,472	\$215,568,144
Golden Heartland	\$106,583,472	\$178,259,568	\$233,954,160	\$266,561,904
Hard Rock Scenario 4	Low	Mid	High	Tuned
Ameristar Casino Hotel KC	\$249,311,904	\$226,016,400	\$208,559,952	\$190,538,256
Hard Rock	\$139,534,560	\$226,739,520	\$291,807,072	\$358,765,776
Legends Sun Scenario 4	Low	Mid	High	Tuned
Ameristar Casino Hotel KC	\$260,787,984	\$243,026,832	\$228,883,488	\$211,456,848
Legends Sun	\$96,202,560	\$163,362,192	\$216,586,032	\$281,907,504
Pinnacle Entertainment Scenario 4	Low	Mid	High	Tuned
Ameristar Casino Hotel KC	\$255,295,584	\$234,704,880	\$218,700,192	\$178,404,192
Pinnacle Entertainment	\$116,022,672	\$193,145,904	\$252,790,608	\$402,077,904

Summary Income Statement

Summary Income Statement Accounts

As a Percent of Total Revenue

Golden Heartland, Hard Rock Kansas Speedway, Legends Sun,
& Pinnacle Pro Forma for 2012 v FY 2007 NV Gaming Abstract

	Gaming Revenue	Department Expenses	Adv & Prom	Interest Exp	G&A Payroll	Total G&A Exp	EBITDAR
Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007	46.9%	49.2%	1.5%	7.5%	6.4%	33.8%	25.2%
Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007	40.8%	49.9%	1.0%	7.8%	6.2%	32.9%	25.6%
Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007	64.5%	47.2%	2.7%	6.9%	6.8%	36.6%	24.0%
Golden Heartland 1st Full Year of Operation Pro Forma for 2012	83.4%	46.2%	11.0%	15.3%	3.9%	50.9%	26.6%
Hard Rock Kansas Speedway Pro Forma for 2012	84.1%	60.5%	1.9%	8.4%	3.9%	27.3%	22.0%
Legends Sun Pro Forma for 2012	79.3%	54.0%	0.0%	12.3%	6.3%	47.2%	22.3%
Pinnacle 1st Full Year of Operation Pro Forma for 2012	82.2%	38.1%	11.8%	0.0%	3.3%	40.8%	21.1%

Source: WGR, NV Gmg Abst, & Applicants Data

Casino Department Income Statement

Casino Department Income Statement Account

As a Percent of Total Casino Revenue

Golden Heartland, Hard Rock Kansas Speedway, Legends Sun ,
& Pinnacle Pro Forma for 2012 v FY 2007 NV Gaming Abstract

	Table Revenue	Comp Expense	Payroll	Tax & Lic	Dept Expense	Dept Profit
Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007	34.6%	19.0%	15.2%	7.6%	53.9%	46.1%
Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007	44.6%	21.8%	16.9%	7.4%	59.2%	40.8%
Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007	16.3%	13.8%	12.4%	7.8%	44.3%	55.7%
Golden Heartland 1st Full Year of Operation Pro Forma for 2012	18.7%	6.1%	5.7%	27.0%	45.0%	55.0%
Hard Rock Kansas Speedway Pro Forma for 2012	10.5%	15.0%	8.9%	30.0%	57.5%	42.5%
Legends Sun Pro Forma for 2012	13.5%	12.0%	10.1%	28.2%	57.7%	42.3%
Pinnacle 1st Full Year of Operation Pro Forma for 2012	21.8%	0.1%	6.6%	27.1%	36.3%	63.7%
Source: WGR, NV Gmg Abst, & Applicants Data						

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Rooms Department Income Statement

Rooms Department Income Statement Account

As a Percent of Total Room Revenue

Golden Heartland, Hard Rock Kansas Speedway, Legends Sun ,
& Pinnacle Pro Forma for 2012 v FY 2007 NV Gaming Abstract

	Rooms as % of Total Rev	Comp Room Sales	Payroll	Dept Profit- Loss
Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007	22.2%	16.5%	20.5%	67.6%
Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007	25.8%	15.4%	19.2%	69.2%
Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007	11.7%	23.5%	29.6%	58.0%
Golden Heartland 1st Full Year of Operation Pro Forma for 2012	4.5%	19.0%	37.0%	53.3%
Hard Rock Kansas Speedway Pro Forma for 2012	3.7%	70.0%	40.6%	52.8%
Legends Sun Pro Forma for 2012	4.5%	0.0%	28.3%	54.3%
Pinnacle 1st Full Year of Operation Pro Forma for 2012	3.1%	43.8%	27.6%	51.0%
Source: WGR, NV Gmg Abst, & Applicants Data				

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Food Department Income Statement

Food Department Income Statement Account As a Percent of Total Food Revenue Golden Heartland, Hard Rock Kansas Speedway, Legends Sun , & Pinnacle Pro Forma for 2012 v FY 2007 NV Gaming Abstract					
	Food as % of Total Rev	Comp Food Sales	Cost of Goods	Payroll	Dept Profit- Loss
Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007	13.7%	20.2%	31.5%	54.1%	6.4%
Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007	13.9%	17.3%	29.2%	52.4%	10.3%
Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007	12.9%	29.2%	38.5%	59.6%	-5.8%
Golden Heartland 1st Full Year of Operation Pro Forma for 2012	7.6%	54.7%	46.9%	49.3%	-0.3%
Hard Rock Kansas Speedway Pro Forma for 2012	4.9%	67.0%	45.0%	47.0%	3.0%
Legends Sun Pro Forma for 2012	7.7%	0.0%	34.0%	54.9%	4.8%
Pinnacle 1st Full Year of Operation Pro Forma for 2012	8.2%	49.0%	43.0%	45.7%	25.9%
Source: WGR, NV Gmg Abst, & Applicants Data					

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Beverage Department Income Statement

Beverage Department Income Statement Account

As a Percent of Total Beverage Revenue

Golden Heartland, Hard Rock Kansas Speedway, Legends Sun ,
& Pinnacle Pro Forma for 2012 v FY 2007 NV Gaming Abstract

	Beverage as % of Total Rev	Comp Beverage Sales	Cost of Goods	Payroll	Dept Profit- Loss
Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007	5.3%	41.9%	21.4%	27.7%	41.0%
Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007	5.4%	36.9%	19.4%	26.7%	42.7%
Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007	5.2%	56.9%	27.1%	30.5%	36.0%
Golden Heartland 1st Full Year of Operation Pro Forma for 2012	2.4%	3.1%	30.0%	26.7%	35.3%
Hard Rock Kansas Speedway Pro Forma for 2012	2.1%	67.0%	25.0%	47.0%	25.5%
Legends Sun Pro Forma for 2012	0.0%	0.0%	0.0%	0.0%	0.0%
Pinnacle 1st Full Year of Operation Pro Forma for 2012	1.1%	80.0%	24.9%	45.8%	25.9%

Source: WGR, NV Gmg Abst, & Applicants Data

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Wells Gaming Research

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Other Department Income Statement

Other Department Income Statement Account

As a Percent of Total Other Revenue

Golden Heartland, Hard Rock Kansas Speedway, Legends Sun ,
& Pinnacle Pro Forma for 2012 v FY 2007 NV Gaming Abstract

	Other as % of Total Rev	Comp Other Sales	Cost of Goods	Payroll	Dept Profit- Loss
Statewide \$72M+ w/ Hotel Rooms w/ LV Strip FY @ June 30, 2007	5.3%	41.9%	21.4%	27.7%	41.0%
Clark County LV Strip \$72M+ w/ Hotel Rooms FY @ June 30, 2007	5.4%	36.9%	19.4%	26.7%	42.7%
Statewide \$72M+ w/ Hotel Rooms w/o LV Strip FY @ June 30, 2007	5.2%	56.9%	27.1%	30.5%	36.0%
Golden Heartland 1st Full Year of Operation Pro Forma for 2012	2.1%	0.0%	7.2%	51.0%	10.1%
Hard Rock Kansas Speedway Pro Forma for 2012	5.3%	21.6%	49.1%	20.0%	-3.2%
Legends Sun Pro Forma for 2012	8.5%	0.0%	8.4%	13.7%	51.5%
Pinnacle 1st Full Year of Operation Pro Forma for 2012	5.3%	26.3%	31.1%	22.0%	28.6%
Source: WGR, NV Gmg Abst, & Applicants Data					

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Wells Gaming Research

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Richard H. Wells, Experience & Qualifications

Wells is founder and president of **Wells Gaming Research**, a Nevada Corporation that provides Casino Player Count Service™, a market share tracking service, to over 160 casino clients in Nevada, Mississippi, Louisiana, New Mexico, and California.

Wells Gaming Research also performs a wide range of consulting and gaming research assignments including casino market studies, financial feasibility studies, financial projections, due diligence, litigation support, legislative issue support, and gaming industry expert witness services for the gaming industry.

Wells has fifteen years experience as a senior executive in the casino-hotel industry with Holiday Inns, Harrah's, and Bally's. Wells has also held positions in management, planning, and financial analysis for a large regional bank and a major international oil company.

Wells has a B.S. degree in business from Oklahoma State University and completed a post-graduate program in Systems Dynamics at M.I.T. Wells has participated in a wide range of community service activities and is listed in Marquis Who's Who in Finance and Industry and Marquis Who's Who in America.



**Financial Evaluation of the
Wyandotte County Proposals**

A report for the
Kansas Lottery Gaming Facility Review Board

By

John R. Mills, Ph.D., MBA, CPA
Professor of Accounting
College of Business Administration
University of Nevada, Reno

August 26, 2008, 2008

Overview of Proposals

	Golden Heartland	Legends Sun	Hard Rock Resort	PNK-Kansas
Hotel Room	300	350	300	500
Casino SF	125,100	131,000	125,100	100,000
Slots	2000	2000	3000	500
Tables	70	85	140	60
T. Costs	661,630,000	772,000,000	705,583,302	650,000,000
Debt	Flexible	469,621,679	423,349,981	Flexible
Equity	Flexible	297,500,000	282,233,321	Flexible
Debt/Equity		2.36	1.50	

Executive Summary

Golden Heartland

This is a newly formed company 100% owned by the Sartini Family Trust. The trust has provided significant information that supports the ability to be very flexible in the financing of this project.

Legends Sun

The proposal is a joint venture by Mohegan Resorts Kansas, LLC (2/3 owner) and Red Leg Sun, LLC (1/3 owner). MRKs is using the parent company (MTGA) line of credit to fund the equity. Red Leg Sun is using a separate source of funding for its line of credit. There is not enough information to make a decision whether Red Leg Sun or its source is a viable financial entity.

Hard Rock Resort

This proposal is a joint venture which includes International Speedway Corp. (50%) and Kansas Entertainment Investors (50%). Both groups have clearly shown that they have the resources to adequately fund and maintain this proposal.

PNK Kansas

This proposal is 100% owned by Pinnacle Entertainment, Inc. It has positioned itself such that it has financial flexibility and solvency to take advantage of current investment opportunities. It has the ability to finance the current proposal with the right mix of debt and equity.

Gaming Zone: North East
County: Wyandotte County
Property Name: Golden Heartland Casino, Resort & Spa
Company Name: Golden Heartland, Inc.
Parent Company: 100% owned by Sartini Family Trust

1. Cost of Project \$661,000,000
2. Funding of project
 - a. Equity funding \$100,000,000 to \$180,000,000
 - b. Debt Funding \$551,000,000 to \$481,000,000

Golden Heartland, Inc. is a newly formed Subchapter S Corporation that is 100% owned by the Sartini Family Trust.

Financial Overview of the Golden Heartland Proposal

Net Worth and Liquidity of the Sartini Family Trust

The Sartini Family has provided confidential information on the net worth and liquid assets of the trust. The Sartini Family Trust appears to be quite flexible in its ability to put together a financing package. A review of their financial worth as of 3/31/2008, as well as their liquid assets, shows that they can provide the necessary equity contributions from their cash and stock securities. Liquid assets represent about 28% of total assets of their portfolio.

A review of their other assets provides additional assurance. About 49% of their assets are in equity investments. These include 100% ownership of Golden Gaming which own and operates a gaming slot route and a chair of 40 slot taverns throughout Nevada. They also have a 100% ownership in Golden Mardi Gras, Inc. that owns and operates three casinos in Black Hawk, Colorado.

The Sartini Family Trust does have several current projects that call for cash flows for 2008 of \$11.6 million. These are as follows:

Cash out-flows in 2008 for new projects

Acquisition of 4 Taverns	\$9.1 M
\$3 M Tavern construction	\$1.5 M
Remodel of Hotel	\$1.0 M
Total cash out-flows	\$11.6 M

I see no problem in the Sartini Family Trust being able to provide the necessary cash flows for the proposed Golden Heartland proposal.

Debt financing

Golden Heartlands has obtained two separate confident agreement letters with financial bankers that require about a 25% equity commitment. These include a letter from Merrill Lynch and a joint letter from Morgan Stanley and Wells Fargo. The actual financing arrangement would be a function of the current market conditions. The company feels that they have very flexible options ranging from debt financing or equity financing from affiliates (Golden Gaming and Golden Mardi Gras), or equity from the parent corporation.

Conclusion

The Sartini Family Trust appears to have put together a financial proposal that they and the banks are confident is capable of implemented.

Gaming Zone:	Northeast	
County:	Wyandotte	
Property Name:	Legends Sun Casino,	
Company Name:	Leg Sun, LLC	
Parent Company:	Mohegan Resorts Kansas, LLC	66.67%
Parent Company:	Red Leg Sun, LLC	33.33%

Total Cost of Proposal: \$767,121,679

Equity Contributions: \$297,500,000

Bank Credit Facility \$269,621,679

Senior Subordinated Notes \$200,000,000

Red Leg Sun, LLC is a newly formed LLC created by a group of five original stockholders of the RED Development. The five investors and their investment percentage include Dan Lowe (28.34%), Michael Ebert (28.33%), Scott Rehorn (28.33%), Jeff McMahon (7.5%), and Steven Maun (7.5%). The principals of this LLC will contribute \$100 million to Leg Sun, LLC and will guarantee the debt.

The RED Leg Sun, LLC equity portion will come from a \$100 million line of credit directly to RED Leg Sun, LLC, as borrower. The lender will be the Dallas Police and Fire Pension Fund System (“DPF”). The borrowed cash will flow From RED Leg Sun to Leg Sun. (See Appendix 1 for the corporate structure and flow of funds)

Mohegan Resorts Kansas, LLC will contribute \$200 million as their equity ownership. It is considered an equity infusion from the Mohegan Tribal Gaming Authority (MTGA). MTGA will draw the equity contribution from its existing \$1.0 billion credit facility. The cash will flow to Mohegan Gaming & Hospitality, LLC (MG&H), which will in turn invest such funds into Mohegan Resorts Kansas (MRKS) through Mohegan Resorts, LLC. MTGA must first obtain approval from its lenders to use available proceeds under its existing bank credit facility for the equity contribution into MG&H. (see Leg Sun organization chart). There are essentially four layers of corporations between Leg Sun and the original cash contribution.

The Legends Sun proposed debt financing includes a highly confident letter from Citigroup North America, Inc for the resort casino portions of the project and a highly confident letter from Key Bank for financing the retail residential portions of the project.

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Overview of RED Leg Sun, LLC

The only information provided on RED Leg Sun has been the corporate chart indicating the five investors of the corporation and their percentage ownership. Additional information suggests that the Dallas Police and Fire Pension Fund System (“DPF”) will provide a \$100 million line of credit. No additional information has been provided on the structuring of that agreement.

At this time, I am not able to make any comment on the arrangements by RED Leg Sun.

Overview of Mohegan Resorts Kansas, LLC

Mohegan Resorts Kansas is also a newly formed LLC. Its cash contribution of \$200 million is derived from a line of credit of its parent company, MTGA. The contribution travels through three subsidiaries before it reaches the Leg Sun.

The Mohegan Tribe of Indians of Connecticut established the Mohegan Tribal Gaming Authority (MTGA) in July 1995. It has the exclusive power to conduct and regulate gaming activities for the Tribe on Tribal lands and the non-exclusive authority to conduct such activities elsewhere.

A review of its financial statements for the last four years show that it is highly leveraged and that much of its expansion has been through debt with very little contribution by the MTGA. Table 1 show that until the year ending September 30, 2007, it had negative equity.

Table 1

MTGA Financials	2007	2006	2005	2004
Total Assets	2,079,977	1,914,357	1,856,868	1,579,705
Total Cltd + ltd	1,701,293	1,680,934	1,706,294	1,410,013
Total Equity	58,751	(38,855)	(104,872)	(61,039)

A review of the normal liquidity and solvency ratios confirms that this is a very highly leveraged operation. On the other hand, MTGA has always generated large amounts of cash flows. The CFO for 2007 reached \$286 million. The CFO Interest Charge has reached 4.03 times in 2007, and the CFO/Capital Expenditure means that it can easily cover current expenditures by 2 times.

Table 2

MTGA Financials	9/30/2007			
	2007	2006	2005	2004
Current Ratio	0.50	0.51	0.43	0.39
Debt/Equity	28.96	-43.26	-16.27	-23.10
Debt/Assets	0.82	0.88	0.92	0.89
CFO	\$286,089	\$250,877	\$ 247,075	\$ 214,805
CFO Interest charge	4.03	3.76	3.81	3.72
CFO/Capital Expend	2.17	2.55	5.02	6.73
Free Cash Flow	154,225	152,374	197,856	182,893

In March 2007, the Authority entered into a Second Amended and Restated Loan Agreement (the “Bank Credit Facility”) providing for up to \$1.0 billion in borrowing capacity from a syndicate of 23 financial institutions and commercial banks, with Bank of America, N.A. serving as Administrative Agent. As of June 30, 2008, the amount under letters of credit totaled \$7.7 million. Inclusive of letters of credit, which reduce borrowing availability under the Bank Credit Facility, the Authority had approximately \$787.3 million of borrowing capacity under the Bank Credit Facility as of June 30, 2008.

A note of caution is needed in terms of new capital expenditures. The MTGA appears to have adopted a more aggressive investment approach. Prior to 2007, capital expenditures were very minimal. The year 2007 saw an increase of more than 33% to \$132 million. The chart below shows an even higher level of capital expenditure in the future. These include the following:

Current Projects						
	Location of Project	2008	2009	2010	2011	2012
					\$	
	Uncasville, CT	\$207	\$270	\$357	45	\$ -
	Wilkes-Barre, PA	\$176	\$ -	\$ -	\$ -	\$ -
	Mohegan Sun, Mohegan Sun Country Club at Pautipaug	\$ 21	\$ 15	\$ -	\$ -	\$ -
		\$ 2	\$ 2	\$ 2	\$ -	\$ -
	State of Washington	\$ 1	\$ 2	\$ 2	\$ -	\$ -
	State of Wisconsin	\$ 24	\$ 19	\$ 4	\$ -	\$ -
					\$	
	Total Future cash flows	\$431	\$308	\$365	45	

For 9 months ending June 30, 2008

MTGA saw revenues decline by 2% for the nine months ending June 30, 2008 but net income for the same nine months dropped almost 50% from \$126 million to \$62 million. The last three months saw an even larger decline in earnings from \$46 million down to \$5 million.

MTGA still generated \$135 million is cash from operations but this was down more than \$88 million for the same period in 2007. Cash on hand has dropped from the September 30, 2007 level of \$106 million down to a June 30, 2008 balance of \$78 million. Part of the drop was the result of distributing over \$60 million to the Tribe.

Conclusions

Both Red Leg Sun (\$100 m) and Mohegan Resorts Kansas (\$200 m) are contributing the \$300 m in cash to Leg Sun.

For Mohegan Resorts Kansas, the parent corporation (MTGA) certainly has the ability to contribute the \$200 million given its current credit facility and it will be a true equity investment with no need to pay it back.

Red Leg Sun appears to be a corporate shell that has an agreement with the Dallas Police and Fire Pension Fund System ("DPF") to borrow the cash but at this time, there is no evidence concerning the arrangement. It does not state that this is an equity or debt arrangement. If it is a debt arrangement, where are the assets to guarantee this loan? When are the payments for this loan due?

Gaming Zone:	Northeast	
County:	Wyandotte	
Property Name:	Hard Rock Hotel & Casino, Kansas Speedway	
Company Name:	Kansas Entertainment, LLC	
Parent Company:	Kansas Speedway Development Company	50%
Parent Company:	Kansas Entertainment Investors	50%

Kansas Speedway Development Company is a wholly owned subsidiary of International Speedway Corp.

Kansas Entertainment Investors (KEI) is owned by the current group of Investors listed below:

Jonathan Cordish	86%
Joseph Weinberg	10%
Charles Jacobs	4%

1. Cost of Project:	\$705,583,302	
2. Funding of Project:		
Cash Flow From Parents	\$282,233,321	40%
Asset backed Loans: Buildings	\$563,908,311	60%

Overview of Kansas Speedway Development Company

Kansas Speedway Development Company is 100% owned by International Speedway Corporation (ISCA). International Speedway Corporation is in the recreational activities segment of the services industry. Its current market capitalization is \$1.9 billion which places it as the fourth largest company in the industry.

The company is a motorsports themed amusement enterprise. Revenues are primarily from (i) admissions to motorsports events and motorsports themed amusement activities, (ii) revenue generated in conjunction with or as a result of motorsports events, and (iii) catering, concession and merchandising services during or as a result of these events and amusement activities.

The Company owns and/or operates thirteen of the motorsports entertainment facilities, which include Daytona International Speedway in Florida, Talladega Superspeedway in Alabama, Michigan International Speedway in Michigan and Richmond International Raceway in Virginia. On February 2, 2007, the Company acquired the 62.5% interest in Raceway Associates, LLC. In June 2008, International Speedway Corporation completed the disposal of Pikes Peak International Raceway (PPIR).

Financial Earnings

Table 1: Earnings	30-Nov				
In \$m	2007	2006	2005	2004	2003
Revenues	816.56	798.37	740.13	647.85	542.98
Income before Taxes	172.96	192.45	260.95	208.51	168.01
Operating margin	0.21	0.24	0.35	0.32	0.31
EBITDA Margin	0.33	0.33	0.44	0.42	n/a
CFO	258.12	241.40	146.77	225.99	194.74

ISCA is a very stable company with annual revenue growth rates averaging around 10%. For the last two years, expenses have grown at a faster rate than revenues and therefore the operating margins also show a decline. EBITDA margins have also dropped in line with the increase in expenses. Cash flows from operations have been up and down from year to year. ISCA performance is still way above the norm for the industry. The Industry pre-tax margin is 15% and EBITDA margin is 26%.

Current results for the 6 months ending May 30, 2008

For the 6 months ending May 30, 2008, revenues continue to climb with total revenues at \$368,797,000 and income before taxes of \$105,037,000. The operating margin is currently 28%. This is up from prior year margins.

Financial Viability

Table 2: Financial Viability	30-Nov 2007	30-Nov 2006	2005	2004	2003
Current Ratio	0.75	1.04	1.08	1.78	0.72
Interest Coverage	12.07	16.58	21.56	10.60	8.25
Debt/Equity	0.33	0.32	0.35	0.43	0.10
CFO/Capex	2.69	2.19	0.59	1.67	2.69

The evaluation of the balance sheet and balance sheet ratios finds a company that has substantial financial flexibility. The current ratio is above the industry norm of .60. The company has taken a very conservative approach to leveraging with an extremely low debt/equity ratio. The cash flows are more than enough to cover current capital expenditures.

Last year the firm generated CFO of \$258 million. For the first half of the new year, the firm is at \$147,501,000. Actual cash on hand has gone from a balance at November 30, 2007 of \$53,316,000 to a balance of \$81,096,000 at May 30, 2008.

The Company currently has a \$300.0 million revolving credit facility (“2006 Credit Facility”) which contains a feature that allows the Company to increase the credit facility to a total of \$500.0 million, subject to certain conditions. The 2006 Credit Facility is scheduled to mature in June 2011, and accrues interest at LIBOR plus 30.0-80.0 basis points. At May 31, 2008 there were no outstanding borrowings under the 2006 Credit Facility.

Additional Commitments

ISCA has a 50/50 joint venture (the “DLJV”) with The Cordish Company (“Cordish”), to explore a potential mixed-use entertainment destination development to be named Daytona Live. The DLJV is hopeful to receive all necessary permitting and other approvals for the initial development during 2008. The current estimated cost for the initial development is approximately \$250.0 million. Both ISC and Cordish will contribute an equal amount of equity to the DLJV. The expected contribution should be between \$5.0 million and \$10.0 million in cash, as well as land currently owned.

And of course, they have included the potential of developing the Rock Hotel & Casino, Kansas Speedway.

Overview of Kansas Entertainment Investors

Kansas Entertainment Investors, (KEI) is a newly-formed entity, formed solely as part of Kansas Entertainment, LLC's application for the Lottery Gaming Facility Manager License. It is owned by three of the principal partners of The Cordish Company (Messrs. Jonathan Cordish, Joseph Weinberg, and Charles Jacobs), a nationally-renown developer with extensive experience in the development of leading casino developments. These developments include the Seminole Hard Rock Hotel & Casinos in Hollywood and Tampa, Florida.

The individual investors have included their tax returns and their net worth statements.

KEI will first draw upon the line of credit provided by the Cordish Family II, LLC to fund KEI's equity requirements for financing the proposed facility by Kansas Entertainment, LLC. This line of credit is \$150 million, more than enough to cover the equity contribution for this project.

The Cordish family was very willing to provide documentation for evaluating the Cordish Family II, LLC. The Cordish Family II, LLC is a family company designed to provide funds for future development projects. All the assets are capable of being sold and converted to cash. The current mix of assets has cash and equivalents equal to 42% of the total assets. If needed, the account has plenty of other very liquid assets.

In addition to providing the balance sheet, the Company income statement was provided. The Cordish Family II, LLC is generating a substantial amount of income!

Each of the partners also submitted net worth statements. As a group, their personal assets could also go a long way toward contributing toward any short falls. There are substantial liquid assets to meet additional funding needs.

Conclusion

There is no question that this joint venture proposal has the ability to put together a complete financial package. It can not only provide the equity contribution, but it also has good sources of funds for on-going operations.

Gaming Zone: Northeast
County: Wyandotte
Property Name: Pinnacle Casino Kansas City
Company Name: PKN-Kansas, LLC
Parent Company: Pinnacle Entertainment, Inc.
Ownership: 100%

Cost of Project: \$650,000,000

Funding of Project

Pinnacle Entertainment intends to fund this project from a combination of existing cash resources (\$203 million cash balance at 3/31/08), credit facility (currently set at \$625 million), ongoing cash flow generated by current and future operations, and/or additional capital raised from the financial markets.

The Wyandotte county proposal would include a 500 high-end room hotel with 200 of the rooms being premium five star rooms. It would have a 100,000 SF casino with 2300 slot machines and 85 table games.

Overview of Pinnacle Entertainment, Inc.

Pinnacle Entertainment, Inc. owns and operates six casinos in Nevada, Louisiana, Indiana, and Missouri. It also has several small casinos in Argentina and The Bahamas.

The current Reuters report¹ puts Pinnacle at a market capitalization value of \$706 million which ranks it 13 of out the 60 firms included in the Casino & Gaming Industry.

Recent Developments

The Company did a phased opening of the \$507 million Lumiere Place in downtown St. Louis, Missouri, in December 2007. During the second quarter of 2008, the Company completed major portions of the remaining phase-in. The Lumiere Place entertainment complex now features two casinos (Lumiere Place and The Admiral Riverboat Casino) the Pinnacle owned 200 guestroom Four Seasons Hotel St. Louis and the 294 suite Hotel Lumiere.

Pinnacle Entertainment, Inc. Earnings

A review of the last four years has found a huge swing in earnings from year to year. While revenues have continued to grow, expenditures are growing at a faster rate. The company is running a gross margin of 40% compared to the industry of 44%. Yet, a look at the operating income of the company does show positive earnings. It is that administrative section of the statement that is causing large problems.

A closer look at a breakdown of expenses shows that Pinnacle's earnings are being hurt by the strategy used for growth. Whereas many of the gaming companies are growing as a result of the purchasing of other companies, Pinnacle has chosen to grow by building new properties. As a result, they have large amounts of "Pre-Operating Costs" being written off on an as incurred basis. The expansion of new properties has also required additional debt that results in additional interest costs, also leading to lower earnings. Once these new properties open, additional revenues will be generated and the pre-operating costs will no longer be offsetting the earnings.

Exhibit I	2007	2006	2005	2004
Income before taxes	(1,851)	102,909	(17,350)	6,079
CFO	153,421	206,527	61,746	30,374
CFO/Income bef. Tax	(82.89)	2.01	(3.56)	5.00

Exhibit I does a comparison of income before taxes to cash flow from operations (CFO). It provides evidence that accruals of revenues and expenses can distort a view of the viability of a company. This exhibit shows that even though there are wide swings in

¹ Pinnacle Entertainment, Inc, Reuters ProVestor Plus Company Report, August 8, 2008

earnings, the company is generating a substantial amount of cash to meet additional investment needs.

Financial Viability

Liquidity

The most common measure of a firm's ability to meet its current commitments is the current ratio. It compares current assets to current liabilities. The casino and gaming industry current ratio norm is 1.6. A look at Exhibit 2 demonstrates that Pinnacle is below the norm and has been dropping over the last few years. A look at the interest coverage ratio would also suggest that Pinnacle can not meet its interest payments. But this same ratio using CFO rather than income before taxes would indicate that the firm is in fact capable of meeting its current interest payment commitments.

Exhibit 2: Liquidity Ratios

	1stQt2008	1stqt2007	2007	2006	2005	2004
Current Ratio	1.67	3.41	1.33	1.51	1.50	1.79
Interest coverage	-0.94	1.51	0.93	2.92	0.65	1.12
CFO Interest charge	1.63	3.42	5.97	3.85	1.25	0.59

Solvency Ratios

Exhibit 3 shows that Pinnacles debt/equity ratio is substantially better than the industry average and has continued to drop over the last four years. Such a low ratio provides the company with the flexibility to chose what type of financing it will use in the future. As was previously mentioned, it is generating enough cash to meet its interest costs.

But, the capital expenditure ratio and the free cash flow figures point to the need for future caution. The free cash flow number shows that for the year 2007, Pinnacle had to find additional financing (mainly new equity) of \$393 million. The company had capital expenditure in excess of \$545 million. The CFO/Capital Expenditure ratio indicates that the firm generated only enough cash to cover 28% of capital expenditures.

Exhibit 3: Solvency Ratios

	1 st Q 2008	1 st Q 2007	year 2007	2006	2005	2004
Debt/Equity	0.96	0.68	0.80	1.11	1.54	1.54
Debt/Assets	0.45	0.35	0.38	0.45	0.53	0.53
CFO Interest charge	1.63	3.42	5.97	3.85	1.25	0.59
CFO/LT Debt	0.02	0.04	0.18	0.27	0.09	0.05
CFO/Capital Expend	0.22	0.30	0.28	1.11	0.30	0.14
Free Cash Flow	-70,076	-75,658	-392,223	19,994	-141,028	-179,223

Additional Considerations

As of March 31, 2008, Pinnacle had a \$625 million revolving credit facility (the “Credit Facility”) that matures in December 2010. The company has borrowed \$150 million and had utilized letters of credit in the amount of \$22.3 million. Utilization of the Credit Facility is currently limited to \$350 million by the indenture governing the 8.75% senior subordinated notes due 2013.

As of March 31, 2008, Pinnacle had \$203 million of cash and cash equivalents and approximately \$178 million of availability under the Credit Facility. An analysis of future committed cash flows would suggest that Pinnacle could face some cash flow problems.

Take a look at current projects in process:

New Properties Under Development and/or Construction:

River City, St. Louis, MO.

The first phase of River City includes a gaming and multiuse complex, which represents an initial investment of \$375 million. The casino will feature approximately 2,300 slots and 60 table games, along with several dining options. River City’s first phase is expected to open in the first half of 2009. The second phase, which represents an additional investment of \$75 million, will include a 100-guestroom hotel, as well as other amenities.

Sugarcane Bay, Lake Charles, LA

Sugarcane Bay will feature a state-of-the-art dockside casino with approximately 1,500 slot machines and 50 table games. It includes an upscale 400 room hotel. Final investment costs have not been determined but there is a required minimum project investment of \$350 million. Site preparation for this project has started.

Rivière, Baton Rouge, LA

Rivière’s first phase, which represents an estimated investment of \$250 million, includes a modern single-deck riverboat casino with approximately 1,500 slot machines and 50 table games.

Exhibit 4 provides a year by year chart of future expenditures for currently committed projects. Given that the maximum amount of cash previously generated was \$206 million in 2006, Pinnacle will need major operational cash flows, debt or equity financing to meet anticipated commitments in 2009 and 2010.

Exhibit4 Project	Expenditures 2008	Expenditures 2009	Expenditures 2010	Expenditures Total
River City	\$127,094,442	\$191,535,248		\$318,629,689
Sugarcane Bay	\$ 16,500,000	\$137,392,576	\$184,558,753	\$338,451,328
Riviere	\$ 11,444,444	\$ 99,377,963	\$129,446,476	\$240,268,883
Total Current Commitment	\$155,038,886	\$428,305,786	\$314,005,229	\$897, 349,901

The above analysis does not even consider what Pinnacle considers to be its ultimate gaming property that they have in Atlantic City.

Potential Future Development Sites:

Atlantic City, NJ

The specific attributes of the Atlantic City project have not yet been determined, but considering the size of the market and the site, location and cost of the site, this is expected to be significantly larger than any of the existing facilities. The latest numbers could be \$2 billion.

Kansas City, KS

The estimated costs for this project is \$650 million and will have a 500 room hotel with over 2000 slot machines and 60 table games.

Central City, CO

Not Yet Determined

Other Future Cash Flows

Pinnacle is currently carrying secured and unsecured notes as well as capital lease obligations that total to \$841 million. At present, there are minimal amounts due until 2010. Pinnacle also has long term operating lease obligations. See below for those future payments.

Annual Maturities: As of December 31, 2007, annual maturities of secured and unsecured notes payable, and capital lease obligations are as follows (in millions):

Year ending December 31:

2008	\$ 0.1
2009	0.1
2010	50.1
2011 ..	0.1
2012	275.1

Thereafter	520.5
	846.0
Plus the difference between principal at maturity and unamortized net debt issuance premium	(4.7)
Long-term debt	\$841.3

Pinnacle intends to maintain its capital expenditures to stay within current existing resources as long as possible. But they conclude that in order to fully execute the current development pipeline, additional funding will be needed. The Company concludes that, if the credit markets do not improve, it may be in the shareholders' best interests to temporarily delay some of the construction projects. They will continue to closely watch the capital markets and will use financial discipline to determine the appropriate time to build. They have no significant debt maturing until the revolver matures in December 2010. The first maturity date for Pinnacle bond issues is 2012.

As of March 31, 2008, Pinnacle had \$203 million of cash and cash equivalents and approximately \$178 million of availability under the Credit Facility. Of this amount, \$88 million was used to fund casino cages, slot machines and day-to-day operating accounts as of March 31, 2008. Such amount will fluctuate depending on a particular month, and the day of the week that a month ends. Pinnacle generally produces significant positive cash flows from operations, though this is not always reflected in reported net income due to large depreciation charges and other non-cash costs.

Overview of last six months ending July 31, 2008.

Pinnacle continued to generate increased revenues for the last six months. Revenues increased by approximately 12.5%. It went from the 2007 six months of \$466 million to \$524 million for the six months ending June 30, 2008. Income from continuing operations before taxes dropped dramatically from \$6.6 million to a loss of \$75.0 million.

Much of this loss is caused by non-cash transactions. The opening of the Lumiere project added a 52% increase in depreciation expenses (to \$60 million) along with an increase of 24% in pre-opening and development costs (now \$31 million). The Company had Interest expense increase by more than 50% to \$24 million for the six months ending June 30, 2008. Pinnacle also took a \$23 million charge for impairment of investments in equity securities that were a result of their failed takeover attempt of Ameristar.

The earnings announcement did not provide the cash flow statement but did provide an adjusted EBITDA statement. For the six month period ending June 30, 2008, IBITDA dropped by more than 20% (it went from the same period in 2007 of \$89,779,000 to

\$72,519,000 in 2008). Cash and cash equivalents also dropped from \$191 million down to \$129 million.

As of June 30, 2008, Pinnacle had \$129 million of cash and cash equivalents and approximately \$200 million of availability under the Credit Facility. Of this amount, approximately \$75.0 million was used to fund casino cages, slot machines and day-to-day operating accounts as of June 30, 2008.

Cash provided by operations was \$106.3 million for the six months ended June 30, 2008 compared to \$54.6 million for the 2007 period. This increase was due primarily to the receipt of insurance settlement proceeds related to the former Casino Magic Biloxi property, offset by increases in pre-opening and development costs and working capital uses.

Conclusions

Pinnacle Entertainment, Inc. has positioned itself such that it has financial flexibility and solvency to take advantage of current investment opportunities. It has a very favorable debt/equity ratio which allows it to not only find additional financing, but it should also be able to negotiate reasonable equity and interest positions.

At this time, the Company is trying to be flexible in terms of possible debt and equity. No documentation has been provided on the decision of using debt or equity. However, at the August 13 meeting, Pinnacle indicated that Entertainment Properties Trust (EPR) was interested in working the Pinnacle proposal. They tend to portfolio and hold what they acquire. They are positioned to finance this project.

It is my opinion that Pinnacle should not have a problem putting together a construction package for the proposed project.

***Kansas Lottery
Gaming Facility Review Board
Northeast Gaming Zone
August 26, 2008***



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Introduction

The Kansas Lottery Gaming Facility Review Board engaged the partners of Probe Strategic Services to conduct an assessment of the ancillary development and amenities associated with the management proposals for the Lottery Gaming Facilities (LGF) located in the four gaming zones.

To conduct this analysis, Probe examined the characteristics of the market. Based upon the market customer characteristics, the available products in the market area, and the data produced in the gaming market assessments generated in Task 1, a list of possible amenities was developed. In the case of the Northeast Gaming Zone, we have examined the customer characteristics in 30, 60 and 100 miles radii and rings from a point located between the two proposed casinos.

Next, we examined each proposal's amenity package by considering the appropriateness of the individual amenity to the property, market, and customer characteristics. We then reviewed the entire amenity package and its alignment with the market and the operating strategy proposed by the prospective managers.

Finally, we compared consolidated versions of the applicants' pro-formas in relation to each other and their stated visitation estimates to ascertain any differences or identify possible inconsistencies in assumptions.

The proposals were examined in the overall context of their ability to fulfill the goals set out in Senate Bill 66:

- Maximize Revenues for the state of Kansas.
- Promote Tourism.
- Serve the best interests of the state of Kansas.

In our professional opinion, each of the amenity and ancillary development packages that are being proposed by the prospective managers are appropriate for their market and overall operating strategy and are sufficient to meet the needs of the visitor volume projected in Tasks 1 and 4 and by the separate market assessments presented by the applicants.

There are, however, concerns about each property, which we highlight in the following slide.

Caveats

Golden Heartland:

The Kansas local, Tom Watson designed golf course can be a draw for the high end gamblers that Gold Heartland intends to capture from their planned regional development offices. However, care must be taken in marketing and positioning in the local region given the current supply of premium courses in the area.

Legends Sun:

The Robert Trent Jones Jr. designed golf course can be a draw for the casino department to use. Similar issues exist for this course as with the Golden Heartland course.

Additionally, Probe is aware that the retail planned for the Legends Sun facility is going to be designed not to compete with the current Legends property. It is unclear what is planned for the facility and how the market would react to those tenants. We assume that the property is attempting to be a destination retail location similar to the other area facilities and the market will be larger than the western suburbs.

Pinnacle Entertainment:

Probe has certain concerns with the ability to create the synergies discussed between the family oriented Schlitterbahn property and a proposed LGF. While there are successful examples, those provided are in warm weather destination resort locations (Florida, California, the Bahamas). An examination the revenues for the Diamond Joe Dubuque property following the opening of a water park in the vicinity did not impact revenues appreciably differently than the Iowa market as a whole. Probe recognizes the ability to utilize the hotel rooms from Schlitterbahn for larger conventions can be both positive (more rooms at a potentially different price point) and negative (rooms separate from the main center in a family destination).

Kansas Entertainment:

As noted in the primary customer research provided, the Hard Rock/NASCAR brand have strong brand awareness. However, this does not necessarily translate to visits. For instance, the research results in the Kansas City DMA show that the existing property with the greatest proportion of individuals stating that they would visit is Harrah's despite its third place results in the market (size, location, and everything else also matters).

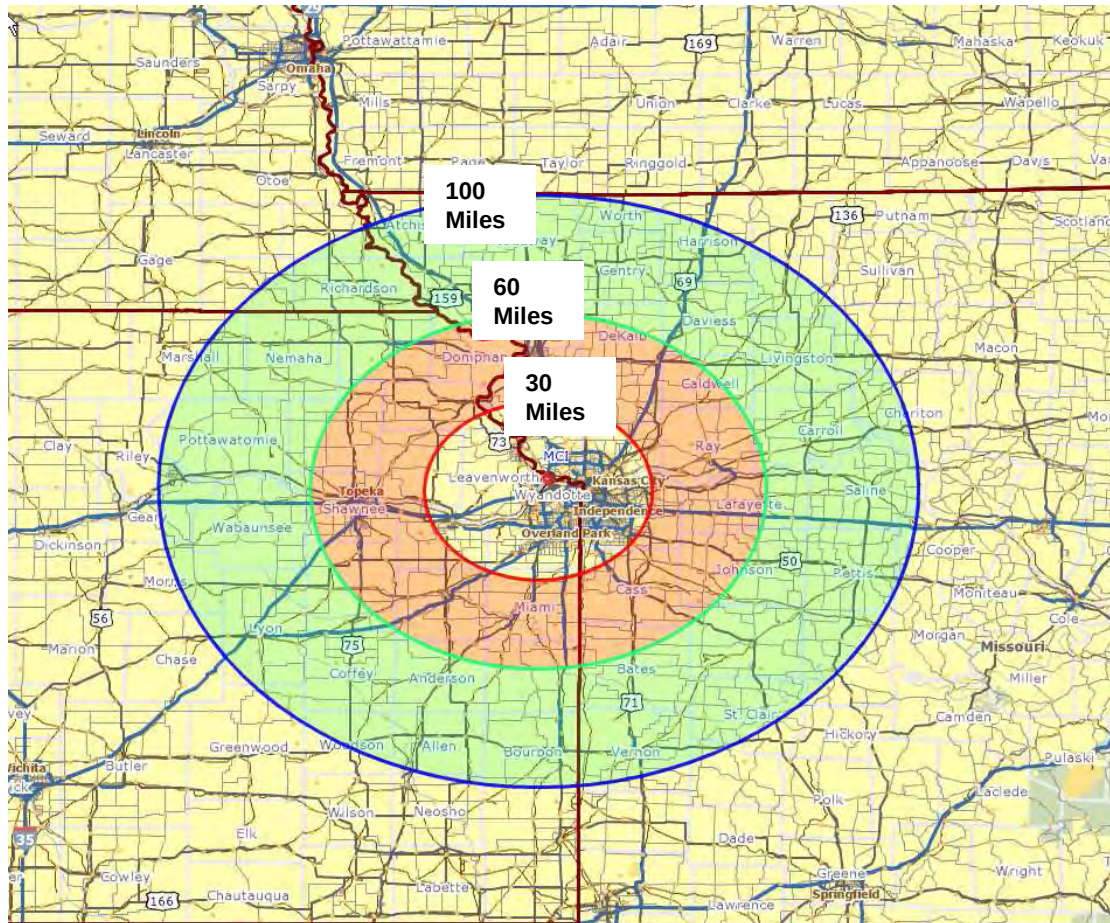
With regards to the consumer research, there appears to be methodological flaw in the questionnaire construction that a marketing researcher who is not familiar with the casino industry could have easily made. As Will Cummings has stated, Location, Location, Size and everything else matters in casino visitation. When asked about visiting the Hard Rock property, the question specifically states that it is at the Speedway. The locations for the other proposed properties were not stated. The question also measure 'Most Likely to Visit', a better method would have been to describe the location, state the brand and ask 'How likely would you be to visit?' While this does not subtract from the Hard Rock results, the instrument construction may have attenuated the relative results of the other applicants.

Brands with strong awareness can also have strong detractors as well as proponents. Finally there were certain results that point to some weaknesses in the brand: while for 60% of national respondents it would not make a difference, knowing that Hard Rock casino was at a NASCAR venue had a net negative impact on likelihood to visit: (13% more likely, 25% less likely).

There are concerns for the Entertainment/Retail district with regards to the absorption in the market, however, the heavy weighting towards F&B and entertainment as a compliment to the Casino provides some assurances that this could be absorbed. The one question is how it will compete with the Kansas City Power and Light District.

Market Assessment

Market Area



Four applications to manage a Lottery Gaming Facility were submitted and endorsed for the Northeast Gaming Zone in Ford County.

All of the properties are located in the area surrounding the Village West development area where I-70 meets I-435

We have examined demographic data within radius miles from the midpoint between the locations (hereafter referred to as 'locations'), using 30 mile, 60 mile and 100 mile radii. In the map to the left, the shaded areas depict the different distance radii from the midpoint between the sites while the circles depict the radii.

Data is presented for the 0-30, 0-60 and 0-100 mile radii as well as the 31-60, and 61-100 mile rings.

Market Assessment

Demographic Composition – Population / Age

Population by Age	Demographic Data Population Within						Demographic Data Population Within			
	0-30 Miles		0-60 Miles		0-100 Miles		31-60 Miles		61-100 Miles	
	2008	2013	2008	2013	2008	2013	2008	2013	2008	2013
Total Population	1,826,627	1,944,094	2,487,573	2,634,000	2,993,492	3,145,045	660,946	689,906	505,918	511,046
Average Age	36	36.5	36.5	37.2	36.6	37.3	38.2	39.2	37.1	38.1
Adult Population Over 21	1,296,175	1,389,250	1,771,152	1,891,739	2,137,353	2,265,690	475,352	500,872	365,172	371,939
Population 45 Years +	674,025	717,371	940,303	1,045,698	1,146,507	1,261,163	267,683	293,210	205,909	216,684
Population 45 Years + %	52%	52%	53%	55%	54%	56%	56%	59%	56%	58%

Within 30 miles of the locations, there are 1,826,627 residents with an average age of 36 years; by 2013 the population is expected to rise to 1,944,094 with an average age of 36.5 years. At this distance from the locations, there are 1,296,175 Adults over the age of 21, increasing to 1,389,250 by 2013. Fifty two percent of the Adult population is over 45 years of age and totals 674,025; the comparable numbers for 2013 are 717,371 and 52%.

Within 60 miles of the locations, there are 2,487,573 residents with an average age of 36.5 years; by 2013 the population is expected to increase to 2,634,000 with an average age of 37.2 years. At this distance from the locations, there are 1,771,152 Adults over the age of 21, increasing to 1,891,739 by 2013. Fifty-three percent of the Adult population is over 45 years of age and totals 940,303; the comparable numbers for 2013 are 1,045,698 and 55%.

Within 100 miles of the locations, there are 2,993,492 residents with an average age of 36.6 years; by 2013 the population is expected to increase to 3,145,045 with an average age of 37.3 years. At this distance from the locations, there are 2,137,353 Adults over the age of 21, increasing to 2,265,690 by 2013. Fifty-four percent of the Adult population is over 45 years of age and totals 1,146,507; the comparable numbers for 2013 are 1,261,163 and 56%.

Market Assessment

Demographic Composition - Race

Percent of Total Population by Race/Ethnicity	Demographic Data Population Within						Demographic Data Population Within			
	0-30 Miles		0-60 Miles		0-100 Miles		31-60 Miles		61-100 Miles	
	2008	2013	2008	2013	2008	2013	2008	2013	2008	2013
White	77%	76%	81%	80%	83%	82%	90%	90%	92%	92%
Black	14%	14%	11%	11%	10%	10%	4%	5%	2%	3%
American Indian	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Asian or Pacific Islander	3%	4%	2%	3%	2%	3%	1%	1%	1%	2%
Some Other Race	3%	4%	3%	3%	3%	3%	2%	2%	2%	2%
Two or More Races	2%	3%	2%	2%	2%	2%	2%	2%	2%	2%
Hispanic Origin	7%	8%	6%	7%	6%	7%	4%	5%	4%	5%

Within 30 miles of the locations, the percentage of the White residents is expected to decrease slightly from 77% in 2008 to 76% in 2013; Black residents (14%) and American Indian (1%) populations are expected to remain in the same proportions in 2013 as in 2008, while Asian or Pacific Islander (3%) residents will increase slightly (4%). Within 30 miles of the locations, 7% of the population is of Hispanic Origin and is expected to increase slightly to 8% by 2013.

Within 60 miles of the locations, the percentages of the White residents is expected to decrease slightly from 81% in 2008 to 80% in 2013; Black residents (11%) and American Indian residents (1%) are expected to remain in the same proportions in 2013 as in 2008, while Asian or Pacific Islander populations will increase slightly from 2% to 3%. Within 60 miles of the locations, 6% of the population is of Hispanic Origin and is expected to increase to 7% by 2013.

Within 100 miles of the locations, the percentages of the White residents is expected to decrease from 83% in 2008 to 82% in 2013; Black residents (10%) and American Indian (1%) populations are expected to remain in the same proportions in 2013 as in 2008. Within 100 miles of the locations, 6% of the population is of Hispanic Origin and is expected to increase to 7% by 2013 while Asian or Pacific Islander is expected to increase from 2% to 3%.

Market Assessment

Demographic Composition – Educational Attainment

Percent of + 25 Age Population by Educational Attainment	Demographic Data Population Within				
	0-30 Miles	0-60 Miles	0-100 Miles	31-60 Miles	61-100 Miles
	2008	2008	2008	2008	2008
No High School Diploma	10%	11%	11%	12%	15%
High School Graduate	27%	30%	31%	39%	38%
Some College	30%	29%	29%	28%	26%
Bachelor Degree	34%	30%	29%	22%	21%

Within 30 miles of the locations, 10% of the population does not have a High School Diploma; 27% are High School graduates; 30% have some college, and 34% have a Bachelor Degree.

Within 60 miles of the locations, 11% of the population does not have a High School Diploma; 30% are High School graduates; 29% have some college, and 30% have a Bachelor Degree.

Within 100 miles of the locations, 11% of the population does not have a High School Diploma; 31% are High School graduates; 29% have some college, and 29% have a Bachelor Degree.

Market Assessment

Demographic Composition – Financial

Per Capita	2008 Demographic Data Population Within				
	0-30 Miles	0-60 Miles	0-100 Miles	31-60 Miles	61-100 Miles
	2008	2008	2008	2008	2008
Median Disposable Income	\$ 19,684	\$ 18,728	\$ 17,548	\$ 16,555	\$ 13,443
Indexed to US	1.18	1.12	1.05	0.99	0.80
Mean Disposable Income	\$ 24,896	\$ 23,651	\$ 22,506	\$ 20,162	\$ 16,838
Indexed to US	1.11	1.05	1.00	0.90	0.75
Median Net Worth	\$ 53,536	\$ 49,933	\$ 43,819	\$ 42,461	\$ 22,032
Indexed to US	1.31	1.22	1.07	1.04	0.54
Mean Net Worth	\$ 217,604	\$ 203,950	\$ 190,883	\$ 165,722	\$ 125,925
Indexed to US	1.11	1.04	0.97	0.84	0.64

Within 30 miles of the locations, half the population (median) earns \$19,684 or more in disposable (after tax) income; within 60 miles, \$18,728 or more; within 100 miles, \$17,548 or more. The average (mean) disposable income within 30 miles of the locations is \$24,896; within 60 miles \$23,651; within 100 miles, \$22,506.

Within 30 miles of the locations, half the population (median) possesses a net worth of \$53,536 or more; within 60 miles, \$49,933 or more; within 100 miles, \$43,819 or more. The average (mean) net worth within 30 miles of the locations is \$217,604; within 60 miles \$203,950; within 100 miles, \$190,883.

We can compare the mean disposable incomes and net worth at various distances from the locations to the U.S. Index. At 30 miles radius, the median income is indexed 18% higher than the US average while the mean is 11% higher. The median net worth is 31% higher than the US average, and the mean net worth is 11% higher. The levels of these data decrease at greater distances from the locations, but remain above the US level, with the exception of the average net worth within 100 miles of the locations (97% of the US average).

Market Assessment

Data Note on Index Construction and Sources

The following slides detail the resident population's **Market Potential Index** (MPI). This measures the relative likelihood of the adults in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. average. An MPI of 100 represents the U.S. average.

These data are based upon national propensities to use various products and services, applied to local demographic composition. Thus, consumer behaviors in an area are inferred from the known behavior of persons with similar characteristics obtained from a representative national survey.

Usage data were collected by Mediamark Research Inc. in a nationally representative survey of U.S. households.

Market Assessment

Entertainment and Leisure Activities

Based Upon Propensity of US Population
with Demographics similar to Market Area

Indexed to US Levels	2008 Demographic Data Population Within				
	0-30 Miles	0-60 Miles	0-100 Miles	31-60 Miles	61-100 Miles
	2008	2008	2008	2008	2008
Gambled at casino in last 12 months	102	99	97	93	87
Gambled at casino 6+ times in last 12 months	108	106	104	99	96
Gambled in Atlantic City in last 12 months	87	79	77	57	69
Gambled in Las Vegas in last 12 months	102	94	89	73	66
Bought lottery ticket in last 12 months	101	101	99	100	92
Bought lottery ticket in last 12 mo: Daily Drawing	96	94	91	87	78
Bought lottery ticket in last 12 mo: Instant Game	103	106	106	114	109
Bought lottery ticket in last 12 mo: Lotto Drawing	101	101	99	100	89
Played lottery: <2 times in last 30 days	101	99	96	94	82
Played lottery: 2-6 times in last 30 days	101	101	100	102	93
Played lottery: 7+ times in last 30 days	100	101	102	106	106

This table presents, in part, the casino gambling and bingo playing indices that compare the market area of the study to the propensities of the national population. Generally, the propensity of this population is more likely to have gambled at a casino last year and more likely to have gambled frequently at a casino, and at closer distances even more likely to be frequent casino gamblers. The propensity to visit a casino multiple times decreases with distance from the locations.

Similarly, the propensity to purchase lottery tickets is at or slightly below the national level. Frequent play is slightly above the national level. Instant ticket purchases are slightly above the national levels.

Market Assessment

Entertainment and Leisure Activities

Based Upon Propensity of US Population with Demographics similar to Market Area

Indexed to US Levels	2008 Demographic Data Population Within					
	0-30 Miles	0-60 Miles	0-100 Miles		31-60 Miles	61-100 Miles
	2008	2008	2008		2008	2008
Went to bar/night club in last 12 months	112	109	109		101	108
Danced/went dancing in last 12 months	104	100	100		90	100
Dined out in last 12 months	105	104	102		101	93
Dine out < once a month	101	102	103		103	109
Dine out once a month	106	105	103		103	94
Dine out 2-3 times a month	103	102	102		100	100
Dine out once a week	107	105	102		101	85
Dine out 2+ times per week	106	103	100		95	86

The population demographics are more likely to dine out compared to the US average; residents within 30 miles of the locations are more likely to dine out at least once a week.

The propensity to attend a bar/night club in the last year and to go dancing is higher than the US average, with the propensity to visit a bar decreasing with distance from the locations.

Market Assessment

Entertainment and Leisure Activities

Based Upon Propensity of US Population
with Demographics similar to Market Area

Indexed to US Levels	2008 Demographic Data Population Within				
	0-30 Miles	0-60 Miles	0-100 Miles	31-60 Miles	61-100 Miles
	2008	2008	2008	2008	2008
Attended movies in last 6 months	106	103	100	95	86
Attended movies in last 90 days: < once a month	106	105	102	101	90
Attended movies in last 90 days: once a month	108	104	100	91	82
Attended movies in last 90 days: 2-3 times a month	110	101	96	74	73
Attended movies in last 90 days: once/week or more	103	97	97	80	97
Attended country music performance in last 12 months	104	109	111	122	124
Attended rock music performance in last 12 months	115	108	104	88	84
Visited a theme park in last 12 months	107	103	98	92	76

The area demographics forecasts a population likely to attend movies and rock/country music shows.

Residents within 60 miles of the locations are more likely to attend movies when compared with the national average.

The propensity to attend a country music performance increases with distance from the locations. However, the propensity to attend a rock music performance decreases with distance from the locations, as does the propensity to visit theme parks.

Market Assessment

Entertainment and Leisure Activities

Based Upon Propensity of US Population
with Demographics similar to Market Area

Indexed to US Levels	2008 Demographic Data Population Within				
	0-30 Miles	0-60 Miles	0-100 Miles	31-60 Miles	61-100 Miles
	2008	2008	2008	2008	2008
Participated in aerobics	112	106	99	90	68
Participated in backpacking/hiking	109	105	103	94	93
Participated in bowling	115	113	112	109	105
Participated in golf	114	110	105	99	84
Play golf < once a month	116	110	105	94	80
Play golf 1+ times a month	108	107	105	103	95
Attend sports event: golf tournament	117	109	106	89	89
Participated in walking for exercise	106	104	102	101	91
Participated in jogging/running	113	106	103	88	87
Participated in yoga	107	100	97	81	80
Participated in horseback riding	95	100	103	114	118
Participated in hunting with rifle	88	98	115	126	194
Participated in hunting with shotgun	93	102	108	125	141
Participated in target shooting	94	100	105	118	127
Participated in motorcycling	102	106	108	115	117
Participated in fishing (fresh water)	100	106	113	124	143

The demographics suggest a population in this area is likely to participate in individual physical activities such as aerobics, yoga, bowling, or golf. Certain outdoor activities such as hunting, target shooting, motorcycling, horseback riding and fishing increase in popularity with distance from the locations.

Market Assessment

Entertainment and Leisure Activities

Based Upon Propensity of US Population with Demographics similar to Market Area

Indexed to US Levels	2008 Demographic Data Population Within					
	0-30 Miles	0-60 Miles	0-100 Miles		31-60 Miles	61-100 Miles
	2008	2008	2008		2008	2008
Attend sports event: auto racing (NASCAR)	107	108	108		108	109
Attend sports event: auto racing (not NASCAR)	108	108	109		107	114
Attended auto show in last 12 months	106	107	104		107	92
Attend sports event: baseball game	112	107	102		94	80
Attend sports event: basketball game (college)	116	110	109		94	102
Attend sports event: basketball game (pro)	114	105	99		80	68
Attend sports event: football game (college)	120	114	112		97	101
Attend sports event: football-weekend game (pro)	115	108	103		90	80

The demographics suggest a population in this area is likely to attend auto races and auto shows. Attendance at baseball and football games decreases with distance from the locations.

Market Assessment

Market Area Offerings - Golf

Regional Golf Demand Index

NGF Golf Demand Report	30 Miles	60 Miles	100 Miles
Index: Golfing Households	115	115	115
Index: Rounds Played by Residents	99	99	98
Index: Rounds Played Locally (less than 50 mi)	103	103	101
Index: Rounds Played Regionally (50-200 mi)	105	102	99
Index: Rounds Played on Vacation (more than 200 mi)	58	68	80
Index: Rounds Played at Seasonal Home	76	84	92
Index: Golfing Fees	99	97	94

Regional Golf Supply

NGF Golf Demand Report	30 Miles	60 Miles	100 Miles
Total	75	121	181
Public	48	78	116
Private	27	43	65
Resort	2	3	3
Premium facilities (>\$70)	3	3	4
Standard facilities (\$40-\$70)	26	29	32
Value facilities (<\$40)	19	46	80

Regional Golf Supply Index

NGF Golf Demand Report	30 Miles	60 Miles	100 Miles
HH Supply Index: Total	121	110	99
HH Supply Index: Public	131	120	107
HH Supply Index: Private	103	92	85
HH Supply Index: Premium (>\$70)	260	358	304
HH Supply Index: Standard (\$40-\$70)	82	102	115
HH Supply Index: Value (<\$40)	189	113	86

Indices are based on a comparison to the US average of 100

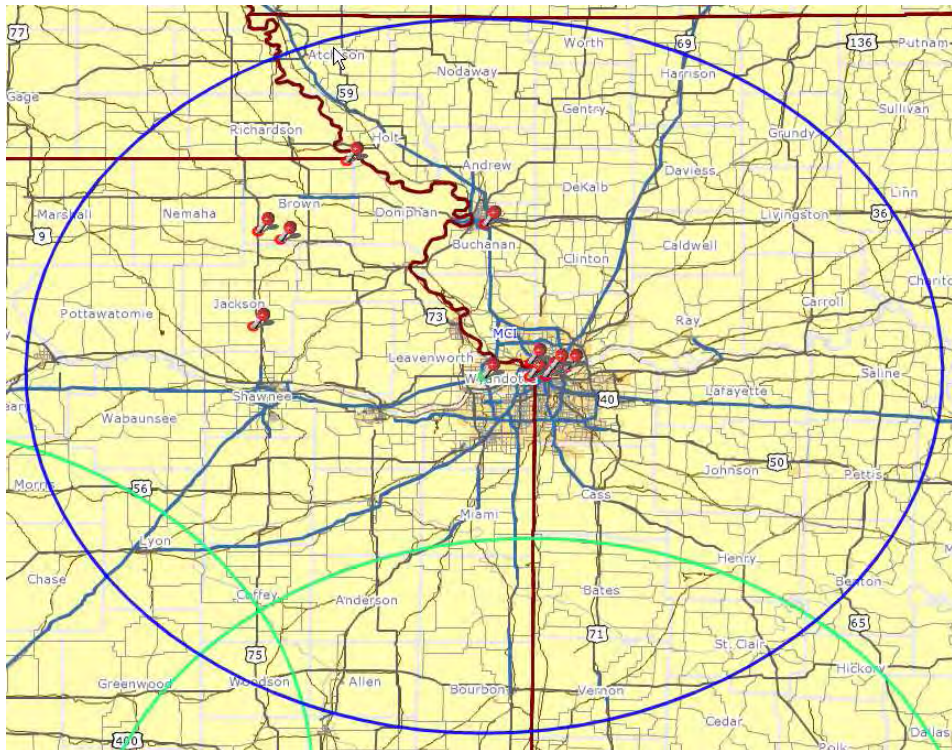
Despite pronouncements that Baby Boomers everywhere would be flocking to golf courses and a nascent interest in the sport thanks to stars like Tiger Woods, golf courses remain a difficult business. We examined data from the National Golf Foundation for 30, 60 and 90 mile areas from Kansas City to determine the local demand for Golf in relation to supply.

Based upon the demographic composition of the area, the Index of golfing households in the 30 mile area is 115, above the national average; however, rounds played by local residents is below the national level at 99. This is partially a function of the Northern Latitude location of the area, limiting the season. Residents within 30 miles are more likely to play regionally (105) compared to locally (103), but much less likely to play on vacation (58).

There are a total of 75 courses within 30 miles of Kansas City, 48 Public, 27 Private, and 2 Resort courses. The local area is over supplied (121) compared to the national benchmark, and significantly oversupplied with regards to Public courses (131) and Premium courses (260). There is an undersupply of Standard courses (82).

Market Assessment

Regional Casino Competition



There are nine operating casino properties within the 100 mile radius for the Lottery Gaming Facility in the Northeast Zone (shown in blue). There are four riverboat facilities in Kansas City, MO. There are four Indian gaming facilities Northeast of the Zone approximately 60 to 80 miles away from the proposed locations, and another riverboat facility in Missouri approximately 60 miles away. The Wyandotte tribal facility at 7th street in Kansas City will create minimal competition for convenience gamblers when operating.

There is some overlap in the 100 mile trade area between the Northeast zone and the South Central and Southeast zones (shown in green). However, the overlap is minimal with regards to the South Central Zone, and the proposed size of the facility in the Southeast Zone will limit its ability to compete in the overlap area with the Northeast property.

The major gaming competition will come from the four established riverboats in Kansas City, Missouri. The dining and hotel amenities at Harrah's, Argosy, and Ameristar will be competitive within the local market; they are not necessarily substandard because they are located on a boat. However, as the newest product in the market, and co-located with the surrounding facilities, the LGF will have the strongest 'gravitational pull' among the properties in the region.

Market Assessment

Market Area Offerings – Hotel and Convention

Hotel Supply

Total Hotels in MSA	108
Total Rooms in MSA	8,118
Upper Level Hotels in MSA	19
Upper Level Rooms in MSA	2,449
Hotels within 5 miles of Village West	16
Upper Level Rooms in MSA	1,629

There are 108 hotels in the Kansas City MSA with 8,118 rooms.

Of those, 19 are up-market hotels with 2,449 rooms.

Within five miles of Village West, there are 16 hotels with 1,629 rooms.

Utilizing Smith Travel Research data and Probe projections, we believe that the Average Daily Rate (ADR) in 2013 for an upper level room in the Kansas City Market area will be \$139.63 and the occupancy rate will be 70%.

Hotels with Convention Supply

Hotels with Convention (any)	41
Total Hotel Convention Space (sq ft)	706,631
Hotels with 10,000 sq ft or greater	8
Hotels with 30,000 sq ft or more	2

Of the 108 hotels in the market, 41 have some convention or meeting space, totaling 706,631 sq ft. of space. Eight properties have 10,000 sq ft or more and two have 30,000 sq ft or more. There is an additional 388,800 sq ft of contiguous exhibit space at the The Kansas City Convention Facilities, which also contains additional space of 55,000 sq ft, 45 meeting rooms, a 46,000 sq ft, ballroom, and a 2,400-seat theater. There is also a variety of non-traditional spaces located outside hotels throughout the MSA.

Product Assessment

Potential Products

2013 Task 4 Estimates

Revenue Inflated at 2.5% per annum

Revenue	Speedway/Cordish	Golden Heartland	Pinnacle	Legends Sun	Consultant Average
Wells	\$ 215,777,363	\$ 169,641,267	\$ 183,807,894	\$ 155,464,133	\$ 181,172,664
Cummings	\$ 246,056,375	\$ 234,499,500	\$ 216,743,938	\$ 192,054,250	\$ 222,338,516
Property Average	\$ 230,916,869	\$ 202,070,383	\$ 200,275,916	\$ 173,759,192	\$ 201,755,590

Visits	Speedway/Cordish	Golden Heartland	Pinnacle	Legends Sun	Consultant Average
Wells	3,147,783	2,482,351	2,688,793	2,265,806	2,646,183
Cummings	2,780,915	2,548,578	2,346,302	2,092,216	2,442,003
Property Average	2,964,349	2,515,465	2,517,548	2,179,011	2,544,093

Probe has been asked to examine the potential amenities assuming the consultant gaming revenue estimates. Operating under this instruction, we assumed a property with 2,500-3,000 slot machines and 20 table games. Probe notes that the ability to drive tourism will require incorporating a 'wow' factor into the property.

The Task 4 estimates of visitation for this facility are located in the accompanying table. Given these estimates from Task 4, the average daily attendance across the two facilities would be 6,970. In a local environment such as this, approximately 55% to 60% of the visits to the property would occur over weekends and holidays. Visitation will peak on Saturday at about 1.6 times the daily average, or an expected 11,152 patrons on a typical Saturday. Facilities should be planned to meet this typical pattern, with excess capacity for peak days and times.

The number, level, and type of amenities proposed by any prospective manager will be dependent on company strengths, their interpretation of the market, and their operating strategy.

Product Assessment

Potential Products

F&B:

Buffet: (400-500 Seats). Utilizing a live action exciting food product.

Café: (150-250 Seats) Upscale café product.

Specialty Restaurant: (75-100 seats) Steakhouse or other specialty restaurant

Food Court/Quick Serve: (75-125 Seats) Appeal to the budget/convenience gambler looking for an inexpensive and fast alternative.

Three-five main bars including a center or main bar attraction, a bar with the ability for live entertainment, a lounge, a sports bar, and a nightclub concepts.

Hotel:

Rooms: 300 - 400 upscale rooms.

Pools: Indoor and outdoor to meet seasonal needs.

Spa and exercise facilities.

Retail, 2,500 – 5,000 sq feet including Sundries, Gift Shop and specialty store.

Convention space: Would be sized in relation to hotel in the first phase, and contain at least 30,000 to 40,000 sq ft of usable space.

Entertainment facility: Showroom for 1,000 to 1,500.

Additional Features:

Golf course.

Outdoor recreation facilities.

Truck, and Bus Parking – Traffic intercept from and marketed bus trips to outer regional markets.

RV parking with full hook-ups.

Proposal Assessment

The following pages contain Probe's assessment of each of the prospective managers' amenities.

For each proposal, we present an overview of the amenities offered, and then offer comments by area.

In addition to a description of the amenities, the consolidated pro forma for the third year of each operation are displayed where available. We present 2013 as this will be the time when most properties would achieve stable operations. In relation to the prospective managers' estimates of gaming revenue, the proposals contain reasonable, albeit optimistic at times, estimates of performance.

The revenue projections for the ancillary products are relative to the amount of visitation each property would achieve. Should the properties achieve the visitation projected as an average of Task 4, ancillary revenue would decline or rise in a proportionate manner.

It is worth highlighting for the board a potential difference that can emerge among the pro formas based upon the pricing of hotel rooms and the corporate strategy for accounting for revenue.

Utilizing Smith Travel Research data for the Kansas City market, we believe that a 350 room casino property with the amenities described could achieve an ADR of \$154 in the third year of operations, or 2013. It is expected that the property will be the nicest of any available in the area and will be able to capture a significant amount of business travel to the area.

Casinos will offer complimentary and discounted rooms to its casino segment of customers. Internally, the hotel department will charge the casino department a transfer price for the complimentary goods and services provided in the hotel for casino customers. Depending on the corporate strategy, the hotel may charge the casino a rate that yields up or down with the market, or a standard below market rate to the casino.

How this internal transfer price is set can affect the overall average daily rate as reported or projected. If the corporate strategy is to report revenue in the hotel, a higher market drive transfer price would be used. If the strategy is to show greater income in the casino department, there would be a larger differential between the transfer price and the market price. Consequently, differences in average daily rates contained in the different proposals may not reflect actual prices paid in the market.

Proposal Assessment

Golden Heartland, Inc.

Ancillary Products Summary

Golden Heartland, Inc has proposed a property operating as Golden Heartland Casino. The property will be located at 300 North 110th Street in Edwardsville. The casino will be 131,804 sq ft with 2,500 slot machines and 98 table games. The following is an overview of the amenities and ancillary developments that will be available.

There will be five dining outlets on property and three bars.

Located on the property will be a 300 room hotel including 240 standard rooms at ~ 429 sq ft and sixty luxury suites at ~627 and 948 sq ft. The hotel will include a 6,482 sq ft spa and a 40,167 sq ft outdoor pool area.

There is 25,000 sq ft of convention space that can be divided into six break-out rooms. There will be a separate 1,000 seat showroom with bars on two levels.

Golden Heartland proposes 1,100 sq ft of retail space and a Kids Quest on property.

There will be a Tom Watson designed championship golf course on property.

Proposal Assessment

Golden Heartland - Hotel

Hotel Rate and Occupancy Data	
Number of Rooms	300
Occupancy Rate	88.0%
2014 Average Daily Rate (ADR)	\$ 166.00
Leisure Percent of Occupied	61%
Business Percent of Occupied	39%
Percentage residents (Wyandotte)	6%
Percentage Tourists (>Wyandotte)	94%
2014 Consolidated Pro Forma	
Room Sales	\$ 11,548
Complimentary Rooms	2,887
Other Revenue	737
TOTAL REVENUE	15,172
TOTAL HOTEL EXPENSES	6,940
TOTAL HOTEL INCOME	\$ 8,232
Hotel Revenue Ratios	
Comp sales as percent of Revenue	19%
Expenses as percent of Revenue	46%
Income as Percent of Revenue	54%

The Golden Heartland hotel property is appropriate for the market and for the plan as proposed.

Golden Heartland projects that 61% of the rooms sold will be Leisure occupied and overall 19% of the revenue will be comp.

Golden Heartland did not estimate the percentage of rooms sold to those outside and inside a 100 mile radius but rather estimated by the percentage sold to residents of Wyandotte County (6%) and from outside the county (94%).

The ADR of \$166 projected for year three of operation is above the Probe projected market price of \$154 for a casino property in the Northeast Zone.

Proposal Assessment

Golden Heartland - Food

Outlet	Seating Capacity	Mean Spend/Cover	Theme/Description
Restaurant #1	350	\$ 16.07	Buffet
Restaurant #2	220	\$ 13.38	Café
Restaurant #3	125	\$ 63.11	Fine dining (Steakhouse)
Restaurant #4	100	\$ 21.37	TBD - specialty restaurant
Restaurant #5	275	TBD	Golf course view restaurant (similar to Tommy Bahamas')
Total	1,070	\$ 19.37	Average weighted by expected covers/day

The Golden Heartland food outlets are appropriate to the market, and would complement its master brand.

The average price point of \$19.37 is appropriate to the market. Given the estimate of the number of annual covers (with Probe estimates of the golf course view outlet), it expects to serve 39% of gaming visitors to the property (assuming one meal per visitor).

Comp sales are estimated at 55% of total food revenue and the department is projected to post a small loss.

2013 Consolidated Pro Forma	
Food Sales	\$ 7,155
Complimentary Food Sales	13,593
Banquet Food Sales	2,647
Employee Meals	1,545
TOTAL REVENUE	24,941
Cost of Sales	11,698
GROSS MARGIN	13,243
TOTAL FOOD EXPENSES	13,274
TOTAL FOOD INCOME	\$ (31)
Food Revenue Ratios	
Comp sales as percent of Revenue	55%
Cost of Sales as percent of Revenue	47%
Expenses as percent of Revenue	53%
Income as Percent of Revenue	0%

Proposal Assessment

Golden Heartland - Beverage

Outlet	Seating Capacity	Theme/Description
Bar #1	50	Center Bar
Bar #2	20	Sports Bar
Bar #3	81	Lobby Bar - seats 53 inside and 28 on the patio

The Golden Heartland beverage outlets are appropriate to the market.

Comp sales are estimated at 3% of total beverage revenue. This would be consistent with the inability to comp alcohol.

2013 Consolidated Pro Forma	
Beverage Sales	\$ 7,415
Complimentary Beverage Sales	247
Banquet Beverage Sales	294
TOTAL REVENUE	7,956
Cost of Sales	2,387
GROSS MARGIN	5,569
TOTAL Beverage EXPENSES	2,711
TOTAL Beverage INCOME	\$ 2,858
Beverage Revenue Ratios	
Comp sales as percent of Revenue	3%
Cost of Sales as percent of Revenue	30%
Expenses as percent of Revenue	34%
Income as Percent of Revenue	36%

Proposal Assessment

Golden Heartland – Convention/Entertainment

Golden Heartland has proposed a 25,000 square foot meeting and banquet space. The space can be configured for six different room sizes in addition to the full space. Convention department estimates were not made, however, \$2.6 Million in banquet sales were included in the food sales estimates.

The proposal also includes a 1,000 seat showroom that Golden Heartland expects to 'four-wall', indicating that they will operate it as a leased facility. The 2013 projection for revenue generated by the showroom to Golden Heartland is \$636,540.

Proposal Assessment

Golden Heartland - Golf

Golden Heartland has proposed a Tom Watson designed Championship Golf Course. The course will be used as an incentive for the casino and provide a semi-private experience for local guests.

Revenue estimates from the spreadsheets submitted indicate that that Golden Projects a 9% income level as a percent of revenue. However, the revenue projections provided in the presentation were approximately 20% less.

Noted previously there are three premium facilities within 30 miles of Village West and there is an oversupply of golf in the area with fees of over \$70, and an undersupply of standard facilities from \$40-\$70 dollars. Golden projected a \$70 price point – maintaining the price near or below that level will provide the ability to reach the underserved portion of the market.

2013 Consolidated Pro Forma	
Golf Sales*	\$ 3,097
Complimentary Golf Sales	-
TOTAL REVENUE	3,097
Cost of Sales	434
GROSS MARGIN	2,663
TOTAL Golf EXPENSES	2,370
TOTAL Golf INCOME	\$ 293
Golf Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	14%
Expenses as percent of Revenue	77%
Income as Percent of Revenue	9%

* from spreadsheets, presentation estimate: \$2,470,903

Proposal Assessment

Golden Heartland - Additional

Golden Heartland will have a 6,482 square foot spa in the hotel, an amenity becoming standard across the industry which can be used for packages, and adds to the stature of the facility, but will not drive significant additional tourism as an operating entity.

Golden will operate a 1,100 sq ft retail space.

The property will have an outdoor pool with cabana; it will have a Kids Quest (a feature found in casinos in Las Vegas) as well as an arcade.

There facility will have 1,229 surface parking spaces and 2,020 covered spaces, the most of any applicant in the zone. Probe believes that having both options available provides the greatest access and options for guests given the variety of weather the area receives.

2013 Consolidated Pro Forma	
Spa	\$ 1,381
Showroom (4 wall)	637
Gift Shop	135
TOTAL REVENUE	2,153
Cost of Sales	67
GROSS MARGIN	2,085
TOTAL Other EXPENSES	3,372
TOTAL Other INCOME	\$ (1,287)
Other Revenue Ratios	
Comp sales as percent of Revenue	6%
Cost of Sales as percent of Revenue	3%
Expenses as percent of Revenue	157%
Income as Percent of Revenue	-60%
Other Non-Operating Income	
Kids Quest (outside vendor)	\$ 76
Arcade	673
ATM/Credit cash advance	937
Total	\$ 1,687

Proposal Assessment

Kansas Entertainment

Ancillary Products Summary

Kansas Entertainment has proposed a property operating as Hard Rock Hotel and Casino at the Kansas Speedway. The property will be located adjacent to the Kansas Speedway track at 821 Speedway Boulevard. The casino will be 125,000 sq ft with 3,000 slot machines and 140 table games. The following is an overview of the amenities and ancillary developments that will be available.

There will be four dining outlets on property – with three additional bars and a nightclub on property. In addition to the outlets located in the property, there are designs for the Entertainment/Retail District to have a potential of six additional restaurants and eight additional bar/entertainment outlets.

Located on the property will be a 300 room hotel including 250 standard rooms and 450 sq ft and fifty luxury suites at 800 sq ft. The hotel will include a 18,000 sq ft spa, a 26,000 sq ft indoor pool area in addition to an 13,000 sq ft outdoor pool area.

There is 40,000 sq ft of convention space, including a grand and junior ballroom and five additional meeting rooms that can be divided into 4 different sized break-out rooms and converted into a 1,000 seat entertainment venue. In addition to this space, the feature bar will have entertainment seating for 50.

There will be a music/entertainment venue with stadium seating for 2,000 on the property and the center casino bar will be host to live music as well. There is an additional 100,000 sq ft of common space in the Entertainment/Retail district that can also be utilized.

The proposal includes 5,000 sq ft of retail space on the property and designs for an additional 89,000 sq ft in the Entertainment/Retail district.

Proposal Assessment

Kansas Entertainment - Hotel

Hotel Rate and Occupancy Data	
Number of Rooms	300
Occupancy Rate	82.3%
2013 Average Daily Rate (ADR)	\$ 175.16
Leisure Percent of Occupied	66%
Business Percent of Occupied	34%
Percentage residents (<100 miles)	23%
Percentage Tourists (>100 miles)	77%
2013 Consolidated Pro Forma	
Room Sales	\$ 4,906
Complimentary Rooms	11,448
TOTAL REVENUE	16,355
TOTAL HOTEL EXPENSES	7,591
TOTAL HOTEL INCOME	\$ 8,764
Hotel Revenue Ratios	
Comp sales as percent of Revenue	70%
Expenses as percent of Revenue	46%
Income as Percent of Revenue	54%

The Hard Rock Hotel property is appropriate for the market and for the plan as proposed by Kansas Entertainment.

The ADR of \$175.16 is greater than the \$154 ADR projected by Probe for a casino hotel in the area. The Hard Rock brand may provide the ability to charge a higher ADR and proximity to the Speedway will provide the ability to increase rates as well.

However, the percentage of rooms projected to be comped is the highest among the applicants in this zone. We note that the projected ADR, given the high percentage of comped rooms, implies that the intention is to charge the market rate for rooms to the casino.

Proposal Assessment

Kansas Entertainment - Food

Outlet	Seating Capacity	Mean Spend/Cover	Theme/Description
Steak Restaurant	165	\$40.00	Gourmet Steakhouse
Buffet/Market Food Court	467	\$12.50	High-volume buffet/food court
All Day Café	275	\$10.00	Casual dining eatery
Italian Restaurant	195	\$40.00	Gourmet Italian
Total	1,102	\$ 15.65	Average weighted by expected covers/day

Entertainment/Retail District: Floor Plans for an additional 855 seats in six outlets

The Kansas Entertainment food outlets are appropriate to the market, and would complement their master brand. Some excess casino patron dining demand will be met by the Entertainment/Retail District, however, the combined on-property and Entertainment/Retail District outlets provide excess capacity for gaming and non-gaming visits. The Entertainment/Retail district will need to generate its own visitation to absorb that capacity.

The average price point of \$15.65 is appropriate to the market. Given the estimate of the number of annual covers, it expects to serve 28% of all gaming visitors to the property (assuming one meal per visitor). This does not include meals that would be consumed in the Entertainment/Retail district.

Comp sales are estimated at 67% of total food revenue. Overall, the department is projected to produce an income as a percentage of revenue of 4%, consistent with the industry.

2013 Consolidated Pro Forma	
Food Sales	\$ 7,007
Complimentary Food Sales	14,226
TOTAL REVENUE	21,232
Cost of Sales	9,342
GROSS MARGIN	11,890
TOTAL FOOD EXPENSES	10,991
TOTAL FOOD INCOME	\$ 899
Food Revenue Ratios	
Comp sales as percent of Revenue	67%
Cost of Sales as percent of Revenue	44%
Expenses as percent of Revenue	52%
Income as Percent of Revenue	4%

Proposal Assessment

Kansas Entertainment - Beverage

Outlet	Seating Capacity	Theme/Description
Sports Bar	400	NASCAR Sports Grille
Night Club	850	Upscale, hip club [Note: occupancy not seats]
Casino Center Bar	100	High-energy bar in center of casino with live entertainment acts.
Pool Bar & Grille	120	Casual drink and food in pool-side setting.

Entertainment/Retail District: Floor Plans for an additional 3,080 seats in eight outlets

The Kansas Entertainment beverage outlets are appropriate to the market, and would complement its master brand. Taken together, the on-property and Entertainment/Retail District outlets provides excess capacity for gaming customer visits. The Entertainment/Retail district will need to generate its own visitation to absorb that capacity.

Comp sales are estimated at 67% of total beverage revenue. This may not reflect the inability to comp alcohol at the LGF. Overall, the department is projected to produce income as a percentage of revenue of 27%, consistent with the industry. .

2013 Consolidated Pro Forma	
Beverage Sales	\$ 3,003
Complimentary Beverage Sales	6,097
TOTAL REVENUE	9,099
Cost of Sales	2,184
GROSS MARGIN	6,916
TOTAL Beverage EXPENSES	4,483
TOTAL Beverage INCOME	\$ 2,433
Beverage Revenue Ratios	
Comp sales as percent of Revenue	67%
Cost of Sales as percent of Revenue	24%
Expenses as percent of Revenue	49%
Income as Percent of Revenue	27%

Proposal Assessment

Kansas Entertainment - Retail

Kansas Entertainment has proposed 5,000 sq ft of retail space, including the coffee shop.

Note that Hard Rock is a strong retail brand and would be expected to generate a significant volume of retail sales.

In addition to the on-property retail, Entertainment/Retail District has plans for 89,000 additional sq ft of retail space. This space would need to generate its own visits over and above the visits projected for the LGF.

Comp sales are estimated at 22%. Pro Forma projections are within industry norms.

Outlet	Square Feet
Convenience retail and newstand	2,500
24-hour gourmet coffee shop	1,200
Branded merchandise store for casino	1,300

2013 Consolidated Pro Forma	
Retail Sales	\$ 8,150
Complimentary Retail Sales	2,717
TOTAL REVENUE	10,866
Cost of Sales	2,391
GROSS MARGIN	8,476
TOTAL Retail EXPENSES	2,756
TOTAL Retail INCOME	\$ 5,720
Retail Revenue Ratios	
Comp sales as percent of Revenue	25%
Cost of Sales as percent of Revenue	22%
Expenses as percent of Revenue	25%
Income as Percent of Revenue	53%

Proposal Assessment

Kansas Entertainment - Convention

Kansas Entertainment has proposed 40,000 sq ft of convention space in the form of a Grand Ballroom, a Junior Ballroom and six additional meeting rooms.

Pro Forma projections are within industry norms.

2013 Consolidated Pro Forma	
Convention Sales	\$ 3,580
Complimentary Sales	-
TOTAL REVENUE	3,580
Cost of Sales	859
GROSS MARGIN	2,721
TOTAL Convention EXPENSES	1,155
TOTAL Convention INCOME	\$ 1,566
Convention Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	24%
Expenses as percent of Revenue	32%
Income as Percent of Revenue	44%

Proposal Assessment

Kansas Entertainment - Entertainment

The Kansas Entertainment proposal includes a 40,000 sq ft music/entertainment venue with stadium seating for 1,000.

The casino center bar will have the ability to host live music.

Among the possible concepts for the Entertainment/Retail District are performance clubs. In addition, the 100,000 sq ft of common area in the district can be programmed for live events as well.

Comp sales are estimated at 25%. Pro Forma projections are within industry norms. Note that Kansas Entertainment expects the Entertainment area to perform at a loss, possibly in an attempt to drive visitation to the property.

2013 Consolidated Pro Forma	
Entertainment Sales	\$ 5,921
Complimentary Sales	1,974
TOTAL REVENUE	7,894
Cost of Sales	7,925
GROSS MARGIN	(31)
TOTAL Entertainment EXPENSES	4,061
TOTAL Entertainment INCOME	\$ (4,092)
Entertainment Revenue Ratios	
Comp sales as percent of Revenue	25%
Cost of Sales as percent of Revenue	100%
Expenses as percent of Revenue	51%
Income as Percent of Revenue	-52%

Proposal Assessment

Kansas Entertainment -

Additional Amenities

Kansas Entertainment will offer a 18,000 sq ft spa in the hotel, the largest by a significant amount among the applicants, and perhaps somewhat large given the size of the property. This may, however, include common space with the pool facilities. Spas are an amenity becoming standard across the industry which can be used for packages, and adds to the stature of the facility, but will not drive significant additional tourism as an operating entity. However, in the context of the current property and the size of the property, the planned spa will need to have significant penetration into the community as a day spa.

The plans include a 26,000 sq ft indoor pool area in addition to an 13,000 sq ft outdoor pool area. The indoor/outdoor design of the facility is appropriate to the climate of the area.

There facility will have 5,584 surface parking spaces and 1,342 covered spaces. Probe believes that having both options available provides the greatest access and options for guests given the variety of weather the area receives. The covered spaces will be sufficient to serve the casino property, given the outdoor nature of the Entertainment/Retail District one would expect visitation to be depressed in inclement weather negating the need for proportionate covered spaces.

2013 Consolidated Pro Forma	
Other Sales	\$ 613
Complimentary Sales	242
TOTAL REVENUE	855
Cost of Sales	
GROSS MARGIN	855
TOTAL Other EXPENSES	4,570
TOTAL Other INCOME	\$ (3,714)
Other Revenue Ratios	
Comp sales as percent of Revenue	28%
Cost of Sales as percent of Revenue	0%
Expenses as percent of Revenue	534%
Income as Percent of Revenue	-434%

Proposal Assessment

Legends Sun

Ancillary Products Summary

Legends Sun has proposed a property operating as Legends Sun. The property will be located at 110th street and Parallel Parkway. The casino will be 131,000 sq ft with 2,000 slot machines and 85 table games. The following is an overview of the amenities and ancillary developments that will be available.

There will be five dining outlets on property – with four additional bars. In addition, there will be 75,000 sq ft of restaurants and bars in the associated lifestyle/retail development.

Located on the property will be a 350 room hotel including 314 standard rooms at 560 sq ft and 36 luxury suites at 1,200 sq ft. The hotel will include a 4,000 sq ft spa, an outside pool area, and tennis courts.

There is 40,500 sq ft of convention space and an additional eight meeting rooms.

There is 36,500 sq ft entertainment showroom with seating capacity of 1,200. One of the proposed casino bars will host live entertainment.

There will be a Trent Jones Jr. Golf course located on the property.

The proposal includes 5,000 sq ft of retail space on property and an additional 125,000 sq ft of retail space in the associated lifestyle/retail development.

There will be 250 residential units in the associated lifestyle/retail development.

Proposal Assessment

Legends Sun - Hotel

Hotel Rate and Occupancy Data	
Number of Rooms	350
Occupancy Rate	87.0%
2013 Average Daily Rate (ADR)	\$ 124.85
Leisure Percent of Occupied	53%
Business Percent of Occupied	47%
Percentage residents (<100 miles)	60%
Percentage Tourists (>100 miles)	40%
2013 Consolidated Pro Forma	
Room Sales	\$ 16,501
Complimentary Rooms	-
TOTAL REVENUE	16,501
TOTAL HOTEL EXPENSES	7,450
TOTAL HOTEL INCOME	\$ 9,051
Hotel Revenue Ratios	
Comp sales as percent of Revenue	0%
Expenses as percent of Revenue	45%
Income as Percent of Revenue	55%

The Legends Sun Hotel property is appropriate for the market and for the plan as proposed.

Legends Sun did not estimate comp sales in the departments, but there is comp expense in the Casino department that may reflect aggregate comp sales data.

The ADR of \$125.85 is less than the \$154 ADR projected by Probe for a casino hotel in the area. This may reflect a comp rate or a strategy to drive occupancy with rate.

Proposal Assessment

Legends Sun – Food

Outlet	Seating Capacity	Mean Spend/Cover	Theme/Description
24-Hour 'Coffee-Shop'	200	\$13.75	American Contemporary
Buffet	350	\$15.25	Fresh Market Theme with International & Southwestern Influences
Casual Themed Concept	120	\$35.00	A Bistro Concept Featuring Authentic International Cuisine
Quick Service	150	\$8.50	A Mix of 4 to 5 Nationally Branded Concepts with Shared Seating, includes a Free Standing Coffee Shop
Michael Jordan's Steakhouse	150	\$54.00	A Tenant Leased or Licensed world-class Steakhouse
Total	970	\$ 18.05	Average weighted by expected covers/day

Lifestyle/Retail Development: Plans for an additional 75,000 sq ft of restaurants and bars.

The Legends Sun food outlets are appropriate to the market, and would complement their master brand. Taken together, the on-property and the Lifestyle/Retail Development outlets provides excess capacity for gaming customer visits. The Lifestyle/Retail Development will need to generate its own visitation to absorb the capacity.

The average price point of \$18.05 is appropriate to the market. Given their estimate of the number of annual covers, they would expect to serve 41% of all gaming visitors to the property (assuming one meal per visitor). This does not include meals that would be consumed in the Lifestyle/Retail Development.

Sales are combined with beverage.

Proposal Assessment

Legends Sun – Beverage

Outlet	Seating Capacity	Theme/Description
Center Bar	80	An inviting, 'where the action is' attraction that is the focal point of the center of the casino
Lobby Bar	35	An upscale, relaxing lounge; appointed with the central theme of the hotel lobby
Entertainment Bar	120	A lounge adjacent to the entertainment venue profiling the best in Sports and Entertainment
Terrace & Pool Bar	12	A tropical theme specializing in frozen exotic drinks
High Limit Lounge	30	A convenient escape from the casino floor for our most valued guests

2013 Consolidated Pro Forma	
Food and Beverage Sales	\$ 29,316
Complimentary F&B Sales	-
TOTAL REVENUE	29,316
Cost of Sales	9,969
GROSS MARGIN	19,347
TOTAL F&B EXPENSES	17,424
TOTAL F&B INCOME	\$ 1,924
Food and Beverage Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	34%
Expenses as percent of Revenue	59%
Income as Percent of Revenue	7%

Lifestyle/Retail Development: Plans for an additional 75,000 sq ft of restaurants and bars.

The Legends Sun beverage outlets are appropriate to the market, and would complement their master brand. As noted with food, taken together, the on-property and the Lifestyle/Retail Development outlets provides excess capacity for gaming customer visits. The Lifestyle/Retail Development will need to generate its own visitation to absorb the capacity.

The average price point of \$18.05 is appropriate to the market. Given their estimate of the number of annual covers, they would expect to serve 41% of all gaming visitors to the property (assuming one meal per visitor). This does not include meals that would be consumed in the Lifestyle/Retail Development.

Sales are combined with Food. Comp revenues are not estimated. The Food and Beverage departments together are projected to generate a small amount of income, consistent with industry norms.

Proposal Assessment

Legends Sun - Retail

Legends Sun has proposed 5,000 sq ft of retail space.

In addition to the on-property retail, the Lifestyle/Retail Development has plans for 125,000 additional sq ft of retail space, designed to be less . This space would need to generate its own visits over and above the visits projected for the LGF.

Comp revenues are not estimated. Pro Forma projections are within industry norms.

Outlet	Square Feet
Legends Sun Logo	1,800
Tobacco Shop	900
Hotel Shop	900
Jewelry	1,400

2013 Consolidated Pro Forma	
Retail Sales	\$ 7,895
Complimentary Retail Sales	-
TOTAL REVENUE	7,895
Cost of Sales	1,737
GROSS MARGIN	6,158
TOTAL Retail EXPENSES	1,674
TOTAL Retail INCOME	\$ 4,484
Retail Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	22%
Expenses as percent of Revenue	21%
Income as Percent of Revenue	57%

Proposal Assessment

Legends Sun - Convention

Legends Sun has proposed 40,500 sq ft of convention space and an additional eight meeting rooms.

Comp revenues are not estimated. Pro Forma projections are within industry norms.

2013 Consolidated Pro Forma	
Convention Sales	\$ 3,178
Complimentary Convention Sales	-
TOTAL REVENUE	3,178
Cost of Sales	736
GROSS MARGIN	2,442
TOTAL Convention EXPENSES	1,915
TOTAL Convention INCOME	\$ 527
Convention Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	23%
Expenses as percent of Revenue	60%
Income as Percent of Revenue	17%

Proposal Assessment

Legends Sun - Entertainment

Legends Sun has included a 36,500 sq ft entertainment showroom with seating capacity of 1,200. In addition to the showroom, one of the proposed casino bars will host live entertainment.

Comp revenues are not estimated. Pro Forma projections are within industry norms.

2013 Consolidated Pro Forma	
Entertainment Sales	\$ 2,202
Complimentary Entertainment Sales	-
TOTAL REVENUE	2,202
Cost of Sales	-
GROSS MARGIN	2,202
TOTAL Entertainment EXPENSES	1,904
TOTAL Entertainment INCOME	\$ 298
Entertainment Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	0%
Expenses as percent of Revenue	86%
Income as Percent of Revenue	14%

Proposal Assessment

Legends Sun -

Additional Amenities

The hotel will include a 4,000 sq ft spa. Spas are an amenity becoming standard across the industry which can be used for packages, and adds to the stature of the facility, but will not drive significant additional tourism as an operating entity.

The property will also include an outside pool area and tennis courts.

There will be a Trent Jones Jr. Golf course located on the property that will be operated as a semi-private facility.

Noted previously there are three premium facilities within 30 miles of Village West and there is an oversupply of golf in the area with fees of over \$70, and an undersupply of standard facilities from \$40-\$70 dollars. Legends Sun projected a \$75 price point – holding the price to near or below that level when open would provide the ability to reach the underserved portion of the market.

There will be 250 residential units in the associated Lifestyle/Retail Development .

The facility will have 2,000 surface parking spaces and 1,500 covered spaces. Probe believes that having both options available provides the greatest access and options for guests given the variety of weather the area receives. The covered spaces will be sufficient to serve the casino property, given the outdoor nature of the Lifestyle/Retail Development one would expect visitation to be depressed in inclement weather negating the need for proportionate covered spaces.

2013 Consolidated Pro Forma	
Other Sales (Golf*/Retail/Residential)	\$ 14,682
Complimentary Other Sales	
TOTAL REVENUE	14,682
Cost of Sales	195
GROSS MARGIN	14,487
TOTAL Other EXPENSES	7,009
TOTAL Other INCOME	\$ 7,478
Other Revenue Ratios	
Comp sales as percent of Revenue	0%
Cost of Sales as percent of Revenue	1%
Expenses as percent of Revenue	48%
Income as Percent of Revenue	51%

*\$2.7 million in golf

Proposal Assessment

Pinnacle Entertainment

Ancillary Products Summary

Pinnacle Entertainment has proposed a property co-located with the proposed Schlitterbahn water park in the southeast corner of I-435 and Parallel Parkway. The property is not currently named, and would be done so with extensive customer input through research. The casino will be 100,000 sq ft with 2,300 slot machines and 85 table games. The following is an overview of the amenities and ancillary developments that will be available.

There will be eight dining outlets on property – with four additional bars. The dining, retail, and shopping will surround a “River Walk” design that will link the property to the Schlitterbahn property.

Located on the property will be a 500 room hotel including 300 standard rooms and 475 sq ft and 200 premium rooms at 650 sq ft. The hotel will include a spa and a pool.

There is 68,540 sq ft of convention space that can be divided into a maximum of 24 different sized break-out rooms and converted into a 3,500 seat entertainment venue.

The proposal also includes 15,000 sq ft of retail space.

There are 20 RV parking spaces indicated in the proposal.

Proposal Assessment

Pinnacle Entertainment - Hotel

Hotel Rate and Occupancy Data	
Number of Rooms	500
Occupancy Rate	90.0%
2013 Average Daily Rate (ADR)	\$ 93.00
Leisure Percent of Occupied	85%
Business Percent of Occupied	15%
Percentage residents (<100 miles)	23%
Percentage Tourists (>100 miles)	77%
2013 Consolidated Pro Forma	
Room Sales	\$ 8,778
Complimentary Rooms	6,829
TOTAL REVENUE	15,607
TOTAL HOTEL EXPENSES	7,654
TOTAL HOTEL INCOME	\$ 7,953
Hotel Revenue Ratios	
Comp sales as percent of Revenue	44%
Expenses as percent of Revenue	49%
Income as Percent of Revenue	51%

The Pinnacle Entertainment hotel property is appropriate for the market and for the plan as proposed with one caveat. With the significant amount of convention space planned to drive room nights we note that Pinnacle projects the smallest proportion of business guests for the largest hotel.

The ADR of \$93 projected for year three of operation is significantly below the Probe projected market price of \$154 for a casino property in the Northeast Zone. Noting that the plan is for a significant percentage of premium rooms, and a very high projected Leisure market as a percent of occupied, Probe believes that the ADR accurate reflects a casino rate transfer price for the 44% of rooms planned to be comped.

Proposal Assessment

Pinnacle Entertainment - Food

Outlet	Seating Capacity	Mean Spend/ Cover	Theme/Description
Restaurant #1	629	\$22.00	Buffet
Restaurant #2	286	\$50.00	Fine Dining
Restaurant #3	245	\$50.00	Fine Dining
Restaurant #4	223	\$17.00	Casual
Restaurant #5	223	\$17.00	Casual
Restaurant #6	179	\$25.00	Casual
Restaurant #7	223	\$17.00	Casual
Restaurant #8	30	\$6.00	Coffee
Total	2,037	\$ 21.20	Average weighted by expected covers/day

The mix of Pinnacle Entertainment food outlets and the \$21.20 average price point, despite the highest of the applicants are appropriate to the market. The dining supply integrated into the resort at Pinnacle is the highest among the current applicants, however, Pinnacle projects fewer turns at some of their establishments compared to other properties. The plans reflect some capture from the integrated with the Schlitterbahn facility.

Comp sales are estimated at 49% of total food revenue. Overall, the department is projected to produce a income as a percentage of revenue of 8%, consistent with the industry.

Given its estimate of the number of annual covers and gaming visitors it would expect to serve 46% of gaming visitors to the property (assuming one meal per visitor).

2013 Consolidated Pro Forma	
Food Sales	\$ 21,107
Complimentary Food Sales	20,244
TOTAL REVENUE	41,351
Cost of Sales	17,782
GROSS MARGIN	23,569
TOTAL FOOD EXPENSES	20,314
TOTAL FOOD INCOME	\$ 3,255
Food Revenue Ratios	
Comp sales as percent of Revenue	49%
Cost of Sales as percent of Revenue	43%
Expenses as percent of Revenue	49%
Income as Percent of Revenue	8%

Proposal Assessment

Pinnacle Entertainment - Beverage

Outlet	Seating Capacity	Theme/Description
Bar #1	122	Piano Bar
Bar #2	122	Sports Bar
Bar #3	306	Central Island Bar
Bar #4	122	Beer Garden Bar

The Golden Heartland beverage outlets are appropriate to the market. Probe understands that the Center Island Bar will operate as a nightclub.

Comp sales are estimated at 80% of total beverage revenue. This is inconsistent with the inability to comp alcohol.

2013 Consolidated Pro Forma	
Beverage Sales	\$ 1,126
Complimentary Beverage Sales	4,502
TOTAL REVENUE	5,628
Cost of Sales	1,404
GROSS MARGIN	4,224
TOTAL Beverage EXPENSES	2,769
TOTAL Beverage INCOME	\$ 1,455
Beverage Revenue Ratios	
Comp sales as percent of Revenue	80%
Cost of Sales as percent of Revenue	25%
Expenses as percent of Revenue	49%
Income as Percent of Revenue	26%

Proposal Assessment

Pinnacle Entertainment -Retail

Pinnacle Entertainment has proposed 15,000 sq ft of retail space, 1,000 sq ft for Sundries and the remaining 14,000 sq ft for specialty retail.

Comp sales are estimated at 26%. Pro Forma projections are within industry norms.

Outlet	Square Feet
Sundries	1000
Men's Clothing	5000
Women's Clothing	5000
Art Store	4000

2013 Consolidated Pro Forma	
Retail Sales	\$ 8,440
Complimentary Retail Sales	2,890
TOTAL REVENUE	11,330
Cost of Sales	5,707
GROSS MARGIN	5,623
TOTAL Retail EXPENSES	3,533
TOTAL Retail INCOME	\$ 2,090
Retail Revenue Ratios	
Comp sales as percent of Revenue	26%
Cost of Sales as percent of Revenue	50%
Expenses as percent of Revenue	31%
Income as Percent of Revenue	18%

Proposal Assessment

Pinnacle Entertainment – Convention

There is 68,540 sq ft of convention space that can be divided into a maximum of 24 different sized break-out rooms.

It is the applicant's intention to drive midweek room rates with the convention facility, as well as utilize the 1,600 planned rooms at the Schlitterbahn facility in off peak periods to drive business to the convention facility.

This would be the largest hotel based meeting and convention space in the market. Meeting the pro forma objectives will be contingent on creating synergies with the Schlitterbahn facility.

2013 Consolidated Pro Forma	
Convention Sales	\$ 5,800
Complimentary Sales	<u>2,624</u>
TOTAL REVENUE	8,424
Cost of Sales	<u>1,871</u>
GROSS MARGIN	<u>6,552</u>
TOTAL Convention EXPENSES	<u>3,149</u>
TOTAL Convention INCOME	<u>\$ 3,403</u>
Convention Revenue Ratios	
Comp sales as percent of Revenue	31%
Cost of Sales as percent of Revenue	22%
Expenses as percent of Revenue	37%
Income as Percent of Revenue	40%

Proposal Assessment

Pinnacle Entertainment - Entertainment

The convention facility can be utilized as a 50,000 sq ft event and entertainment facility with stadium seating for 3,500.

Comp revenues are estimated to be 75% of revenues, indicating that the strategy will be to generally drive revenue with entertainment. Pro Forma projections are within industry norms.

2013 Consolidated Pro Forma	
Entertainment Sales	\$ 386
Complimentary Sales	1,159
TOTAL REVENUE	1,545
Cost of Sales	-
GROSS MARGIN	1,545
TOTAL Entertainment EXPENSES	3,654
TOTAL Entertainment INCOME	\$ (2,109)
Entertainment Revenue Ratios	
Comp sales as percent of Revenue	75%
Cost of Sales as percent of Revenue	0%
Expenses as percent of Revenue	236%
Income as Percent of Revenue	-136%

Proposal Assessment

Pinnacle Entertainment - Additional

The property will contain a spa and pool, although sizes are not specified.

Twenty RV parking spaces are planned.

There facility will have 2,800 surface parking spaces and no covered parking spaces. Probe believes that covered parking is a desired amenity in a climate such as Kansas City.

2013 Consolidated Pro Forma	
Other Sales	\$ 5,168
Complimentary Sales	394
TOTAL REVENUE	5,562
Cost of Sales	778
GROSS MARGIN	4,784
TOTAL Other EXPENSES	482
TOTAL Other INCOME	\$ 4,302
Other Revenue Ratios	
Comp sales as percent of Revenue	7%
Cost of Sales as percent of Revenue	14%
Expenses as percent of Revenue	9%
Income as Percent of Revenue	77%

Cross Proposal Assessment

Ancillary Revenue as Percent of Gaming Revenue

Department	Golden Heartland	Kansas Entertainment	Legends Sun	Pinnacle Entertainment
Casino	100%	100%	100%	100%
Hotel	5.3%	4.5%	5.6%	3.8%
F&B	11.6%	8.3%	9.9%	11.4%
Convention	0.0%	1.0%	1.1%	2.0%
Entertainment	0.0%	2.2%	0.7%	0.4%
Retail	0.0%	3.0%	2.7%	2.7%
Other	1.8%	0.2%	6.1%	1.3%
Ancillary Total	18.7%	19.0%	26.1%	21.6%

Since gaming is the engine that drives the economics of the properties it is useful to examine the revenue lines as a percent of total gaming revenue. The revenue contribution by department statistics are consistent with the strategies put forward by the applicants.

When expressed as a percentage of gaming revenue, the total ancillary revenue projected by the four prospective LGF managers is 18.7% for Golden Heartland; 19% for Kansas Entertainment; 26.1% for Legends Sun; and somewhat higher at 21.6% for Pinnacle Entertainment.

A significant portion of this difference is due to the inclusion of residential and retail development in the Legends Sun revenue.

Convention F&B is specifically included in the F&B revenue for Golden Heartland, the Other category contains the revenue for the Four-Walled showroom as well as the retail component.

Kansas Entertainment is going to emphasize retail and entertainment to drive revenue and visitation.

Pinnacle is going to use F&B and convention to drive revenue and visitation.

KANSAS RACING AND GAMING COMMISSION

LOTTERY GAMING FACILITY REVIEW BOARD

**ECONOMIC IMPACTS OF PROPOSED GAMING FACILITIES
NORTHEAST ZONE (WYANDOTTE COUNTY)**

AUGUST 2008

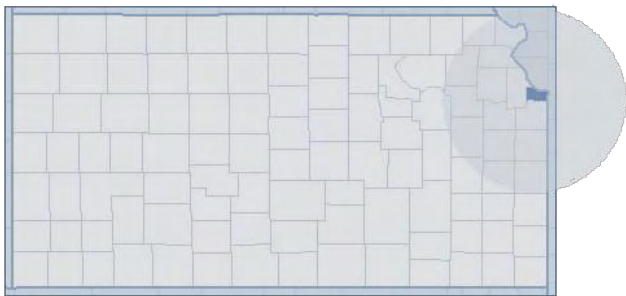


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INTRODUCTION

Civic Economics is pleased to present the Kansas Racing and Gaming Commission and the Lottery Gaming Facility Review Board with this economic impact analysis of the competing proposals for the Northeast Gaming Zone. Fiscal impacts, covering benefits and costs to governmental bodies, are being prepared separately by Meridian Business Advisors.

Civic Economics utilizes IMPLAN, a product of the Minnesota Implan Group and an industry-standard tool for evaluating the impact of economic activities. Given the Board's statewide mandate, Civic Economics used Kansas as the operative study area and applied multipliers and other data from IMPLAN's Local Area Data File for the state rather than for smaller jurisdictions such as counties. Therefore, all impacts reported on the pages that follow are impacts on the State of Kansas.

Economic impacts analyses were conducted for two wholly separate phases of each proposal.

- Construction Impacts cover the development of Phase I of each proposal, including planning and design and actual construction of all facilities required by the applicant's contract with the Kansas Lottery Commission. Expenditures were assumed to occur entirely within 2010. Site acquisition is not included in an economic impact because it is assumed this cost would be necessary for any project which occupies that specific piece of land and therefore is considered a transfer payment and not an economic impact.
- Operating Impacts cover the first stabilized year of operation after completion of all aspects of Phase I development. Because all applicants propose to open permanent Phase I facilities in mid- to late- 2010, operating impacts were prepared for the year 2012.
- Construction impact analysis includes reported costs associated with the opening of any temporary facilities. These temporary facilities are not, however, analyzed for economic impacts during their operation period.
- The report concludes with a discussion of the competitive impacts on existing businesses in the Northeast Zone.

CONSTRUCTION IMPACTS

The construction phase of each proposed facility will generate substantial but temporary economic activity related to designing and building the gaming facilities and associated infrastructure. In each case, Civic Economics assumed that all expenditures would take place in the year 2010 for the simple reason that applicant submissions did not allow a more time specific analysis.

Inputs were derived from the Performance Templates submitted to the KRGC in June 2008. Where specific and verifiable deviations in development proposals were identified, inputs were changed accordingly. In the Northeast Zone, figures were not further adjusted.

The economic impact of any construction project is, as one might assume, driven primarily by the total expenditure on the facility. However, impacts will vary depending on the type of expenditure and the likelihood that such expenditures will be made in Kansas. For this analysis, Civic Economics consistently applied the Local Coefficients provided by IMPLAN, as these provide a credible estimate of local spending for each type of expenditure. It should be noted, though, that conscientious project managers with supportive clients can substantially increase the use of local contractors and suppliers. Therefore, the impacts described below may be received as conservative but fairly applied across the board.

Taking our lead from the analysts accustomed to working with gaming facilities, Furniture Fixtures & Equipment (FFE), Floor & Wall Coverings, and Gaming Equipment were not included in the impact inputs for any applicant. These items are quite specialized in the gaming industry and thus will come primarily from out of state.

Impact Reporting

The economic impacts are comprised of three separate categories. Each category is analyzed separately from one another in IMPLAN.

- **Economic Output** is the total production or sales derived from the project. For this study, the total construction costs and casino revenue are the basis for output.
- **Employment** is the total number of Kansans employed both on a full and part time basis in a given industry.

- **Wages** is the amount of salaries and benefits paid to Kansas employees.

For each of the categories listed above a direct effect, indirect effect, and induced effect has been calculated.

- **Direct** effects capture the initial impact created. For construction impacts, this is based on the amount spent in each of a variety of categories in site preparation and facilities design and development. In this analysis, these were provided by the applicants.
- **Indirect** effects are additional impacts derived from businesses providing products or services to the selected industries. This can be restaurants purchasing supplies, the casino hiring a security firm, or the hotel purchasing advertising from a local radio station. Those are all examples of indirect effects.
- **Induced** effects are the result of increased household spending due to the direct and indirect effects. Employees of firms directly or indirectly affected by the project are buying new cars, homes, and groceries locally and this is detailed in the indirect effects.

Chart 1: Applicant Submissions and Model Inputs

APPLICANT SUBMISSION AND MODEL INPUT CORRESPONDENCE CONSTRUCTION ECONOMIC IMPACT ANALYSIS		
Applicant Submission Category	IMPLAN Category Applied	Notes
Buildings ➡	Construction of commercial and institutional buildings	
Land ➡	None	Land purchases are not factored into economic impacts
Land improvements, excluding landscaping ➡	Other new construction	
Landscaping ➡	Other new construction	
Soft Costs, i.e. engineering, architectural, development fees ➡	Architectural and engineering services	
Financing costs ➡	None	Financing costs were not factored into the economic impacts
Public sector infrastructure ➡	Split evenly with Highway, street, bridge, tunnel construction and Water, sewer, and pipeline	
Rolling stock ➡	Motor vehicle and parts dealers	
Furniture, fixtures and equipment ➡	None	Assumed purchases would be made out of state
Floor and wall treatments ➡	None	Assumed purchases would be made out of state
Gaming equipment ➡	None	Assumed purchases would be made out of state

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 2: Construction Impact Summary Chart

CONSTRUCTION IMPACTS SUMMARY NORTHEAST GAMING ZONE					
	Direct	Indirect	Induced	Total	Relative Impacts
ECONOMIC OUTPUT	Total revenues associated with construction (\$ Millions, 2007 Dollars)				
Hard Rock/Speedway	\$ 373.6	\$ 120.1	\$ 164.1	\$ 657.8	
Golden Heartland	\$ 390.3	\$ 125.9	\$ 171.5	\$ 687.6	
Legends Sun	\$ 415.5	\$ 133.7	\$ 182.9	\$ 732.1	
Pinnacle	\$ 410.3	\$ 131.4	\$ 180.5	\$ 722.3	
EMPLOYMENT	Total workers, including full-time and part-time				
Hard Rock/Speedway	3,948	983	1,572	6,503	
Golden Heartland	4,071	1,050	1,642	6,763	
Legends Sun	4,379	1,090	1,751	7,221	
Pinnacle	4,288	1,093	1,729	7,111	
LABOR INCOME	Total wages paid to workers identified above (\$ Millions, 2007 Dollars)				
Hard Rock/Speedway	\$ 170.4	\$ 41.2	\$ 49.1	\$ 260.7	
Golden Heartland	\$ 177.6	\$ 43.5	\$ 51.3	\$ 272.4	
Legends Sun	\$ 190.0	\$ 45.9	\$ 54.7	\$ 290.5	
Pinnacle	\$ 187.5	\$ 45.3	\$ 54.0	\$ 286.8	

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 3: Hard Rock/Speedway Construction Economic Output

HARD ROCK/SPEEDWAY CONSTRUCTION IMPACTS					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	162,037	1,331,626	1,493,663
19	21 Mining (AGG)	0	3,518,597	1,844,588	5,363,184
30	22 Utilities (AGG)	0	1,515,220	4,200,542	5,715,762
33	23 Construction (AGG)	346,180,224	896,467	918,510	347,995,200
46	31-33 Manufacturing (AGG)	0	28,957,298	16,485,455	45,442,752
390	42 Wholesale Trade (AGG)	0	7,872,773	9,133,076	17,005,848
391	48-49 Transportation & Warehousing (AGG)	0	5,375,953	3,978,389	9,354,342
401	44-45 Retail trade (AGG)	0	13,557,420	20,458,214	34,015,632
413	51 Information (AGG)	0	3,221,497	4,518,633	7,740,130
425	52 Finance & insurance (AGG)	0	7,301,305	14,255,178	21,556,482
431	53 Real estate & rental (AGG)	0	6,224,837	7,992,344	14,217,180
437	54 Professional- scientific & tech svcs (AGG)	27,422,718	29,021,132	5,044,371	61,488,224
451	55 Management of companies (AGG)	0	1,248,144	1,205,010	2,453,153
452	56 Administrative & waste services (AGG)	0	6,228,960	2,834,249	9,063,209
461	61 Educational svcs (AGG)	0	84,730	2,050,898	2,135,628
464	62 Health & social services (AGG)	0	2914	26,348,850	26,351,764
475	71 Arts- entertainment & recreation (AGG)	0	226,881	1,523,109	1,749,989
479	72 Accomodation & food services (AGG)	0	1,523,371	8,842,843	10,366,215
482	81 Other services (AGG)	0	2,042,696	6,260,812	8,303,507
495	92 Government & non NAICs (AGG)	0	1,083,641	24,866,216	25,949,858
		\$ 373,602,942	\$ 120,065,873	\$ 164,092,913	\$ 657,761,722

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 4: Hard Rock/Speedway Construction Employment

HARD ROCK/SPEEDWAY CONSTRUCTION IMPACTS					
Code	Sector	TOTAL EMPLOYMENT			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.9	10.3	11.2
19	21 Mining (AGG)	0.0	10.7	5.6	16.2
30	22 Utilities (AGG)	0.0	3.1	8.6	11.7
33	23 Construction (AGG)	3,727.3	8.1	8.7	3,744.0
46	31-33 Manufacturing (AGG)	0.0	81.9	35.0	116.9
390	42 Wholesale Trade (AGG)	0.0	48.8	56.6	105.3
391	48-49 Transportation & Warehousing (AGG)	0.0	48.8	39.3	88.1
401	44-45 Retail trade (AGG)	0.0	238.5	360.8	599.4
413	51 Information (AGG)	0.0	9.9	14.5	24.4
425	52 Finance & insurance (AGG)	0.0	45.1	84.8	130.0
431	53 Real estate & rental (AGG)	0.0	43.2	66.5	109.7
437	54 Professional- scientific & tech svcs (AGG)	220.8	234.3	49.9	505.0
451	55 Management of companies (AGG)	0.0	7.1	6.8	13.9
452	56 Administrative & waste services (AGG)	0.0	128.7	52.5	181.2
461	61 Educational svcs (AGG)	0.0	1.7	43.2	44.9
464	62 Health & social services (AGG)	0.0	0.0	344.8	344.9
475	71 Arts- entertainment & recreation (AGG)	0.0	8.4	45.5	53.9
479	72 Accomodation & food services (AGG)	0.0	28.4	180.3	208.7
482	81 Other services (AGG)	0.0	29.8	142.0	171.8
495	92 Government & non NAICs (AGG)	0.0	5.5	15.9	21.4
		3948.1	982.9	1,571.6	6,502.6

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 5: Hard Rock/Speedway Construction Labor Income

HARD ROCK/SPEEDWAY CONSTRUCTION IMPACTS					
Code	Sector	Total Labor Income in 2007 Dollars			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	31,902	153,086	184,988
19	21 Mining (AGG)	0	854,968	447,208	1,302,176
30	22 Utilities (AGG)	0	297,391	811,020	1,108,411
33	23 Construction (AGG)	155,540,224	337,985	365,838	156,244,048
46	31-33 Manufacturing (AGG)	0	4,767,646	2,199,485	6,967,131
390	42 Wholesale Trade (AGG)	0	2,980,507	3,457,638	6,438,145
391	48-49 Transportation & Warehousing (AGG)	0	2,179,083	1,639,358	3,818,441
401	44-45 Retail trade (AGG)	0	5,456,996	8,250,061	13,707,057
413	51 Information (AGG)	0	752,930	916,335	1,669,265
425	52 Finance & insurance (AGG)	0	2,214,874	3,979,564	6,194,438
431	53 Real estate & rental (AGG)	0	1,070,132	1,364,234	2,434,367
437	54 Professional- scientific & tech svcs (AGG)	14,835,204	14,654,015	2,189,833	31,679,052
451	55 Management of companies (AGG)	0	541,585	522,868	1,064,453
452	56 Administrative & waste services (AGG)	0	3,383,774	1,388,718	4,772,492
461	61 Educational svcs (AGG)	0	37,297	934,128	971,425
464	62 Health & social services (AGG)	0	1028	13,546,248	13,547,276
475	71 Arts- entertainment & recreation (AGG)	0	69,148	510,866	580,014
479	72 Accomodation & food services (AGG)	0	512,033	2,855,971	3,368,004
482	81 Other services (AGG)	0	846,892	2,832,486	3,679,378
495	92 Government & non NAICs (AGG)	0	247,559	729,102	976,662
		\$ 170,375,428	\$ 41,237,745	\$ 49,094,047	\$ 260,707,223

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 6: Golden Heartland Construction Economic Output

GOLDEN HEARTLAND CONSTRUCTION IMPACTS					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	172,611	1,391,507	1,564,118
19	21 Mining (AGG)	0	3,414,758	1,927,536	5,342,294
30	22 Utilities (AGG)	0	1,629,303	4,389,434	6,018,737
33	23 Construction (AGG)	351,181,632	963,839	959,814	353,105,280
46	31-33 Manufacturing (AGG)	0	29,665,330	17,226,782	46,892,112
390	42 Wholesale Trade (AGG)	0	8,103,860	9,543,777	17,647,636
391	48-49 Transportation & Warehousing (AGG)	0	5,717,520	4,157,291	9,874,811
401	44-45 Retail trade (AGG)	0	14,860,262	21,378,192	36,238,456
413	51 Information (AGG)	0	3,477,027	4,721,829	8,198,856
425	52 Finance & insurance (AGG)	0	7,548,480	14,896,214	22,444,694
431	53 Real estate & rental (AGG)	0	6,569,343	8,351,746	14,921,089
437	54 Professional- scientific & tech svcs (AGG)	39,122,516	30,554,776	5,271,208	74,948,496
451	55 Management of companies (AGG)	0	1,349,786	1,259,197	2,608,983
452	56 Administrative & waste services (AGG)	0	6,706,812	2,961,701	9,668,512
461	61 Educational svcs (AGG)	0	97,546	2,143,123	2,240,669
464	62 Health & social services (AGG)	0	3181	27,533,710	27,536,892
475	71 Arts- entertainment & recreation (AGG)	0	255,128	1,591,600	1,846,728
479	72 Accomodation & food services (AGG)	0	1,711,457	9,240,494	10,951,951
482	81 Other services (AGG)	0	1,920,286	6,542,349	8,462,634
495	92 Government & non NAICs (AGG)	0	1,152,635	25,984,412	27,137,048
		\$ 390,304,148	\$ 125,873,940	\$ 171,471,916	\$ 687,649,996

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 7: Golden Heartland Construction Employment

GOLDEN HEARTLAND CONSTRUCTION IMPACTS					
Code	Sector	TOTAL EMPLOYMENT			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	1.0	10.7	11.7
19	21 Mining (AGG)	0.0	10.4	5.8	16.2
30	22 Utilities (AGG)	0.0	3.4	9.0	12.4
33	23 Construction (AGG)	3,755.6	8.7	9.1	3,773.3
46	31-33 Manufacturing (AGG)	0.0	89.0	36.6	125.5
390	42 Wholesale Trade (AGG)	0.0	50.2	59.1	109.3
391	48-49 Transportation & Warehousing (AGG)	0.0	52.5	41.1	93.6
401	44-45 Retail trade (AGG)	0.0	261.4	377.1	638.5
413	51 Information (AGG)	0.0	10.7	15.1	25.8
425	52 Finance & insurance (AGG)	0.0	46.9	88.7	135.5
431	53 Real estate & rental (AGG)	0.0	46.8	69.5	116.3
437	54 Professional- scientific & tech svcs (AGG)	315.0	246.1	52.1	613.2
451	55 Management of companies (AGG)	0.0	7.7	7.2	14.8
452	56 Administrative & waste services (AGG)	0.0	138.0	54.9	192.9
461	61 Educational svcs (AGG)	0.0	2.0	45.1	47.1
464	62 Health & social services (AGG)	0.0	0.0	360.4	360.4
475	71 Arts- entertainment & recreation (AGG)	0.0	9.4	47.6	57.0
479	72 Accomodation & food services (AGG)	0.0	32.0	188.4	220.3
482	81 Other services (AGG)	0.0	28.3	148.3	176.7
495	92 Government & non NAICs (AGG)	0.0	5.9	16.6	22.5
		4,070.6	1,050.4	1,642.4	6,763.0

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 8: Golden Heartland Construction Labor Income

GOLDEN HEARTLAND CONSTRUCTION IMPACTS					
Code	Sector	Total Labor Income in 2007 Dollars			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	33,579	159,970	193,549
19	21 Mining (AGG)	0	829,991	467,318	1,297,309
30	22 Utilities (AGG)	0	320,003	847,490	1,167,493
33	23 Construction (AGG)	156,436,896	363,139	382,289	157,182,320
46	31-33 Manufacturing (AGG)	0	5,054,625	2,298,393	7,353,017
390	42 Wholesale Trade (AGG)	0	3,067,993	3,613,123	6,681,116
391	48-49 Transportation & Warehousing (AGG)	0	2,330,668	1,713,078	4,043,746
401	44-45 Retail trade (AGG)	0	5,981,403	8,621,055	14,602,458
413	51 Information (AGG)	0	813,927	957,541	1,771,469
425	52 Finance & insurance (AGG)	0	2,291,440	4,158,520	6,449,960
431	53 Real estate & rental (AGG)	0	1,125,767	1,425,582	2,551,349
437	54 Professional- scientific & tech svcs (AGG)	21,164,586	15,321,523	2,288,306	38,774,416
451	55 Management of companies (AGG)	0	585,689	546,381	1,132,070
452	56 Administrative & waste services (AGG)	0	3,630,112	1,451,166	5,081,278
461	61 Educational svcs (AGG)	0	42,952	976,134	1,019,086
464	62 Health & social services (AGG)	0	1122	14,155,399	14,156,521
475	71 Arts- entertainment & recreation (AGG)	0	77,813	533,839	611,652
479	72 Accomodation & food services (AGG)	0	575,110	2,984,400	3,559,510
482	81 Other services (AGG)	0	800,055	2,959,857	3,759,912
495	92 Government & non NAICs (AGG)	0	263,746	761,889	1,025,635
		\$ 177,601,482	\$ 43,510,657	\$ 51,301,730	\$ 272,413,866

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 9: Legends Sun Construction Economic Output

LEGENDS SUN CONSTRUCTION IMPACTS					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	176,834	1,483,977	1,660,811
19	21 Mining (AGG)	0	3,998,025	2,055,627	6,053,652
30	22 Utilities (AGG)	0	1,691,087	4,681,125	6,372,213
33	23 Construction (AGG)	380,011,872	1,015,468	1,023,596	382,050,944
46	31-33 Manufacturing (AGG)	0	32,084,380	18,371,554	50,455,936
390	42 Wholesale Trade (AGG)	0	8,656,783	10,177,990	18,834,772
391	48-49 Transportation & Warehousing (AGG)	0	6,019,541	4,433,556	10,453,096
401	44-45 Retail trade (AGG)	949,000	14,514,916	22,798,836	38,262,752
413	51 Information (AGG)	0	3,616,696	5,035,609	8,652,304
425	52 Finance & insurance (AGG)	0	8,170,282	15,886,112	24,056,394
431	53 Real estate & rental (AGG)	0	7,097,882	8,906,745	16,004,626
437	54 Professional- scientific & tech svcs (AGG)	34,557,188	32,468,202	5,621,496	72,646,888
451	55 Management of companies (AGG)	0	1,401,853	1,342,875	2,744,728
452	56 Administrative & waste services (AGG)	0	7,142,874	3,158,515	10,301,388
461	61 Educational svcs (AGG)	0	97,534	2,285,540	2,383,074
464	62 Health & social services (AGG)	0	3294	29,363,410	29,366,704
475	71 Arts- entertainment & recreation (AGG)	0	260,757	1,697,367	1,958,124
479	72 Accomodation & food services (AGG)	0	1,741,755	9,854,552	11,596,308
482	81 Other services (AGG)	0	2,343,690	6,977,108	9,320,798
495	92 Government & non NAICs (AGG)	0	1,211,016	27,711,154	28,922,170
		\$ 415,518,060	\$ 133,712,869	\$ 182,866,744	\$ 732,097,682

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 10: Legends Sun Construction Employment

LEGENDS SUN CONSTRUCTION IMPACTS					
Code	Sector	TOTAL EMPLOYMENT			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	1.0	11.4	12.5
19	21 Mining (AGG)	0.0	12.1	6.2	18.3
30	22 Utilities (AGG)	0.0	3.5	9.6	13.1
33	23 Construction (AGG)	4,090.6	9.1	9.7	4,109.4
46	31-33 Manufacturing (AGG)	0.0	88.1	39.0	127.1
390	42 Wholesale Trade (AGG)	0.0	53.6	63.0	116.7
391	48-49 Transportation & Warehousing (AGG)	0.0	54.9	43.8	98.7
401	44-45 Retail trade (AGG)	10.1	255.4	402.1	667.5
413	51 Information (AGG)	0.0	11.1	16.1	27.3
425	52 Finance & insurance (AGG)	0.0	50.5	94.5	145.0
431	53 Real estate & rental (AGG)	0.0	49.2	74.1	123.2
437	54 Professional- scientific & tech svcs (AGG)	278.2	261.8	55.6	595.6
451	55 Management of companies (AGG)	0.0	8.0	7.6	15.6
452	56 Administrative & waste services (AGG)	0.0	147.8	58.5	206.3
461	61 Educational svcs (AGG)	0.0	1.9	48.1	50.1
464	62 Health & social services (AGG)	0.0	0.0	384.3	384.3
475	71 Arts- entertainment & recreation (AGG)	0.0	9.6	50.7	60.4
479	72 Accomodation & food services (AGG)	0.0	32.5	200.9	233.4
482	81 Other services (AGG)	0.0	34.0	158.2	192.2
495	92 Government & non NAICs (AGG)	0.0	6.2	17.7	23.8
		4378.9	1,090.3	1,751.1	7,220.5

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 11: Legends Sun Construction Labor Income

LEGENDS SUN CONSTRUCTION IMPACTS					
Code	Sector	Total Labor Income in 2007 Dollars			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	34,939	170,601	205,540
19	21 Mining (AGG)	0	971,614	498,373	1,469,987
30	22 Utilities (AGG)	0	331,785	903,809	1,235,594
33	23 Construction (AGG)	170,824,464	382,611	407,693	171,614,768
46	31-33 Manufacturing (AGG)	0	5,214,005	2,451,128	7,665,132
390	42 Wholesale Trade (AGG)	0	3,277,321	3,853,226	7,130,547
391	48-49 Transportation & Warehousing (AGG)	0	2,452,722	1,826,917	4,279,639
401	44-45 Retail trade (AGG)	432,815	5,842,398	9,193,949	15,469,162
413	51 Information (AGG)	0	846,270	1,021,173	1,867,442
425	52 Finance & insurance (AGG)	0	2,478,982	4,434,866	6,913,847
431	53 Real estate & rental (AGG)	0	1,220,960	1,520,316	2,741,276
437	54 Professional- scientific & tech svcs (AGG)	18,694,826	16,358,669	2,440,371	37,493,868
451	55 Management of companies (AGG)	0	608,281	582,690	1,190,971
452	56 Administrative & waste services (AGG)	0	3,884,310	1,547,601	5,431,911
461	61 Educational svcs (AGG)	0	42,938	1,041,001	1,083,939
464	62 Health & social services (AGG)	0	1162	15,096,069	15,097,231
475	71 Arts- entertainment & recreation (AGG)	0	79,504	569,314	648,818
479	72 Accomodation & food services (AGG)	0	585,515	3,182,722	3,768,237
482	81 Other services (AGG)	0	967,146	3,156,549	4,123,694
495	92 Government & non NAICs (AGG)	0	276,619	812,519	1,089,138
		\$ 189,952,105	\$ 45,857,751	\$ 54,710,887	\$ 290,520,741

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 12: Pinnacle Construction Economic Output

PINNACLE CONSTRUCTION IMPACTS					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	175,497	1,465,015	1,640,512
19	21 Mining (AGG)	0	3,598,343	2,029,359	5,627,702
30	22 Utilities (AGG)	0	1,795,326	4,621,309	6,416,635
33	23 Construction (AGG)	354,622,304	1,073,759	1,010,517	356,706,592
46	31-33 Manufacturing (AGG)	0	30,308,968	18,136,798	48,445,768
390	42 Wholesale Trade (AGG)	0	8,260,093	10,047,932	18,308,024
391	48-49 Transportation & Warehousing (AGG)	0	5,978,798	4,376,904	10,355,702
401	44-45 Retail trade (AGG)	14,235,000	14,688,329	22,507,504	51,430,832
413	51 Information (AGG)	0	3,857,468	4,971,264	8,828,731
425	52 Finance & insurance (AGG)	0	7,987,522	15,683,111	23,670,634
431	53 Real estate & rental (AGG)	0	7,414,405	8,792,934	16,207,338
437	54 Professional- scientific & tech svcs (AGG)	41,491,872	31,703,538	5,549,664	78,745,072
451	55 Management of companies (AGG)	0	1,741,194	1,325,715	3,066,909
452	56 Administrative & waste services (AGG)	0	7,267,996	3,118,156	10,386,152
461	61 Educational svcs (AGG)	0	105,845	2,256,337	2,362,182
464	62 Health & social services (AGG)	0	3376	28,988,218	28,991,594
475	71 Arts- entertainment & recreation (AGG)	0	279,778	1,675,679	1,955,457
479	72 Accomodation & food services (AGG)	0	1,843,089	9,728,627	11,571,715
482	81 Other services (AGG)	0	2,100,149	6,887,958	8,988,107
495	92 Government & non NAICs (AGG)	0	1,264,963	27,357,060	28,622,022
		\$ 410,349,176	\$ 131,448,436	\$ 180,530,061	\$ 722,327,680

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 13: Pinnacle Construction Employment

PINNACLE CONSTRUCTION IMPACTS					
Code	Sector	TOTAL EMPLOYMENT			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	1.0	11.3	12.3
19	21 Mining (AGG)	0.0	10.9	6.1	17.0
30	22 Utilities (AGG)	0.0	3.7	9.5	13.2
33	23 Construction (AGG)	3,803.6	9.7	9.6	3,822.8
46	31-33 Manufacturing (AGG)	0.0	88.5	38.5	127.0
390	42 Wholesale Trade (AGG)	0.0	51.2	62.2	113.4
391	48-49 Transportation & Warehousing (AGG)	0.0	56.0	43.2	99.2
401	44-45 Retail trade (AGG)	150.8	258.4	397.0	806.2
413	51 Information (AGG)	0.0	12.3	15.9	28.2
425	52 Finance & insurance (AGG)	0.0	49.5	93.3	142.9
431	53 Real estate & rental (AGG)	0.0	53.1	73.1	126.3
437	54 Professional- scientific & tech svcs (AGG)	334.0	255.6	54.9	644.5
451	55 Management of companies (AGG)	0.0	9.9	7.5	17.4
452	56 Administrative & waste services (AGG)	0.0	149.4	57.8	207.2
461	61 Educational svcs (AGG)	0.0	2.1	47.5	49.6
464	62 Health & social services (AGG)	0.0	0.0	379.4	379.4
475	71 Arts- entertainment & recreation (AGG)	0.0	10.3	50.1	60.4
479	72 Accomodation & food services (AGG)	0.0	34.4	198.3	232.8
482	81 Other services (AGG)	0.0	30.9	156.2	187.1
495	92 Government & non NAICs (AGG)	0.0	6.4	17.4	23.8
		4288.4	1,093.3	1,728.8	7,110.7

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 14: Pinnacle Construction Labor Income

PINNACLE CONSTRUCTION IMPACTS					
Code	Sector	Total Labor Income in 2007 Dollars			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	34,387	168,421	202,808
19	21 Mining (AGG)	0	874,449	492,005	1,366,454
30	22 Utilities (AGG)	0	353,962	892,260	1,246,222
33	23 Construction (AGG)	158,560,960	405,250	402,484	159,368,704
46	31-33 Manufacturing (AGG)	0	5,089,411	2,419,807	7,509,218
390	42 Wholesale Trade (AGG)	0	3,127,141	3,803,988	6,931,129
391	48-49 Transportation & Warehousing (AGG)	0	2,475,413	1,803,573	4,278,986
401	44-45 Retail trade (AGG)	6,492,222	5,912,198	9,076,466	21,480,886
413	51 Information (AGG)	0	910,864	1,008,124	1,918,988
425	52 Finance & insurance (AGG)	0	2,432,492	4,378,195	6,810,687
431	53 Real estate & rental (AGG)	0	1,268,577	1,500,889	2,769,466
437	54 Professional- scientific & tech svcs (AGG)	22,446,366	15,856,078	2,409,188	40,711,632
451	55 Management of companies (AGG)	0	755,525	575,244	1,330,770
452	56 Administrative & waste services (AGG)	0	3,929,779	1,527,826	5,457,605
461	61 Educational svcs (AGG)	0	46,601	1,027,700	1,074,301
464	62 Health & social services (AGG)	0	1195	14,903,178	14,904,372
475	71 Arts- entertainment & recreation (AGG)	0	84,858	562,040	646,898
479	72 Accomodation & food services (AGG)	0	619,147	3,142,052	3,761,199
482	81 Other services (AGG)	0	871,668	3,116,216	3,987,884
495	92 Government & non NAICs (AGG)	0	288,657	802,136	1,090,793
		\$ 187,499,548	\$ 45,337,652	\$ 54,011,792	\$ 286,849,002

Source: Applicant Submissions, IMPLAN, Civic Economics

OPERATING IMPACTS

This section of this report analyzes the economic impacts to be generated by each proposal in the first stabilized year of operation, which is treated as 2012 for all proposals. As with construction, economic impacts were calculated for the entire state of Kansas using the IMPLAN model.

Gaming Revenue Adjustment: As requested by the Board, all applicants provided a detailed spreadsheet looking forward into several years of operations. In all cases, these sheets proceeded from an estimate of the gaming revenue to be earned at each facility, as estimated by the applicants. For this exercise, though, Civic Economics was asked to evaluate impacts based on the gaming revenue forecast by the Board's own consultants, Wells Gaming and Cummings & Associates. In the Northeast Zone, these estimates were consistently lower than those of the applicants, as illustrated on the following page. Consequently, the economic impact of gaming activities relied on these reduced revenue figures as an input into the model.

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 15: Gaming Revenue Forecast Adjustments

REVENUE FORECASTS, 2012 NORTHEAST GAMING ZONE (IN 2007 Dollars)				
GAMING REVENUE PROJECTIONS				
	Hard Rock / Speedway	Golden Heartland	Pinnacle	Legends Sun
Estimated gaming revenue: Applicant	\$ 358,073,000	\$ 266,085,000	\$ 401,456,000	\$ 281,858,000
Estimated gaming revenue: Wells	\$ 211,160,000	\$ 166,454,000	\$ 180,178,000	\$ 152,604,000
Estimated gaming revenue: Cummings	\$ 234,200,000	\$ 223,200,000	\$ 206,300,000	\$ 182,800,000
Average of Wells & Cummings	\$ 222,680,000	\$ 194,827,000	\$ 193,239,000	\$ 167,702,000
Ratio of Average to Applicant	0.622	0.732	0.481	0.595

SOURCE: Applicant Submissions, Wells Gaming and Cummings & Assoc., Probe Strategic Solutions, Civic Economics

Total Impacts and Net Impacts: The layman might expect an economic impact analysis to quantify the output, employment, and wages of the totality of a proposed facility, which in this case would be built from total projected gaming revenues. However, such an analysis would substantially overstate the true economic impact the facility will have on the State of Kansas as it would, by design, incorporate the impact of money simply redirected from one local activity to another. The true economic impact of a facility is based on a more meaningful number, the net impact.

In this case, net economic impact identifies only that economic activity that is truly new to the jurisdiction. This new activity is made up of two components:

- a. **Export Revenue:** This refers to the portion of gaming revenues derived from non-Kansas visitors that would not, absent the proposed casino, have occurred in Kansas. This revenue is truly new to Kansas as out-of-state visitors spend money in the state they would not have otherwise spent.
- b. **Import Substitution Revenue:** This refers to the portion of gaming revenues derived from Kansas residents that would, absent the proposed casino, have occurred outside of Kansas. Again, this revenue is truly new to Kansas as Kansas residents repatriate out-of-state casino spending with in-state casino spending.
- c. **Redirected Local Spending:** The remainder of gaming revenue not accounted for above is not included in the net economic impact analysis, because it reflects casino spending by Kansans that would not otherwise have occurred in any casino. This revenue is not new to Kansas because it represents a diversion of other Kansas household income that previously went to innumerable alternative discretionary activities. However, there may be a fiscal advantage to this activity in the form of additional taxes generated. These fiscal impacts are detailed in the report provided by Meridian Business Advisors.

These values were calculated from the reports of Wells and Cummings. The chart on the following page summarizes the calculation of net new gaming revenues used to calculate net economic impact. It should be noted, and is reflected in this chart, that Wells and Cummings prepared and reported these calculations by different approaches; this chart reflects the detail available from each.

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 16: Net Revenues in Kansas

NET REVENUE FOR ECONOMIC IMPACT ANALYSIS NORTHEAST ZONE					
Wells Model					
	Hard Rock / Speedway	Golden Heartland	Pinnacle	Legends Sun	
Estimated Gaming Revenue	\$ 211,160,000	\$ 166,454,000	\$ 180,178,000	\$ 152,604,000	
Estimated Gaming Export	\$ 51,694,315	\$ 36,804,993	\$ 44,184,574	\$ 34,814,124	
Estimated Gaming Import Substitution	\$ 97,932,591	\$ 78,067,485	\$ 82,984,410	\$ 70,206,486	
Net Revenue	\$ 149,626,906	\$ 114,872,478	\$ 127,168,984	\$ 105,020,610	
Cummings Model					
	Hard Rock / Speedway	Golden Heartland	Pinnacle	Legends Sun	
Estimated Gaming Revenue	\$ 234,200,000	\$ 223,200,000	\$ 206,300,000	\$ 182,800,000	
Estimated Gaming Export	\$ 70,500,000	\$ 63,700,000	\$ 61,000,000	\$ 53,000,000	
Estimated Gaming Import Substitution	\$ 91,100,000	\$ 84,400,000	\$ 80,000,000	\$ 70,000,000	
Net Revenue	\$ 161,600,000	\$ 148,100,000	\$ 141,000,000	\$ 123,000,000	
Average of Wells and Cummings					
Average Net Revenue	\$ 155,613,453	\$ 131,486,239	\$ 134,084,492	\$ 114,010,305	
Net as a % of Gaming Revenue	69.9%	67.5%	69.4%	68.0%	

SOURCE: Wells, Cummings, Civic Economics

Net Gaming Revenue and Operational Scale

The next step in adjusting revenues to be analyzed for economic impact involves the scale of operations at the non-gaming portions of each proposal. This adjustment begins with the assumption that, if gaming activity varies from pro forma estimates, so too will non-gaming activity. In the previous round of analyses for Cherokee and Sumner Counties, Civic Economics made this adjustment based simply on the ratio of the consultants' revenue estimates and the applicants' estimates. For this round, we have taken a further step and adjusted non-gaming activity according to the proportion of such activity expected to be drawn from non-Kansans. As a result, this adjustment is based on the proportion of net revenue relative to consultants' total gaming revenue estimates.

In addition, our partners in this process, Probe Strategic Solutions, applied their specific expertise in the gaming industry to review and forecast revenues associated with hotel operations at those facilities offering one. In their opinion, reduced gaming revenue will not be reflected in reduced hotel occupancy as operators seek to fill rooms in order to provide casino patrons. Hotel revenues at all four proposed Wyandotte County properties are based on an average daily rate of \$153.59 and 85% occupancy. This "revenue" measure is intended to guide the model by presenting market values to rooms that may be provided at reduced rates or free to gaming customers.

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 17: Non-Gaming Operational Scale

NON-GAMING REVENUE ADJUSTMENTS, 2012 NORTHEAST GAMING ZONE (IN 2007 Dollars)				
	Hard Rock / Speedway	Golden Heartland	Pinnacle	Legends Sun
Hotel Revenue	\$ 14,295,389	\$ 14,295,389	\$ 23,825,649	\$ 16,677,954
Food & Beverage Revenue	\$ 12,847,963	\$ 15,661,488	\$ 15,233,850	\$ 11,082,369
Retail Revenue	\$ 4,565,841	\$ -	\$ 3,673,950	\$ 3,041,402
Golf	\$ -	\$ 1,488,479	\$ -	\$ -
Convention	\$ 1,503,258	\$ -	\$ 2,731,562	\$ 1,200,129
Other Revenue	\$ 4,007,956	\$ 1,863,590	\$ 2,304,569	\$ 7,961,890

SOURCE: Applicant Submissions, Wells Gaming and Cummings & Assoc., Probe Strategic Solutions, Civic Economics

Final Input Modifications: In order to provide fair and equitable treatment of all applicants, Civic Economics determined to run the same model, with the same modifications, for each application. While necessary to the task at hand, this required some modest modifications and adaptations from the data provided by the applicants.

Among these adjustments, those for employment and labor were the most challenging. IMPLAN is designed to estimate wages and employment based on industry averages in the study jurisdiction. However, given the limited and nontraditional form of casino gaming in Kansas currently, it was not surprising that the Local Area Data Set estimated both total employment and wages substantially lower than what was indicated by the applicants.

In order to correct for the inherently low productivity and wage numbers in the model, Civic Economics instead applied the average of all Northeast applicants in worker productivity and wages, as shown below:

Chart 18: Wage and Employment Inputs

PRODUCTIVITY AND WAGE HARMONIZATION NORTHEAST ZONE		
Category	Harmonized Value	Notes
Revenue per employee	\$ 285,816	Using an average of all four applicants
Wages per employee	\$ 32,477	

Source: Applicant Submissions

Chart 19: Applicant Submission and Model Input

APPLICANT SUBMISSION AND MODEL INPUT CORRESPONDENCE OPERATION ECONOMIC IMPACT ANALYSIS		
Performance Template Category	IMPLAN Category	Notes
Estimated gaming revenue	➡ Other amusement, gambling, and recreation industries	Modified first in terms of total revenue produced as estimated by Wells' and Cummings' reports. Also adjusted to only account for import substitution and export effects.
Hotel revenue	➡ Hotels and motels, including casino hotels	Modified by Probe Strategic Solutions to represent the average revenues and occupancy rates for the region
Food revenue	➡ Food services and drinking places	Modified to represent the same proportion of gaming revenue the casinos presented before the gaming revenue was modified by Wells and Cummings
Retail revenue	➡ Miscellaneous store retailers	Modified to represent the same proportion of gaming revenue the casinos presented before the gaming revenue was modified by Wells and Cummings
Other revenue	➡ Miscellaneous store retailers	Modified to represent the same proportion of gaming revenue the casinos presented before the gaming revenue was modified by Wells and Cummings

Impact Reporting

The economic impacts are comprised of three separate categories. Each category is analyzed separately from one another in IMPLAN.

- **Economic Output** is the total production or sales derived from the project. For this study, inputs are based upon projected gaming and non-gaming revenues.
- **Employment** is the total number of Kansans employed both full and part time in a given industry.
- **Wages** is the amount of salaries and benefits paid to Kansas employees.

For each of the categories listed above a direct effect, indirect effect, and induced effect has been calculated.

- **Direct** effects capture the initial impact created in Kansas.
- **Indirect** effects are additional impacts derived from businesses providing products or services to the selected industries. This can be restaurants purchasing supplies, the casino hiring a security firm, or the hotel purchasing advertising from a local radio station. Those are all examples of indirect effects.
- **Induced** effects are the result of increased household spending due to the direct and indirect effects. Employees of firms directly or indirectly affected by the project are buying new cars, homes, and groceries locally and this is detailed in the indirect effects.

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 20: Operating Impacts Summary Chart

OPERATING IMPACTS SUMMARY, 2012 NORTHEAST GAMING ZONE					
	Direct	Indirect	Induced	Total	Relative Impacts
ECONOMIC OUTPUT	Total revenues associated with operation (\$ Millions, 2007 Dollars)				
Hard Rock/Speedway	\$ 153.6	\$ 85.9	\$ 40.0	\$ 279.4	
Golden Heartland	\$ 130.7	\$ 74.2	\$ 33.3	\$ 238.2	
Legends Sun	\$ 121.2	\$ 65.1	\$ 32.7	\$ 219.0	
Pinnacle	\$ 141.0	\$ 76.9	\$ 37.2	\$ 255.1	
EMPLOYMENT	Total employment associated with operation				
Hard Rock/Speedway	1,076	750	379	2,205	
Golden Heartland	831	645	316	1,792	
Legends Sun	1,021	567	311	1,898	
Pinnacle	1,059	669	353	2,080	
LABOR INCOME	Total wages paid to employees above (\$ Millions, 2007 Dollars)				
Hard Rock/Speedway	\$ 25.2	\$ 26.5	\$ 11.9	\$ 63.5	
Golden Heartland	\$ 20.3	\$ 22.8	\$ 9.9	\$ 53.0	
Legends Sun	\$ 22.2	\$ 20.1	\$ 9.8	\$ 52.0	
Pinnacle	\$ 24.4	\$ 23.6	\$ 11.1	\$ 59.1	

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 21: Hard Rock/Speedway Operation Economic Output

HARD ROCK/SPEEDWAY NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	595,393	299,077	894,470
19	21 Mining (AGG)	0	1,300,867	448,395	1,749,262
30	22 Utilities (AGG)	0	4,050,907	1,023,722	5,074,630
33	23 Construction (AGG)	0	4,275,429	228,975	4,504,404
46	31-33 Manufacturing (AGG)	0	10,747,946	4,006,280	14,754,226
390	42 Wholesale Trade (AGG)	0	3,752,635	2,213,100	5,965,734
391	48-49 Transportation & Warehousing (AGG)	0	3,913,049	968,732	4,881,781
401	44-45 Retail trade (AGG)	7,499,006	1,674,832	4,960,558	14,134,395
413	51 Information (AGG)	0	6,128,538	1,103,871	7,232,409
425	52 Finance & insurance (AGG)	0	7,013,225	3,460,527	10,473,751
431	53 Real estate & rental (AGG)	0	12,331,864	1,923,955	14,255,819
437	54 Professional- scientific & tech svcs (AGG)	0	11,698,559	1,236,249	12,934,808
451	55 Management of companies (AGG)	0	2,608,786	292,415	2,901,201
452	56 Administrative & waste services (AGG)	0	6,566,578	694,460	7,261,037
461	61 Educational svcs (AGG)	0	81,576	497,201	578,777
464	62 Health & social services (AGG)	0	13,654	6,388,533	6,402,186
475	71 Arts- entertainment & recreation (AGG)	127,478,536	1,981,562	529,480	129,989,584
479	72 Accomodation & food services (AGG)	18,585,848	1,387,002	2,144,931	22,117,782
482	81 Other services (AGG)	0	2,593,584	1,517,325	4,110,909
495	92 Government & non NAICs (AGG)	0	3,163,060	6,028,955	9,192,014
Total		\$ 153,563,390	\$ 85,879,046	\$ 39,966,741	\$ 279,409,179

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 22: Hard Rock/Speedway Operation Employment

HARD ROCK/SPEEDWAY NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL EMPLOYMENT			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	5.1	2.3	7.4
19	21 Mining (AGG)	0.0	3.9	1.3	5.3
30	22 Utilities (AGG)	0.0	8.7	2.1	10.8
33	23 Construction (AGG)	0.0	37.4	2.2	39.6
46	31-33 Manufacturing (AGG)	0.0	29.1	8.5	37.7
390	42 Wholesale Trade (AGG)	0.0	23.2	13.7	37.0
391	48-49 Transportation & Warehousing (AGG)	0.0	45.9	9.6	55.4
401	44-45 Retail trade (AGG)	276.5	29.5	87.5	393.5
413	51 Information (AGG)	0.0	27.3	3.5	30.9
425	52 Finance & insurance (AGG)	0.0	45.1	20.6	65.7
431	53 Real estate & rental (AGG)	0.0	97.5	16.0	113.5
437	54 Professional- scientific & tech svcs (AGG)	0.0	100.6	12.2	112.8
451	55 Management of companies (AGG)	0.0	14.8	1.7	16.5
452	56 Administrative & waste services (AGG)	0.0	123.1	12.9	136.0
461	61 Educational svcs (AGG)	0.0	1.6	10.5	12.0
464	62 Health & social services (AGG)	0.0	0.1	83.6	83.7
475	71 Arts- entertainment & recreation (AGG)	446.0	81.4	9.1	536.5
479	72 Accomodation & food services (AGG)	353.0	26.9	43.7	423.6
482	81 Other services (AGG)	0.0	34.6	34.4	69.0
495	92 Government & non NAICs (AGG)	0.0	14.0	3.8	17.8
Total		1075.5	749.8	379.2	2204.7

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 23: Hard Rock/Speedway Operation Wages

HARD ROCK/SPEEDWAY NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL WAGES (2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	74,088	34,303	108,392
19	21 Mining (AGG)	0	315,796	108,711	424,507
30	22 Utilities (AGG)	0	832,860	197,709	1,030,568
33	23 Construction (AGG)	0	1,566,131	90,951	1,657,082
46	31-33 Manufacturing (AGG)	0	1,732,650	534,962	2,267,612
390	42 Wholesale Trade (AGG)	0	1,420,688	837,845	2,258,533
391	48-49 Transportation & Warehousing (AGG)	0	1,939,995	399,672	2,339,667
401	44-45 Retail trade (AGG)	4,053,483	674,152	2,000,456	6,728,091
413	51 Information (AGG)	0	1,535,145	224,336	1,759,481
425	52 Finance & insurance (AGG)	0	2,294,321	965,894	3,260,215
431	53 Real estate & rental (AGG)	0	2,075,108	328,554	2,403,662
437	54 Professional- scientific & tech svcs (AGG)	0	5,027,694	536,630	5,564,324
451	55 Management of companies (AGG)	0	1,131,984	126,882	1,258,867
452	56 Administrative & waste services (AGG)	0	3,309,348	340,755	3,650,103
461	61 Educational svcs (AGG)	0	35,786	226,462	262,248
464	62 Health & social services (AGG)	0	4,794	3,284,409	3,289,204
475	71 Arts- entertainment & recreation (AGG)	14,904,374	467,097	113,883	15,485,353
479	72 Accomodation & food services (AGG)	6,209,944	458,789	692,739	7,361,473
482	81 Other services (AGG)	0	884,827	686,784	1,571,611
495	92 Government & non NAICs (AGG)	0	691,609	176,753	868,362
Total		\$ 25,167,801	\$ 26,472,862	\$ 11,908,690	\$ 63,549,355

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 24: Golden Heartland Operation Economic Output

GOLDEN HEARTLAND NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	589,738	249,334	839,072
19	21 Mining (AGG)	0	1,115,040	373,818	1,488,858
30	22 Utilities (AGG)	0	3,495,067	853,456	4,348,523
33	23 Construction (AGG)	0	3,670,718	190,892	3,861,610
46	31-33 Manufacturing (AGG)	0	9,572,681	3,339,951	12,912,632
390	42 Wholesale Trade (AGG)	0	3,383,085	1,845,014	5,228,099
391	48-49 Transportation & Warehousing (AGG)	0	3,381,118	807,612	4,188,730
401	44-45 Retail trade (AGG)	1,629,975	1,437,647	4,135,509	7,203,131
413	51 Information (AGG)	0	5,236,100	920,274	6,156,374
425	52 Finance & insurance (AGG)	0	6,018,076	2,884,966	8,903,041
431	53 Real estate & rental (AGG)	0	10,571,197	1,603,962	12,175,158
437	54 Professional- scientific & tech svcs (AGG)	0	9,995,439	1,030,635	11,026,075
451	55 Management of companies (AGG)	0	2,156,747	243,780	2,400,527
452	56 Administrative & waste services (AGG)	0	5,597,081	578,957	6,176,038
461	61 Educational svcs (AGG)	0	69,195	414,507	483,702
464	62 Health & social services (AGG)	0	11,699	5,325,995	5,337,694
475	71 Arts- entertainment & recreation (AGG)	108,932,888	1,708,240	441,417	111,082,544
479	72 Accomodation & food services (AGG)	20,181,814	1,202,451	1,788,182	23,172,448
482	81 Other services (AGG)	0	2,228,125	1,264,964	3,493,089
495	92 Government & non NAICs (AGG)	0	2,722,026	5,026,215	7,748,241
Total		\$ 130,744,677	\$ 74,161,470	\$ 33,319,440	\$ 238,225,586

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 25: Golden Heartland Operation Employment

GOLDEN HEARTLAND NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL EMPLOYMENT			Total
		Direct	Indirect	Induced	
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	4.9	1.9	6.8
19	21 Mining (AGG)	0.0	3.4	1.1	4.5
30	22 Utilities (AGG)	0.0	7.5	1.8	9.3
33	23 Construction (AGG)	0.0	32.1	1.8	33.9
46	31-33 Manufacturing (AGG)	0.0	26.0	7.1	33.1
390	42 Wholesale Trade (AGG)	0.0	21.0	11.4	32.4
391	48-49 Transportation & Warehousing (AGG)	0.0	39.3	8.0	47.3
401	44-45 Retail trade (AGG)	60.1	25.3	72.9	158.3
413	51 Information (AGG)	0.0	23.4	3.0	26.3
425	52 Finance & insurance (AGG)	0.0	38.7	17.2	55.9
431	53 Real estate & rental (AGG)	0.0	83.5	13.3	96.8
437	54 Professional- scientific & tech svcs (AGG)	0.0	85.9	10.2	96.1
451	55 Management of companies (AGG)	0.0	12.2	1.4	13.6
452	56 Administrative & waste services (AGG)	0.0	104.9	10.7	115.6
461	61 Educational svcs (AGG)	0.0	1.3	8.7	10.1
464	62 Health & social services (AGG)	0.0	0.1	69.7	69.8
475	71 Arts- entertainment & recreation (AGG)	381.1	70.3	7.6	459.0
479	72 Accomodation & food services (AGG)	389.9	23.3	36.5	449.7
482	81 Other services (AGG)	0.0	29.8	28.7	58.5
495	92 Government & non NAICs (AGG)	0.0	12.0	3.2	15.3
Total		831.1	644.9	316.2	1792.3

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 26: Golden Heartland Operation Wages

GOLDEN HEARTLAND NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL WAGES (2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	70,417	28,598	99,015
19	21 Mining (AGG)	0	270,690	90,630	361,320
30	22 Utilities (AGG)	0	717,898	164,826	882,724
33	23 Construction (AGG)	0	1,344,374	75,824	1,420,197
46	31-33 Manufacturing (AGG)	0	1,533,767	445,987	1,979,754
390	42 Wholesale Trade (AGG)	0	1,280,782	698,493	1,979,275
391	48-49 Transportation & Warehousing (AGG)	0	1,666,001	333,198	1,999,199
401	44-45 Retail trade (AGG)	881,060	578,681	1,667,737	3,127,478
413	51 Information (AGG)	0	1,309,549	187,024	1,496,573
425	52 Finance & insurance (AGG)	0	1,968,265	805,245	2,773,510
431	53 Real estate & rental (AGG)	0	1,777,151	273,909	2,051,060
437	54 Professional- scientific & tech svcs (AGG)	0	4,293,681	447,378	4,741,058
451	55 Management of companies (AGG)	0	935,839	105,779	1,041,618
452	56 Administrative & waste services (AGG)	0	2,818,831	284,081	3,102,912
461	61 Educational svcs (AGG)	0	30,355	188,797	219,152
464	62 Health & social services (AGG)	0	4,108	2,738,148	2,742,256
475	71 Arts- entertainment & recreation (AGG)	12,736,077	403,083	94,942	13,234,102
479	72 Accomodation & food services (AGG)	6,698,717	397,659	577,522	7,673,898
482	81 Other services (AGG)	0	761,525	572,558	1,334,084
495	92 Government & non NAICs (AGG)	0	595,141	147,355	742,496
Total		\$ 20,315,854	\$ 22,757,797	\$ 9,928,031	\$ 53,001,681

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 27: Legends Sun Operation Economic Output

LEGENDS SUN					
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	466,443	244,957	711,400
19	21 Mining (AGG)	0	984,938	367,255	1,352,193
30	22 Utilities (AGG)	0	3,078,994	838,471	3,917,465
33	23 Construction (AGG)	0	3,211,153	187,540	3,398,693
46	31-33 Manufacturing (AGG)	0	8,192,399	3,281,311	11,473,710
390	42 Wholesale Trade (AGG)	0	2,862,443	1,812,622	4,675,065
391	48-49 Transportation & Warehousing (AGG)	0	2,988,489	793,431	3,781,920
401	44-45 Retail trade (AGG)	9,623,945	1,291,866	4,062,906	14,978,717
413	51 Information (AGG)	0	4,643,912	904,116	5,548,028
425	52 Finance & insurance (AGG)	0	5,296,323	2,834,318	8,130,641
431	53 Real estate & rental (AGG)	0	9,322,389	1,575,799	10,898,188
437	54 Professional- scientific & tech svcs (AGG)	0	8,804,504	1,012,539	9,817,043
451	55 Management of companies (AGG)	0	2,035,695	239,500	2,275,195
452	56 Administrative & waste services (AGG)	0	4,986,689	568,791	5,555,480
461	61 Educational svcs (AGG)	0	61,889	407,228	469,117
464	62 Health & social services (AGG)	0	10,076	5,232,468	5,242,544
475	71 Arts- entertainment & recreation (AGG)	93,397,240	1,465,525	433,666	95,296,424
479	72 Accomodation & food services (AGG)	18,150,670	1,065,281	1,756,789	20,972,740
482	81 Other services (AGG)	0	1,951,828	1,242,750	3,194,578
495	92 Government & non NAICs (AGG)	0	2,398,744	4,937,965	7,336,709
Total		\$ 121,171,855	\$ 65,119,580	\$ 32,734,422	\$ 219,025,850

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 28: Legends Sun Operation Employment

LEGENDS SUN NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL EMPLOYMENT			Total
		Direct	Indirect	Induced	
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	3.9	1.9	5.8
19	21 Mining (AGG)	0.0	3.0	1.1	4.1
30	22 Utilities (AGG)	0.0	6.6	1.7	8.3
33	23 Construction (AGG)	0.0	28.1	1.8	29.9
46	31-33 Manufacturing (AGG)	0.0	22.3	7.0	29.2
390	42 Wholesale Trade (AGG)	0.0	17.7	11.2	29.0
391	48-49 Transportation & Warehousing (AGG)	0.0	35.1	7.8	42.9
401	44-45 Retail trade (AGG)	354.9	22.7	71.7	449.3
413	51 Information (AGG)	0.0	20.7	2.9	23.6
425	52 Finance & insurance (AGG)	0.0	34.1	16.9	50.9
431	53 Real estate & rental (AGG)	0.0	73.5	13.1	86.6
437	54 Professional- scientific & tech svcs (AGG)	0.0	75.8	10.0	85.7
451	55 Management of companies (AGG)	0.0	11.6	1.4	12.9
452	56 Administrative & waste services (AGG)	0.0	93.0	10.5	103.5
461	61 Educational svcs (AGG)	0.0	1.2	8.6	9.8
464	62 Health & social services (AGG)	0.0	0.1	68.5	68.6
475	71 Arts- entertainment & recreation (AGG)	326.8	60.2	7.4	394.4
479	72 Accomodation & food services (AGG)	339.0	20.7	35.8	395.5
482	81 Other services (AGG)	0.0	26.3	28.2	54.5
495	92 Government & non NAICs (AGG)	0.0	10.6	3.1	13.8
Total		1020.7	567.2	310.6	1898.3

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 29: Legends Sun Operation Wages

LEGENDS SUN					
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL WAGES (2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	57,087	28,096	85,183
19	21 Mining (AGG)	0	239,102	89,039	328,141
30	22 Utilities (AGG)	0	632,481	161,932	794,413
33	23 Construction (AGG)	0	1,176,848	74,492	1,251,341
46	31-33 Manufacturing (AGG)	0	1,319,881	438,156	1,758,038
390	42 Wholesale Trade (AGG)	0	1,083,675	686,230	1,769,905
391	48-49 Transportation & Warehousing (AGG)	0	1,480,264	327,347	1,807,611
401	44-45 Retail trade (AGG)	5,202,089	520,000	1,638,458	7,360,548
413	51 Information (AGG)	0	1,162,634	183,741	1,346,375
425	52 Finance & insurance (AGG)	0	1,731,181	791,108	2,522,288
431	53 Real estate & rental (AGG)	0	1,565,246	269,100	1,834,346
437	54 Professional- scientific & tech svcs (AGG)	0	3,779,505	439,522	4,219,027
451	55 Management of companies (AGG)	0	883,313	103,922	987,235
452	56 Administrative & waste services (AGG)	0	2,500,030	279,093	2,779,123
461	61 Educational svcs (AGG)	0	27,151	185,482	212,632
464	62 Health & social services (AGG)	0	3,540	2,690,065	2,693,605
475	71 Arts- entertainment & recreation (AGG)	10,919,700	345,766	93,274	11,358,739
479	72 Accomodation & food services (AGG)	6,102,632	352,398	567,383	7,022,413
482	81 Other services (AGG)	0	670,992	562,504	1,233,496
495	92 Government & non NAICs (AGG)	0	524,832	144,768	669,600
Total		\$ 22,224,421	\$ 20,055,926	\$ 9,753,712	\$ 52,034,059

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 30: Pinnacle Operation Economic Output

PINNACLE NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	ECONOMIC OUTPUT (In 2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	586,648	278,233	864,882
19	21 Mining (AGG)	0	1,155,131	417,145	1,572,276
30	22 Utilities (AGG)	0	3,654,573	952,376	4,606,949
33	23 Construction (AGG)	0	3,808,492	213,017	4,021,510
46	31-33 Manufacturing (AGG)	0	9,801,249	3,727,070	13,528,319
390	42 Wholesale Trade (AGG)	0	3,451,435	2,058,861	5,510,297
391	48-49 Transportation & Warehousing (AGG)	0	3,527,977	901,218	4,429,195
401	44-45 Retail trade (AGG)	5,229,066	1,517,482	4,614,839	11,361,386
413	51 Information (AGG)	0	5,451,254	1,026,939	6,478,192
425	52 Finance & insurance (AGG)	0	6,246,920	3,219,351	9,466,271
431	53 Real estate & rental (AGG)	0	10,938,044	1,789,869	12,727,913
437	54 Professional- scientific & tech svcs (AGG)	0	10,361,478	1,150,091	11,511,569
451	55 Management of companies (AGG)	0	2,321,238	272,035	2,593,274
452	56 Administrative & waste services (AGG)	0	5,885,988	646,061	6,532,048
461	61 Educational svcs (AGG)	0	72,095	462,550	534,645
464	62 Health & social services (AGG)	0	11,853	5,943,299	5,955,152
475	71 Arts- entertainment & recreation (AGG)	109,842,016	1,730,040	492,579	112,064,632
479	72 Accomodation & food services (AGG)	25,937,976	1,259,383	1,995,444	29,192,804
482	81 Other services (AGG)	0	2,314,339	1,411,578	3,725,917
495	92 Government & non NAICs (AGG)	0	2,852,016	5,608,778	8,460,794
Total		\$ 141,009,058	\$ 76,947,635	\$ 37,181,333	\$ 255,138,025

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 31: Pinnacle Operation Employment

PINNACLE NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL EMPLOYMENT			Total
		Direct	Indirect	Induced	
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	4.9	2.1	7.0
19	21 Mining (AGG)	0.0	3.5	1.3	4.7
30	22 Utilities (AGG)	0.0	7.9	2.0	9.8
33	23 Construction (AGG)	0.0	33.3	2.0	35.3
46	31-33 Manufacturing (AGG)	0.0	26.7	7.9	34.6
390	42 Wholesale Trade (AGG)	0.0	21.4	12.8	34.1
391	48-49 Transportation & Warehousing (AGG)	0.0	41.3	8.9	50.2
401	44-45 Retail trade (AGG)	192.8	26.7	81.4	300.9
413	51 Information (AGG)	0.0	24.3	3.3	27.6
425	52 Finance & insurance (AGG)	0.0	40.2	19.2	59.3
431	53 Real estate & rental (AGG)	0.0	86.1	14.9	101.0
437	54 Professional- scientific & tech svcs (AGG)	0.0	89.1	11.3	100.4
451	55 Management of companies (AGG)	0.0	13.2	1.5	14.7
452	56 Administrative & waste services (AGG)	0.0	109.2	12.0	121.2
461	61 Educational svcs (AGG)	0.0	1.4	9.7	11.1
464	62 Health & social services (AGG)	0.0	0.1	77.8	77.9
475	71 Arts- entertainment & recreation (AGG)	384.3	71.1	8.4	463.8
479	72 Accomodation & food services (AGG)	482.1	24.4	40.7	547.2
482	81 Other services (AGG)	0.0	31.4	32.0	63.4
495	92 Government & non NAICs (AGG)	0.0	12.6	3.6	16.2
Total		1059.2	668.8	352.8	2080.4

Source: Applicant Submissions, IMPLAN, Civic Economics

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 32: Pinnacle Operation Wages

PINNACLE NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2012					
Code	Sector	TOTAL WAGES (2007 Dollars)			
		Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	70,455	31,913	102,367
19	21 Mining (AGG)	0	280,428	101,135	381,563
30	22 Utilities (AGG)	0	750,166	183,930	934,096
33	23 Construction (AGG)	0	1,395,411	84,612	1,480,023
46	31-33 Manufacturing (AGG)	0	1,576,357	497,679	2,074,036
390	42 Wholesale Trade (AGG)	0	1,306,659	779,452	2,086,111
391	48-49 Transportation & Warehousing (AGG)	0	1,741,179	371,817	2,112,996
401	44-45 Retail trade (AGG)	2,826,499	610,815	1,861,038	5,298,352
413	51 Information (AGG)	0	1,362,824	208,701	1,571,525
425	52 Finance & insurance (AGG)	0	2,040,123	898,577	2,938,700
431	53 Real estate & rental (AGG)	0	1,833,858	305,657	2,139,514
437	54 Professional- scientific & tech svcs (AGG)	0	4,444,707	499,231	4,943,938
451	55 Management of companies (AGG)	0	1,007,214	118,040	1,125,253
452	56 Administrative & waste services (AGG)	0	2,939,798	317,007	3,256,805
461	61 Educational svcs (AGG)	0	31,628	210,679	242,307
464	62 Health & social services (AGG)	0	4,164	3,055,510	3,059,674
475	71 Arts- entertainment & recreation (AGG)	12,842,369	408,327	105,946	13,356,641
479	72 Accomodation & food services (AGG)	8,736,574	416,552	644,460	9,797,586
482	81 Other services (AGG)	0	798,815	638,920	1,437,735
495	92 Government & non NAICs (AGG)	0	624,186	164,434	788,620
Total		\$ 24,405,442	\$ 23,643,666	\$ 11,078,738	\$ 59,127,842

Source: Applicant Submissions, IMPLAN, Civic Economics

NON-GAMING COMPETITIVE IMPACTS

Civic Economics was asked to address the issue of cannibalization of existing business with regard to the non-gaming amenities at the proposed gaming facilities.

Gaming Impact on Budgeting

Before delving into the specific amenities offered by each applicant, a note about gaming revenues is appropriate. In the discussion of Net Economic Impact above, the significant values of Import Substitution and Export Revenues were described and calculated. In addition, it was suggested that the remaining gaming revenues would represent new gaming spending in lieu of other household spending choices. The additional gaming spending beyond Import Substitution and Export Revenue in the Northeast Zone is as follows:

Chart 33: Induced Additional Gambling Spending by Kansans

REDIRECTED SPENDING BY KANSANS		
NORTHEAST REGION (2007 Dollars)		
Cordish/Speedway	\$ 67,066,547	Equivalent to approximately 6.8 - 8.4% of Wyandotte and Johnson County retail sales
Golden Gaming	\$ 63,340,761	
Pinnacle	\$ 59,154,508	
Legends Sun	\$ 53,691,695	

Source: Wells, Cummings, Claritas, Civic Economics

It is beyond the scope of this study to evaluate the choices Kansas residents will make in determining how to make room in the household budget for additional gaming spending. However, the general principal is that in a typical household increased gaming spending will be diverted from other leisure and entertainment pursuits.

Non-Gaming Competition for Non-Gaming Dollars

For this analysis, Civic Economics was asked to focus on the competition between existing businesses in the area of a proposed gaming facility and the non-gaming amenities proposed for development along with the gaming facility.

Retail and Nightlife Development

Two applicants propose to include substantial retail and entertainment centers as part of the contractually obligated development of the casino.

- Legends Sun includes a 200,000 square foot development by Red, intended as a complement to their existing development at Legends. Given the common ownership, the developers have a strong incentive to minimize its competitive impacts on Legends. However, based on extensive experience analyzing retail markets and developments, Civic Economics believes Legends may still be searching for an identity. Destination restaurants coexist with more mundane eateries; destination retailers and outlet stores coexist with both luxury brands and discount stores; and after dinner nightlife is relatively quiet outside the cinema. In short, it may be difficult to find a tenant mix at Legends Sun that does not compete with some aspect of the evolving Legends center.
- Hard Rock/Speedway includes the Cordish-built “Kansas Live!” concept, offering destination nightlife and dining. Cordish has had great success with urban-styled entertainment projects such as the Power and Light District in Kansas City. While such a project would end the effort to attract nightlife at the existing Legends center, it faces the same obstacle. It is an uphill climb to draw night visitors to an isolated site, requiring substantial distances by car after an evening out. Its pairing with a casino and hotel might mitigate somewhat the transportation challenge, we would expect many very slow weeknights at the facility.

Food and Beverage

All four proposed applicants in Wyandotte County propose an extensive range of dining and drinking offerings on the premises.

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES, NORTHEAST GAMING ZONE

Chart 34: Proposed Food & Beverage Offerings

FOOD AND BEVERAGE OFFERINGS					
Hard Rock/Speedway					
Night Club	850	Steak Restaurant	165	Buffet/Market Food Court	400
Casino Center Bar	100	Italian Restaurant	195	All Day Café	275
Rock Bar	300	Sports Bar	400	Burger	90
Dance Club	800	Pool Bar & Grille	120	Gelato	90
Irish Pub	350	Asian	225	<i>Limited-Service Total</i>	855
Comedy Club	400	Seafood	150		
Jazz Club	400	Health	125		
Country	500	Cuban/Latin	175		
Upscale Lounge	240	<i>Full-Service Total</i>	1555		
Players Club Lounge	90				
<i>Drinking Places Total</i>	4030			Hard Rock/Speedway Grand Total	6440
Golden Heartland					
Center Bar	50	Café	220	Buffet	350
Sports Bar	20	Steakhouse	125	<i>Limited-Service Total</i>	350
Lobby Bar	81	Specialty Restaurant	100		
<i>Drinking Places Total</i>	151	Golf Course Restaurant	275		
		<i>Full-Service Total</i>	720	Golden Heartland Grand Total	1221
Legends Sun					
Center Bar	80	24-Hour 'Coffee-Shop'	200	Buffet	350
Lobby Bar	35	Casual Themed Concept	120	Quick Service	150
Entertainment Bar	120	Michael Jordan's	150	<i>Limited-Service Total</i>	500
Terrace & Pool Bar	12	<i>Full-Service Total</i>	470		
High Limit Lounge	30				
<i>Drinking Places Total</i>	277			Legends Grand Total	1247
Legends Sun					
Piano Bar	122	Fine Dining	286	Buffet	629
Sports Bar	122	Fine Dining	245	Casual	179
Central Island Bar	306	Casual	223	Casual	223
Beer Garden Bar	122	Casual	223	Coffee	30
<i>Drinking Places Total</i>	673	<i>Full-Service Total</i>	977	<i>Limited-Service Total</i>	1060
				Pinnacle Grand Total	2711

Source: Applicant submissions, Probe Strategic Solutions

The dining and drinking market in Wyandotte and Johnson Counties, which comprise the bulk of the Kansas suburbs of Kansas City, Missouri, is competitive and crowded. As shown in the chart below, Claritas sees the regional market as saturated for both limited service and full service dining. It would be expected that a casino in the Kansas suburbs will present significant competition for existing area restaurants.

There remains, however, a substantial underserved market for drinking establishments.

Chart 35: Wyandotte/Johnson Food and Beverage Market

WYANDOTTE/JOHNSON COUNTY FOOD AND BEVERAGE MARKET			
	Demand	Supply	Available Market
Foodservice and Drinking Places-722	\$ 1,152,471,843	\$ 1,185,954,004	-33,482,161
Full-Service Restaurants-7221	\$ 525,538,007	\$ 552,847,007	-27,309,000
Limited-Service Eating Places-7222	\$ 480,371,274	\$ 544,193,993	-63,822,719
Drinking Places -Alcoholic Beverages-7224	\$ 53,710,323	\$ 33,539,995	20,170,328

Source: Claritas

Meeting and Convention Spaces

All four casino proposals include substantial meeting and convention space in the Phase I development. These range from 118,000 at Pinnacle to 25,000 at Golden Heartland (including flexible concert venues). The facilities at Hard Rock, Legends, and Pinnacle would immediately take its place as one of the largest centers in the suburban Kansas market.

Chart 36: Conference Center Competition

KANSAS SUBURBAN CONVENTION FACILITIES		
Proposed	Exhibition Sq. Ft.	Meeting Rooms
Hard Rock/Speedway	80,000	5
Golden Heartland	25,000	6
Legends Sun	76,500	8
Pinnacle	118,540	24
Existing	Exhibition Sq. Ft.	Meeting Rooms
Overland Park Convention Center	85,000	7
Sheraton Overland Park	21,000	6
Doubletree Overland Park	20,000	
Hilton Garden Inn, KCKS	20,000	8
Marriott Overland Park	14,000	17
Holiday Inn Overland Park West	11,000	17
Radisson Lenexa	11,000	10

Source: Applicant Submissions, Kansas City CVB, Overland Park CVB

Of immediate concern is the future health of the publicly financed Overland Park Convention Center and its adjacent, 400 room Sheraton Overland Park. The OPCC, which opened in 2001 and has, according to published reports, only marginally

exceeded its budget needs. New competition at Legends would threaten OPCC's business and financing with organizations that might be willing to consider holding events at a casino facility.

Golf

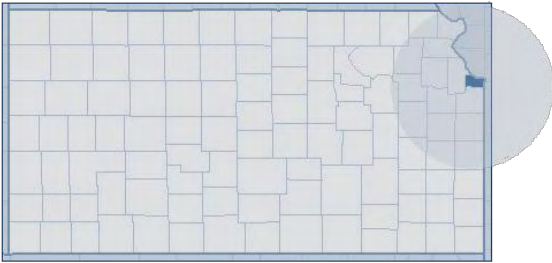
Two of the proposals include upmarket golf courses. Golden Heartland proposes a course designed and promoted by Kansas City native Tom Watson. Legends Sun proposes a course designed by the firm of Robert Trent Jones, Jr. Both have suggested that daily greens fees will be in the neighborhood of \$75. This fee would place either course near the top of the daily fee market in the Kansas City suburbs.

Chart 37: Golf Course Competition

KANSAS SUBURBAN GOLF UPMARKET DAILY FEE COURSES		
Course Name	Daily Fee	Type
Deer Creek, Overland Park	\$ 71	Private, Daily Fee
Falcon Ridge, Lenexa	\$ 85	Private, Daily Fee
Ironhorse, Leawood	\$ 70	Municipal
Prairie Highlands, Olathe	\$ 75	Private, Daily Fee

Source: KCMetroGolf.com, GolfLink

ECONOMIC IMPACT OF PROPOSED GAMING FACILITIES



NORTHEAST ZONE (WYANDOTTE COUNTY)

BRIEF AGENDA

- Overview of Scope
- Economic Impact Approach
- Economic Impact of Construction
- Economic Impact of Operations
- Non-Gaming Competitive Impacts

Scope of Work

Scope of Work

- Same as Southeast and South Central
- Economic impact of construction and operations of proposed facilities
 - Inconsistent submissions required one model applied to all applicants
- Review of “cannibalization” and competition for non-gaming activities

Economic Impact Approach

Economic Impact Approach

- IMPLAN, an industry-standard tool built on input-output modeling
- Impacts calculated on a statewide basis
- Focus is on equitable treatment of applicants
 - Developed a single model for all applicants

Economic Impact Approach

- Used data supplied by applicants where possible
 - Inconsistent entries in templates required substantial adjustments
 - Any adjustments made for all applicants
- Bottom line impacts less important here than comparative impacts

NET Economic Impacts

- The most important thing to learn today:
 - Economic impact analysis must focus on activity that is new to the study area
 - Activity that simply moves from one location or firm to another is not new to the area
- Applied to Kansas gaming proposals using Cummings and Wells models

NET Economic Impacts

- *Export Revenue:*
 - This refers to the portion of gaming revenues derived from non-Kansas visitors that would not, absent the proposed casino, have occurred in Kansas.
- *Import Substitution Revenue:*
 - This refers to the portion of gaming revenues derived from Kansas residents that would, absent the proposed casino, have occurred outside of Kansas.

Economic Impact Reporting

- Economic impacts are comprised of three separate categories.
 - *Economic Output* is the total production or sales derived from the project.
 - *Employment* is the total number of Kansans employed both on a full and part time basis in a given industry.
 - *Wages* is the amount of salaries and benefits paid to Kansas employees.

Economic Impact Reporting

- For each of the categories listed above a direct effect, indirect effect, and induced effect has been calculated.
 - *Direct* effects capture the initial impact created.
 - *Indirect* effects are additional impacts derived from businesses providing products or services to the selected industries.
 - *Induced* effects are the result of increased household spending due to the direct and indirect effects.

Construction Impacts

Construction Impacts

- Temporary economic activity associated with designing and building facilities and associated infrastructure
- Cost inputs provided by applicants
- Assumed all activity in 2010
- Simply put, relative cost of proposed facilities drives relative outcomes

Construction Impact Summary

CONSTRUCTION IMPACTS SUMMARY					
NORTHEAST GAMING ZONE					
	Direct	Indirect	Induced	Total	Relative Impacts
ECONOMIC OUTPUT	Total revenues associated with construction (\$ Millions, 2007 Dollars)				
Hard Rock/Speedway	\$ 373.6	\$ 120.1	\$ 164.1	\$ 657.8	
Golden Heartland	\$ 390.3	\$ 125.9	\$ 171.5	\$ 687.6	
Legends Sun	\$ 415.5	\$ 133.7	\$ 182.9	\$ 732.1	
Pinnacle	\$ 410.3	\$ 131.4	\$ 180.5	\$ 722.3	
EMPLOYMENT	Total workers, including full-time and part-time				
Hard Rock/Speedway	3,948	983	1,572	6,503	
Golden Heartland	4,071	1,050	1,642	6,763	
Legends Sun	4,379	1,090	1,751	7,221	
Pinnacle	4,288	1,093	1,729	7,111	
LABOR INCOME	Total wages paid to workers identified above (\$ Millions, 2007 Dollars)				
Hard Rock/Speedway	\$ 170.4	\$ 41.2	\$ 49.1	\$ 260.7	
Golden Heartland	\$ 177.6	\$ 43.5	\$ 51.3	\$ 272.4	
Legends Sun	\$ 190.0	\$ 45.9	\$ 54.7	\$ 290.5	
Pinnacle	\$ 187.5	\$ 45.3	\$ 54.0	\$ 286.8	

Source: Applicant Submissions, IMPLAN, Civic Economics

Operating Impacts

Operating Impacts

- Used 2012 for first full year of operations
 - Variations in projected growth in out years
- Steps to determine inputs:
 - Gaming revenue adjustment
 - Calculation of net impacts from Cummings and Wells analyses
 - Operational scale
 - Final input modifications for labor costs

Operational Scale

- Applicants projected both non-gaming and gaming revenues
 - Gaming revenue applied here is average of Cummings and Wells mid-case
- Non-gaming revenues were adjusted downward in proportion to NET revenues
 - Hotel revenue separately forecast based on Probe analysis

Gaming Revenue Projections

REVENUE FORECASTS, 2012 NORTHEAST GAMING ZONE (IN 2007 Dollars)				
GAMING REVENUE PROJECTIONS				
	Hard Rock / Speedway	Golden Heartland	Pinnacle	Legends Sun
Estimated gaming revenue: Applicant	\$ 358,073,000	\$ 266,085,000	\$ 401,456,000	\$ 281,858,000
Estimated gaming revenue: Wells	\$ 211,160,000	\$ 166,454,000	\$ 180,178,000	\$ 152,604,000
Estimated gaming revenue: Cummings	\$ 234,200,000	\$ 223,200,000	\$ 206,300,000	\$ 182,800,000
Average of Wells & Cummings	\$ 222,680,000	\$ 194,827,000	\$ 193,239,000	\$ 167,702,000
Ratio of Average to Applicant	0.622	0.732	0.481	0.595

SOURCE: Applicant Submissions, Wells Gaming and Cummings & Assoc., Probe Strategic Solutions, Civic Economics

Net Gaming Revenue Adjustment

- Cummings and Wells analysis allows an estimate of gaming revenue flows among states
- This analysis uses the sum of:
 - Import Substitution
 - Export

NET Revenue Projections

NET REVENUE FOR ECONOMIC IMPACT ANALYSIS					
NORTHEAST ZONE					
Wells Model					
	Hard Rock / Speedway	Golden Heartland	Pinnacle	Legends Sun	
Estimated Gaming Revenue	\$ 211,160,000	\$ 166,454,000	\$ 180,178,000	\$ 152,604,000	
Estimated Gaming Export	\$ 51,694,315	\$ 36,804,993	\$ 44,184,574	\$ 34,814,124	
Estimated Gaming Import Substitution	\$ 97,932,591	\$ 78,067,485	\$ 82,984,410	\$ 70,206,486	
Net Revenue	\$ 149,626,906	\$ 114,872,478	\$ 127,168,984	\$ 105,020,610	
Cummings Model					
	Hard Rock / Speedway	Golden Heartland	Pinnacle	Legends Sun	
Estimated Gaming Revenue	\$ 234,200,000	\$ 223,200,000	\$ 206,300,000	\$ 182,800,000	
Estimated Gaming Export	\$ 70,500,000	\$ 63,700,000	\$ 61,000,000	\$ 53,000,000	
Estimated Gaming Import Substitution	\$ 91,100,000	\$ 84,400,000	\$ 80,000,000	\$ 70,000,000	
Net Revenue	\$ 161,600,000	\$ 148,100,000	\$ 141,000,000	\$ 123,000,000	
Average of Wells and Cummings					
Average Net Revenue	\$ 155,613,453	\$ 131,486,239	\$ 134,084,492	\$ 114,010,305	
Net as a % of Gaming Revenue	69.9%	67.5%	69.4%	68.0%	

SOURCE: Wells, Cummings, Civic Economics

Non-Gaming Revenue Adjustment

NON-GAMING REVENUE ADJUSTMENTS, 2012 NORTHEAST GAMING ZONE (IN 2007 Dollars)				
	Hard Rock / Speedway	Golden Heartland	Pinnacle	Legends Sun
Hotel Revenue	\$ 14,295,389	\$ 14,295,389	\$ 23,825,649	\$ 16,677,954
Food & Beverage Revenue	\$ 12,847,963	\$ 15,661,488	\$ 15,233,850	\$ 11,082,369
Retail Revenue	\$ 4,565,841	\$ -	\$ 3,673,950	\$ 3,041,402
Golf	\$ -	\$ 1,488,479	\$ -	\$ -
Convention	\$ 1,503,258	\$ -	\$ 2,731,562	\$ 1,200,129
Other Revenue	\$ 4,007,956	\$ 1,863,590	\$ 2,304,569	\$ 7,961,890

SOURCE: Applicant Submissions, Wells Gaming and Cummings & Assoc., Probe Strategic Solutions, Civic Economics

Adjustment for Labor Cost

- Sought to use applicant submissions for labor intensity of operations
 - IMPLAN models lower than likely new reality
- Chose to use average of zone applicants

PRODUCTIVITY AND WAGE HARMONIZATION NORTHEAST ZONE		
Category	Harmonized Value	Notes
Revenue per employee	\$ 285,816	Using an average of all four applicants
Wages per employee	\$ 32,477	

Source: Applicant Submissions

Finally, on to the numbers ...

Operating Impact Summary

OPERATING IMPACTS SUMMARY, 2012 NORTHEAST GAMING ZONE

	Direct	Indirect	Induced	Total	Relative Impacts
ECONOMIC OUTPUT Total revenues associated with operation (\$ Millions, 2007 Dollars)					
Hard Rock/Speedway	\$ 153.6	\$ 85.9	\$ 40.0	\$ 279.4	
Golden Heartland	\$ 130.7	\$ 74.2	\$ 33.3	\$ 238.2	
Legends Sun	\$ 121.2	\$ 65.1	\$ 32.7	\$ 219.0	
Pinnacle	\$ 141.0	\$ 76.9	\$ 37.2	\$ 255.1	
EMPLOYMENT Total employment associated with operation					
Hard Rock/Speedway	1,076	750	379	2,205	
Golden Heartland	831	645	316	1,792	
Legends Sun	1,021	567	311	1,898	
Pinnacle	1,059	669	353	2,080	
LABOR INCOME Total wages paid to employees above (\$ Millions, 2007 Dollars)					
Hard Rock/Speedway	\$ 25.2	\$ 26.5	\$ 11.9	\$ 63.5	
Golden Heartland	\$ 20.3	\$ 22.8	\$ 9.9	\$ 53.0	
Legends Sun	\$ 22.2	\$ 20.1	\$ 9.8	\$ 52.0	
Pinnacle	\$ 24.4	\$ 23.6	\$ 11.1	\$ 59.1	

Source: Applicant Submissions, IMPLAN, Civic Economics

Non-Gaming Competitive Impacts

Competitive Impacts

- Civic Economics was asked to evaluate likely competitive pressures on existing businesses due to arrival of new non-gaming amenities
- Issues in Northeast Zone:
 - Redirected local spending
 - Retail and entertainment developments
 - Convention facility developments
 - Food & Beverage competition
 - Golf competition

Redirected Local Spending

REDIRECTED SPENDING BY KANSANS NORTHEAST REGION (2007 Dollars)			Equivalent to approximately 6.8 - 8.4% of Wyandotte and Johnson County retail sales
Cordish/Speedway	\$	67,066,547	
Golden Gaming	\$	63,340,761	
Pinnacle	\$	59,154,508	
Legends Sun	\$	53,691,695	

Source: Wells, Cummings, Claritas, Civic Economics

Retail and Entertainment

- Hard Rock/Speedway proposes “Kansas Live” entertainment and retail development
- Numerous dining and drinking options
- Cordish project
- Legends Sun proposes 200,000 square feet of commercial space
- Undetermined mix: to complement Legends
- Residential above shops

Food and Beverage

FOOD AND BEVERAGE OFFERINGS						
Hard Rock/Speedway						
Night Club	850	Steak Restaurant	165	Buffet/Market Food Court	400	
Casino Center Bar	100	Italian Restaurant	195	All Day Café	275	
Rock Bar	300	Sports Bar	400	Burger	90	
Dance Club	800	Pool Bar & Grille	120	Gelato	90	
Irish Pub	350	Asian	225	Limited-Service Total		855
Comedy Club	400	Seafood	150			
Jazz Club	400	Health	125			
Country	500	Cuban/Latin	175			
Upscale Lounge	240	Full-Service Total				1555
Players Club Lounge	90					
Drinking Places Total				Hard Rock/Speedway Grand Total		6440
Golden Heartland						
Center Bar	50	Café	220	Buffet	350	
Sports Bar	20	Steakhouse	125	Limited-Service Total		350
Lobby Bar	81	Specialty Restaurant	100			
Drinking Places Total		Golf Course Restaurant	275			
		Full-Service Total		Golden Heartland Grand Total		1221
Legends Sun						
Center Bar	80	24-Hour 'Coffee-Shop'	200	Buffet	350	
Lobby Bar	35	Casual Themed Concept	120	Quick Service	150	
Entertainment Bar	120	Michael Jordan's	150	Limited-Service Total		500
Terrace & Pool Bar	12	Full-Service Total				
High Limit Lounge	30					
Drinking Places Total				Legends Grand Total		1247
Legends Sun						
Piano Bar	122	Fine Dining	286	Buffet	629	
Sports Bar	122	Fine Dining	245	Casual	179	
Central Island Bar	306	Casual	223	Casual	223	
Beer Garden Bar	122	Casual	223	Coffee	30	
Drinking Places Total		Full-Service Total		Limited-Service Total		1060
				Pinnacle Grand Total		2711

Source: Applicant submissions, Probe Strategic Solutions

Food and Beverage

WYANDOTTE/JOHNSON COUNTY FOOD AND BEVERAGE MARKET			
	Demand	Supply	Available Market
Foodservice and Drinking Places-722	\$ 1,152,471,843	\$ 1,185,954,004	-33,482,161
Full-Service Restaurants-7221	\$ 525,538,007	\$ 552,847,007	-27,309,000
Limited-Service Eating Places-7222	\$ 480,371,274	\$ 544,193,993	-63,822,719
Drinking Places -Alcoholic Beverages-7224	\$ 53,710,323	\$ 33,539,995	20,170,328

Source: Claritas

Convention Facilities

KANSAS SUBURBAN CONVENTION FACILITIES		
Proposed	Exhibition Sq. Ft.	Meeting Rooms
Hard Rock/Speedway	80,000	5
Golden Heartland	25,000	6
Legends Sun	76,500	8
Pinnacle	118,540	24
Existing	Exhibition Sq. Ft.	Meeting Rooms
Overland Park Convention Center	85,000	7
Sheraton Overland Park	21,000	6
Doubletree Overland Park	20,000	
Hilton Garden Inn, KCKS	20,000	8
Marriott Overland Park	14,000	17
Holiday Inn Overland Park West	11,000	17
Radisson Lenexa	11,000	10

Source: Applicant Submissions, Kansas City CVB, Overland Park CVB

Golf

KANSAS SUBURBAN GOLF UPMARKET DAILY FEE COURSES		
Course Name	Daily Fee	Type
Deer Creek, Overland Park	\$ 71	Private, Daily Fee
Falcon Ridge, Lenexa	\$ 85	Private, Daily Fee
Ironhorse, Leawood	\$ 70	Municipal
Prairie Highlands, Olathe	\$ 75	Private, Daily Fee

Source: KCMetroGolf.com, GolfLink

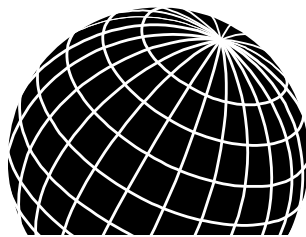
Thank you.

CivicEconomics.com
dhouston@ or mattc@

KANSAS ENTERTAINMENT, LLC

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
KANSAS ENTERTAINMENT

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 233,923,395	\$ 38,987,233	\$ -	\$ -	\$ -	
Property Tax	-	28,135,730	-	-	-	
Sales/Use Tax	58,995,930	25,045,440	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 292,919,325	\$ 92,168,403	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 801,366	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	262,162	
Fire Protection/EMS	-	1,474,099	-	-	-	
Total	\$ -	\$ 2,275,465	\$ -	\$ -	\$ 262,162	
Surplus/(Deficit)	\$ 292,919,325	\$ 89,892,938	\$ -	\$ -	\$ (262,162)	
Footnotes:						
1. City and County numbers provided by Kansas Entertainment combined into Unified Government.						

Consultant's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 164,371,242	\$ 22,258,606	\$ 1,987,916	\$ 3,148,685	\$ -	
Property Tax	633,336	31,399,544	-	-	27,351,259	
Sales/Use Tax	26,990,865	11,458,386	-	-	-	
Income Tax	12,327,976	-	-	-	-	
Building Fees	-	396,909	-	-	-	
Lodging Tax	2,355,425	4,555,303	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 206,678,844	\$ 70,068,747	\$ 1,987,916	\$ 3,148,685	\$ 27,351,259	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 4,272,454	\$ -	\$ -	\$ -	
Public Works	-	8,198	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	417,712	-	-	-	
Total	\$ -	\$ 4,698,364	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 206,678,844	\$ 65,370,383	\$ 1,987,916	\$ 3,148,685	\$ 27,351,259	

**FISCAL IMPACT--CONSTRUCTION
KANSAS ENTERTAINMENT**

Opening Date-Temporary Facility Apr-09
Opening Date-Permanent Facility Jan-11

Proposer's Estimates: 2009-2011						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 76,057,190	\$ 12,676,199	\$ -	\$ -	\$ -	
Property Tax	-	9,285,719	-	-	-	
Sales/Use Tax	33,969,676	14,421,088	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 110,026,866	\$ 36,383,006	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 536,361	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	225,877	
Fire Protection/EMS	-	1,140,556	-	-	-	
Total	\$ -	\$ 1,676,917	\$ -	\$ -	\$ 225,877	
Surplus/(Deficit)	\$ 110,026,866	\$ 34,706,089	\$ -	\$ -	\$ (225,877)	
Voluntary Contributions to State and Local Governments:						
1. Developer responsible for paying for all onsite and selected off-site infrastructure improvements relating to facility. Will provide land for fire/EMS facility. (Source: Developer Agreement with UG). No infrastructure costs in template.						
Footnotes:						
1. City and County numbers provided by Kansas Entertainment combined into Unified Government.						

Consultant's Estimates: 2009-2010						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	
Property Tax	-	-	-	-	-	
Sales/Use Tax	5,773,062	2,450,828	-	-	-	
Income Tax	1,934,615	-	-	-	-	
Building Fees	-	396,909	-	-	-	
Lodging Tax	-	-	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 7,707,677	\$ 2,847,737	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 7,707,677	\$ 2,847,737	\$ -	\$ -	\$ -	

Consultant's Comments:

1. Proposer does not list infrastructure costs in its template. However, Development Agreement with UG clearly states that Developer is responsible for all onsite and selected off-site infrastructure improvements relating to facility.

FISCAL IMPACT: 2012-2013
KANSAS ENTERTAINMENT

Proposer's Estimates					
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>					
Gaming Rev. Sharing	\$ 157,866,205	\$ 26,311,034	\$ -	\$ -	\$ -
Property Tax	-	18,850,011	-	-	-
Sales/Use Tax	25,026,254	10,624,352	-	-	-
Income Tax	-	-	-	-	-
Lodging Tax	-	-	-	-	-
Developer Contributions	-	-	-	-	-
Total	\$ 182,892,459	\$ 55,785,397	\$ -	\$ -	\$ -
<u>COSTS:</u>					
Law Enforcement	\$ -	\$ 265,005	\$ -	\$ -	\$ -
Public Works	-	-	-	-	-
Education	-	-	-	-	36,285
Fire Protection/EMS	-	333,543	-	-	-
Total	\$ -	\$ 598,548.00	\$ -	\$ -	\$ 36,285.00
Surplus/(Deficit)	\$ 182,892,459	\$ 55,186,849	\$ -	\$ -	\$ (36,285)
Voluntary Contributions to Community and Governments (not included above):					
1. \$1.135 annual contribution to schools, social services, charities, Parks and Rec, CVB, and Cof C.					
2. Additional 1% GGR to UG. (Source: Development Agreement with UG)					
Footnotes:					
1. City and County numbers provided by Kansas Entertainment combined into Unified Government.					

Consultant's Estimates					
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>					
Gaming Rev. Sharing	\$ 164,371,242	\$ 22,258,606	\$ 1,987,916	\$ 3,148,685	\$ -
Property Tax	633,336	31,399,544	-	-	27,351,259
Sales/Use Tax	21,217,803	9,007,558	-	-	-
Income Tax	10,393,361	-	-	-	-
Building Fees	-	-	-	-	-
Lodging Tax	2,355,425	4,555,303	-	-	-
School State Aid	-	-	-	-	-
Developer Contributions	-	-	-	-	-
Total	\$ 198,971,167	\$ 67,221,010	\$ 1,987,916	\$ 3,148,685	\$ 27,351,259
<u>COSTS:</u>					
Law Enforcement	\$ -	\$ 4,272,454	\$ -	\$ -	\$ -
Public Works	-	8,198	-	-	-
Education	-	-	-	-	-
Building Inspection	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-
Admin. Overhead	-	417,712	-	-	-
Total	\$ -	\$ 4,698,364	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 198,971,167	\$ 62,522,646	\$ 1,987,916	\$ 3,148,685	\$ 27,351,259

Consultant's Comments:		<u>2012</u>	<u>2012</u>
Kansas Entertainment	GGR Estimate	\$ 324,827,582	Visitors 8,527,873
Consultants	GGR Estimate	\$ 222,680,000	Visitors 2,886,526

APPENDIX 1
KANSAS ENTERTAINMENT, LLC
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	62,500	\$ 38,442,916	\$ 15,129,944	\$ 12,524,873
	Hotel	106,250	65,352,957	25,720,904	3,952,284
	Restaurants	44,005	27,066,581	10,652,570	1,636,878
	Entertainment	55,500	34,137,309	13,435,390	2,064,487
	Casino Retail	2,500	1,537,717	605,198	92,995
	Retail District	82,750	50,898,421	20,032,045	3,078,132
Subtotal		353,505	217,435,900	85,576,050	23,349,650
Year 2	Casino	62,500	31,453,295	15,129,944	43,512,368
	Hotel	106,250	53,470,601	25,720,904	4,611,026
	Restaurants	44,005	22,145,384	10,652,570	1,909,703
	Entertainment	55,500	27,930,526	13,435,390	2,408,583
	Casino Retail	2,500	1,258,132	605,198	108,495
	Retail District	82,750	41,644,162	20,032,045	3,591,176
Subtotal		353,505	177,902,100	85,576,050	56,141,350
TOTAL		707,009	\$ 395,338,000	\$ 171,152,100	\$ 79,491,000

APPENDIX 1, ASSUMPTIONS:

1. Construction of the permanent development is estimated to take 28 months (September 2008 to January 2011).

It should be noted that land and building costs incurred in 2008 are shown in Year 1 of development, which corresponds to 2009.

	Sq. Footage	Other Information
Casino	125,000	3,000 slot machines, 140 table games (of which 50 are poker)
Hotel	212,500	350 guest rooms, both standard and premium
Restaurants	88,009	restaurants and bars
Entertainment	111,000	convention space/entertainment showroom
Casino Retail	5,000	retail outlets
Retail District	<u>165,500</u>	includes entertainment/retail/dining space
Total	707,009	

Source: Developer's application/template.

Note: the Timeline in the template has an estimated opening date for a temporary casino "If the project is going to involve a temporary casino" and a temporary facility was mentioned in the presentation on August 13 to the Review Board. However, the template has no financial or employment information nor a description of the facility. Thus, it is not included in the fiscal impact analysis.

2. Construction costs are estimated using above square footages and cost breakdown provided by Kansas Entertainment LLC in its template document:

	Land	Building	FF&E*	Total**
\$	15,000,000	\$ 380,338,000	\$ 79,491,000	\$ 474,829,000

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's application/template.

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
KANSAS ENTERTAINMENT, LLC
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>KANSAS CITY SCHOOL DIST. REVENUE</u>	<u>UNIFIED GOVERNMENT REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	\$ 38,442,916	\$ 12,524,873	\$ 50,967,789	\$ 12,741,947			
	Hotel	65,352,957	3,952,284	69,305,241	17,326,310			
	Restaurants	27,066,581	1,636,878	28,703,459	7,175,865			
	Entertainment	34,137,309	2,064,487	36,201,797	9,050,449			
	Casino Retail	1,537,717	92,995	1,630,712	407,678			
	Retail District	50,898,421	3,078,132	53,976,553	13,494,138			
Subtotal		217,435,900	23,349,650	240,785,550	60,196,388	\$ -	\$ -	\$ -
Year 2	Casino	31,453,295	43,512,368	127,086,740	31,771,685			
	Hotel	53,470,601	4,611,026	125,395,173	31,348,793			
	Restaurants	22,145,384	1,909,703	51,933,665	12,983,416			
	Entertainment	27,930,526	2,408,583	65,500,537	16,375,134			
	Casino Retail	1,258,132	108,495	2,950,475	737,619			
	Retail District	41,644,162	3,591,176	97,660,711	24,415,178			
Subtotal		177,902,100	56,141,350	470,527,300	117,631,825	\$ 3,899,462	\$ 4,476,625	\$ 90,295
Year 3	Casino	-	-	129,218,224	32,304,556			
	Hotel	-	-	129,018,697	32,254,674			
	Restaurants	-	-	53,434,384	13,358,596			
	Entertainment	-	-	67,393,296	16,848,324			
	Casino Retail	-	-	3,035,734	758,934			
	Retail District	-	-	100,482,797	25,120,699			
Subtotal		-	-	482,583,132	120,645,783	\$ 7,620,072	\$ 8,747,926	\$ 176,448
Year 4	Casino	-	-	131,413,654	32,853,413			
	Hotel	-	-	132,750,927	33,187,732			
	Restaurants	-	-	54,980,124	13,745,031			
	Entertainment	-	-	69,342,837	17,335,709			
	Casino Retail	-	-	3,123,551	780,888			
	Retail District	-	-	103,389,546	25,847,386			
Subtotal		-	-	495,000,640	123,750,160	\$ 7,815,313	\$ 8,972,065	\$ 180,969
Year 5	Casino	-	-	133,674,946	33,418,737			
	Hotel	-	-	136,595,124	34,148,781			
	Restaurants	-	-	56,572,237	14,143,059			
	Entertainment	-	-	71,350,865	17,837,716			
	Casino Retail	-	-	3,214,003	803,501			
	Retail District	-	-	106,383,497	26,595,874			
Subtotal		-	-	507,790,672	126,947,668	\$ 8,016,412	\$ 9,202,928	\$ 185,625
TOTAL		\$ 395,338,000	\$ 79,491,000			\$ 27,351,259	\$ 31,399,544	\$ 633,336

APPENDIX 2
KANSAS ENTERTAINMENT, LLC
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount:

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District \$	64.7790	
Unified Government \$	74.3670	Includes Wyandotte County and Kansas City rates.
State \$	1.5000	

Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

Source: Wyandotte County/Kansas City Unified Government Manager. Rates include all funds for which property tax revenues are collected.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
3. Assessed value estimated at **25.0%** of appraised value for both real and personal property for commercial property
Source: Kansas Department of Revenue website.
4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.
5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

APPENDIX 3
KANSAS ENTERTAINMENT, LLC
SALES TAX REVENUE

<u>YEAR</u>		<u>SQUARE FT.</u> <u>BUILT</u>	<u>CONSTRUCTION</u> <u>MATERIALS</u> <u>COST</u>	<u>FF&E</u> <u>PURCHASES</u>	<u>RETAIL</u> <u>SALES</u>	<u>TOTAL</u> <u>TAXABLE</u> <u>SALES</u>	<u>KANSAS</u> <u>CITY</u> <u>REVENUE</u>	<u>WYANDOTTE</u> <u>COUNTY</u> <u>REVENUE</u>	<u>STATE OF</u> <u>KANSAS</u> <u>REVENUE</u>
Year 1	Casino	62,500	\$ 15,129,944	\$ 12,524,873	\$ -	\$ 27,654,817			
	Hotel	106,250	25,720,904	3,952,284	-	29,673,188			
	Restaurants	44,005	10,652,570	1,636,878	-	12,289,448			
	Entertainment	55,500	13,435,390	2,064,487	-	15,499,877			
	Casino Retail	2,500	605,198	92,995	-	698,193			
	Retail District	82,750	20,032,045	3,078,132	-	23,110,177			
	Subtotal	353,505	85,576,050	23,349,650	-	108,925,700	\$ 1,361,571	\$ 1,089,257	\$ 5,773,062
Year 2	Casino	62,500	15,129,944	43,512,368	-	58,642,312			
	Hotel	106,250	25,720,904	4,611,026	-	30,331,930			
	Restaurants	44,005	10,652,570	1,909,703	-	12,562,272			
	Entertainment	55,500	13,435,390	2,408,583	-	15,843,973			
	Casino Retail	2,500	605,198	108,495	-	713,692			
	Retail District	82,750	20,032,045	3,591,176	-	23,623,221			
	Subtotal	353,505	85,576,050	56,141,350	-	141,717,400	\$ 1,771,468	\$ 1,417,174	\$ 7,511,022
Year 3	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	23,274,648	23,274,648			
	Entertainment	-	-	-	9,768,710	9,768,710			
	Casino Retail	-	-	-	6,063,755	6,063,755			
	Retail District	-	-	-	33,255,709	33,255,709			
	Subtotal	-	-	-	72,362,822	72,362,822	\$ 904,535	\$ 723,628	\$ 3,835,230
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	23,890,720	23,890,720			
	Entertainment	-	-	-	10,158,224	10,158,224			
	Casino Retail	-	-	-	6,308,579	6,308,579			
	Retail District	-	-	-	51,380,070	51,380,070			
	Subtotal	-	-	-	91,737,593	91,737,593	\$ 1,146,720	\$ 917,376	\$ 4,862,092
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	24,515,615	24,515,615			
	Entertainment	-	-	-	10,517,720	10,517,720			
	Casino Retail	-	-	-	6,563,287	6,563,287			
	Retail District	-	-	-	52,921,472	52,921,472			
	Subtotal	-	-	-	94,518,094	94,518,094	\$ 1,181,476	\$ 945,181	\$ 5,009,459
TOTAL		707,009	\$ 171,152,100	\$ 79,491,000	\$ 258,618,510	\$ 509,261,610	\$ 6,365,770	\$ 5,092,616	\$ 26,990,865

APPENDIX 3
KANSAS ENTERTAINMENT, LLC
SALES TAX REVENUE

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rate is as follows: Designation
- | |
|---------------------|
| 1.250% City |
| 1.000% County |
| <u>5.300% State</u> |
| 7.550% TOTAL |

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Materials Cost - 50% of construction cost is assumed to be materials cost.

Source: Discussion with Nevada contractors

3. Retail sales revenue for casino retail, food and beverage and entertainment components uses the Developer's estimates. Source: Developer's template.

Developer does not estimate revenue from the retail/F&B establishments within the Retail District. Analysis estimates this revenue at \$ **260.00** per square foot.

Source: "Dollars & Cents of Shopping Centers/The SCORE 2006." Urban Land Institute and International Council of Shopping Centers. Data for Super Community/Community Shopping Centers in the MidWest. P.156. Data is for 2006, inflated 3% annually thereafter.

According to the developer, the center will be operational by May 2011.

APPENDIX 4
KANSAS ENTERTAINMENT, LLC
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>BONNER SPRINGS REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	-	-	-	-	-	-	-
Year 3	Casino	222,680,000	1,023,755	646,345	1,670,100	5,567,000	48,989,600	4,453,600
Year 4	Casino	228,247,000	1,049,348	662,504	1,711,853	5,706,175	50,214,340	4,564,940
Year 5	Casino	233,953,175	1,075,582	679,067	1,754,649	5,848,829	51,469,699	4,679,064
TOTAL		\$ 3,148,685	\$ 1,987,916	\$ 5,136,601	\$ 17,122,004	\$ 150,673,639	\$ 13,697,604	

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR \$ 211,160,000
Cummings GGR 234,200,000
Average \$ 222,680,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

2. Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Wyandotte County	2.5%	of all lottery gaming revenues. Additional 1% per Development Agreement with UG.
Kansas City	0.75%	of all lottery gaming revenues.
Bonner Springs	0.46%	of all lottery gaming revenues.
Edwardsville	0.29%	of all lottery gaming revenues.

Source: SB 66 and Interlocal Agreement between Kansas City, Bonner Springs, and Edwardsville.

Analysis assumes Kansas City will be the host city, retaining 50% of city-share and Bonner Springs and Edwardsville will split the remaining 50%. According to the interlocal agreement, revenue should be shared based on road miles and size of each jurisdiction. As this information was not available, the analysis uses population, as it is assumed to correlate to size and road length of the two locations:

	2007 Population	% of Total
Bonner Spring	7,069	61.30%
Edwardsville	4,463	38.70%

11,532 Source: US Census Bureau. "Population Finder."

3. Year 3 assumes first full year of operation for the permanent facility.

APPENDIX 5
KANSAS ENTERTAINMENT, LLC
STATE INCOME TAX REVENUE

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 38,453,265	\$ 33,300	\$ 1,934,615
	Operating	-	-	-
Subtotal		38,453,265	33,300	1,934,615
Year 2	Construction	44,241,929	33,300	2,225,847
	Operating	-	-	-
Subtotal		44,241,929	33,300	2,225,847
Year 3	Construction	-	-	-
	Operating	55,581,631	27,916	2,652,564
Subtotal		55,581,631	27,916	2,652,564
Year 4	Construction	-	-	-
	Operating	56,693,264	28,475	2,722,041
Subtotal		56,693,264	28,475	2,722,041
Year 5	Construction	-	-	-
	Operating	57,827,129	29,044	2,792,908
Subtotal		57,827,129	29,044	2,792,908
TOTAL		\$ 252,797,219	\$	12,327,976

APPENDIX 5, ASSUMPTIONS:

1. Construction salary per employee is estimated at \$ **33,300** excluding benefits per Developer template. Salary is held constant through the analysis per Developer's template. Year 1 (2009) includes payroll information for the last quarter of 2008, for a total of 5 quarters.
2. Operating salary per employee is estimated at \$ **27,916** excluding benefits per Developer template. Salary is inflated by 2% annually per Developer's template.
3. Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
 For a single person:
 Taxable income between \$0 and \$15,000 is taxed at 3.5%
 Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
 Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
 Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 6
KANSAS ENTERTAINMENT, LLC
ESTIMATED BUILDING PERMIT FEE REVENUE

<u>YEAR</u>	<u>LAND USE</u>	<u># OF SQ. FT. BUILT</u>	<u>CONSTRUCTION VALUATION</u>	<u>UNIFIED GOVERNMENT PERMIT REVENUE</u>
Year 1	Casino	125,000	\$ 19,762,500	\$ 80,155
	Hotel	212,500	29,597,000	119,493
	Restaurants	88,009	11,924,339	48,802
	Entertainment	111,000	19,713,600	79,959
	Casino Retail	5,000	489,950	2,525
	Retail District	165,500	16,217,345	65,974
Total		707,009	\$ 97,704,734	\$ 396,909

APPENDIX 6, ASSUMPTIONS:

1. Construction Valuation is calculated as follows:

	<u>Suggested Value/Sq. Ft.</u>	
Casino	\$158.10	
Hotel	\$139.28	
Restaurants	\$135.49	
Entertainment	\$177.60	Source: "Building Valuation Data." Square Foot
Retail	\$97.99	Construction Costs table, values for IIB style construction.

Building permit fee revenue is estimated in Year 1 for the entire development prior to construction.

2. Commercial building permit fee calculation:

\$30	per first	\$30,000	plus
\$0.75	for each additional	\$100	of value.
\$225	for value between	\$30,000-1,000,000	plus
\$0.50	for each additional	\$100	of value.
\$5,105	for value above	\$1,000,000	plus
\$0.40	for each additional	\$100	of value.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

3. Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the information required to estimate these fees is unknown.

APPENDIX 7
KANSAS ENTERTAINMENT, LLC
TRANSIENT GUEST TAX REVENUE

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ROOM REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	-	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	-	-	-	-	-
Year 3	Hotel	350	14,158,806	1,309,690	141,588	750,417
Year 4	Hotel	350	14,827,000	1,371,498	148,270	785,831
Year 5	Hotel	350	15,456,170	1,429,696	154,562	819,177
TOTAL			\$ 44,441,976	\$ 4,110,883	\$ 444,420	\$ 2,355,425

APPENDIX 7, ASSUMPTIONS:

- Sales tax rate is as follows:

	<u>Designation</u>
9.250%	City
1.000%	County
<u>5.300%</u>	State
15.550%	TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

- Room revenue based on Developer's estimates. Source: Developer's template.
- Analysis assumes complementary rooms will have tax assessed.

APPENDIX 8
KANSAS ENTERTAINMENT, LLC
SUMMARY OF ESTIMATED REVENUE

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>KANSAS CITY SCHOOL DIST.</u>	<u>BONNER SPRINGS</u>	<u>EDWARDS-VILLE</u>	<u>WYANDOTTE COUNTY</u>	<u>KANSAS CITY</u>	<u>UNIFIED GOV'T TOTAL</u>
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	5,773,062	-	-	-	1,089,257	1,361,571	2,450,828
	Gaming Revenue	-	-	-	-	-	-	-
	Income Tax Revenue	1,934,615	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	396,909	-	396,909
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		7,707,677	-	-	-	1,486,166	1,361,571	2,847,737
Year 2	Property Tax	90,295	3,899,462	-	-	4,476,625	-	4,476,625
	Sales Tax Revenue	7,511,022	-	-	-	1,417,174	1,771,468	3,188,642
	Gaming Revenue	-	-	-	-	-	-	-
	Income Tax Revenue	2,225,847	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		9,827,164	3,899,462	-	-	5,893,799	1,771,468	7,665,266
Year 3	Property Tax	176,448	7,620,072	-	-	8,747,926	-	8,747,926
	Sales Tax Revenue	3,835,230	-	-	-	723,628	904,535	1,628,163
	Gaming Revenue	53,443,200	-	1,023,755	646,345	5,567,000	1,670,100	7,237,100
	Income Tax Revenue	2,652,564	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	750,417	-	-	-	141,588	1,309,690	1,451,278
Subtotal		60,857,858	7,620,072	1,023,755	646,345	15,180,142	3,884,325	19,064,467
Year 4	Property Tax	180,969	7,815,313	-	-	8,972,065	-	8,972,065
	Sales Tax Revenue	4,862,092	-	-	-	917,376	1,146,720	2,064,096
	Gaming Revenue	54,779,280	-	1,049,348	662,504	5,706,175	1,711,853	7,418,028
	Income Tax Revenue	2,722,041	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	785,831	-	-	-	148,270	1,371,498	1,519,768
Subtotal		63,330,214	7,815,313	1,049,348	662,504	15,743,886	4,230,070	19,973,956
Year 5	Property Tax	185,625	8,016,412	-	-	9,202,928	-	9,202,928
	Sales Tax Revenue	5,009,459	-	-	-	945,181	1,181,476	2,126,657
	Gaming Revenue	56,148,762	-	1,075,582	679,067	5,848,829	1,754,649	7,603,478
	Income Tax Revenue	2,792,908	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	819,177	-	-	-	154,562	1,429,696	1,584,257
Subtotal		64,955,931	8,016,412	1,075,582	679,067	16,151,500	4,365,821	20,517,321
TOTAL		\$ 206,678,844	\$ 27,351,259	\$ 3,148,685	\$ 1,987,916	\$ 54,455,493	\$ 15,613,254	\$ 70,068,747

APPENDIX 8
KANSAS ENTERTAINMENT, LLC
SUMMARY OF ESTIMATED REVENUE

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.
2. Property tax revenue for the Unified Government is shown under Wyandotte County, but is attributed to both the County and Kansas City.
3. Revenue in the Unified Government Total column is the sum of estimated revenue for the Wyandotte County and Kansas City.

APPENDIX 9
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
STREETS DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ROAD LANE- FEET ADDED</u>	<u>ANNUAL MAINTENANCE COST/LANE-FOOT</u>	<u>TOTAL MAINTENANCE COST</u>
Year 1	0	\$ 0.76	\$ -
Year 2	3,300	0.78	-
Year 3	0	0.80	2,652
Year 4	0	0.83	2,732
Year 5	0	0.85	2,814
TOTAL	3,300	\$	8,198

APPENDIX 9, ASSUMPTIONS:

1. A total of **3,300** lane-feet of pavement will be built for development access and maintained by the Unified Government.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
2. Maintenance cost per lane-mile is estimated at **\$ 4,000**
and per lane-foot of **\$ 0.76** inflated 3% annually.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

APPENDIX 10
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
POLICE DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF NON-UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0.0	0.0	\$ -	\$ -	\$ -	-
Year 2	0	0.0	0.0	-	-	-	-
Year 3	4,449	11.5	4.4	863,785	101,307	611,298	1,576,389
Year 4	4,449	11.5	4.4	898,336	105,359	-	1,003,695
Year 5	4,449	11.5	4.4	934,270	109,573	648,526	1,692,369
TOTAL				\$ 2,696,391	\$ 316,239	\$ 1,259,824	\$ 4,272,454

APPENDIX 10, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 13 for calculation). Employees and visitors are assumed in Year 3, first full year of operation.
- Uniformed positions are estimated using a ratio of **2.59** employees per 1,000 population.
Non-uniformed positions are estimated using a ratio of **1.00** employee per 1,000 population.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
- The following salary and benefits information is used:

	Salary	Benefits	Total Cost
Uniformed \$	43,226	\$ 12,968	\$ 56,194
Non-uniformed	20,800	6,240	27,040

Benefits are estimated at **30%** of salary costs. Salary and benefits costs are increased 4% annually.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

- Services/supplies are estimated at **12%** of salaries and benefits.

	2006	2007	2008	Average
Personnel (P) \$	37,176,526	\$ 36,520,054	\$ 38,222,573	\$ 37,306,384
Services/Supplies (SS)	4,577,958	4,274,090	4,274,090	4,375,379
Capital Projects (CP)	1,952,235	1,750,900	1,826,507	1,843,214
SS % of P	12%	12%	11%	12%
CP % of P*	5%	5%	5%	5%

Source: Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Three-year average (2006-2008) for the Police Department.

- The following capital costs are expected to be incurred:

One vehicle is added for each uniformed position at a cost of \$ **50,000** per vehicle, inflated 3% annually and replaced every 18 months.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

- Employment-related costs such as a uniform allowance of **\$910** annually per officer and **\$50,000** one-time training fee per officer and annual vehicle maintenance costs of \$ **14,211** per vehicle are not included in the analysis as they are assumed to be covered by the Services/Supplies estimates above.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

APPENDIX 11
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS

YEAR	STREETS DEPARTMENT	POLICE DEPARTMENT	WASTEWATER DEPARTMENT	FIRE/EMS DEPARTMENT	COMMUNITY DEVELOPMENT	ADMIN. OVERHEAD	TOTAL COSTS
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	-	-	-	-	-	-
Year 3	2,652	1,576,389	-	-	-	154,085	1,733,127
Year 4	2,732	1,003,695	-	-	-	98,209	1,104,636
Year 5	2,814	1,692,369	-	-	-	165,418	1,860,601
TOTAL	\$ 8,198	\$ 4,272,454	\$ -	\$ -	\$ -	\$ 417,712	\$ 4,698,364

APPENDIX 11, ASSUMPTIONS:

1. See Appendices 9-10 for detailed calculations of all department costs.
2. According to the Wyandotte County/Kansas City Unified Government County Manager's Office, no additional Waste Water, Community Development and EMS/Fire department costs will be incurred.
3. Administrative overhead costs estimated at **10%** of all department costs estimated in this analysis.
 Source: Wyandotte County/Kansas City Unified Government Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund and other funds for which costs are incurred.

Direct	2006	2007	2008	Average
Appraiser	2,575,982	3,513,499	3,037,620	3,042,367
Community Correct.	2,579,176	3,107,099	3,113,287	2,933,187
Emergency Manag.	898,313	2,618,444	2,138,657	1,885,138
Fire Department	39,623,581	40,096,328	42,489,614	40,736,508
Police Department	44,056,351	43,178,454	44,956,580	44,063,795
Sheriff	16,465,641	17,585,021	17,144,004	17,064,889
Court Trustees	334,618	418,439	434,039	395,699
District Attorney	3,699,118	3,892,956	4,034,802	3,875,625
District Court	2,231,890	3,185,043	2,960,001	2,792,311
Law Library	30,879	31,662	30,377	30,973
Municipal Court	1,468,512	1,508,985	1,553,899	1,510,465
Process Servers	646,957	639,269	652,398	646,208
Aging	2,943,667	4,732,730	4,825,263	4,167,220
Community Programs	10,648,272	10,148,700	9,376,311	10,057,761
Coroner	225,154	200,152	203,481	209,596
Economic Development	5,350,220	5,080,672	3,957,476	4,796,123
Elections	1,239,337	1,368,368	1,384,967	1,330,891
Health Department	7,403,746	10,471,447	11,070,401	9,648,531
Historical Museum	233,853	276,367	249,618	253,279
Human Services	3,170,125	3,731,092	3,735,564	3,545,594
Mental Health	636,950	643,428	661,741	647,373
Neighborhood Resource Ctr.	5,172,941	4,464,883	3,999,153	4,545,659
Parks and Recreation	7,837,624	9,083,406	8,944,325	8,621,785
Register of Deeds	1,173,854	1,571,824	615,567	1,120,415
Transit	3,868,232	5,003,429	5,148,176	4,673,279
Planning/Zoning	801,690	710,681	739,666	750,679
Public Works	61,416,961	53,583,480	63,267,107	59,422,516
Soil Conservation	55,456	60,324	62,054	59,278
County Fair	189,315	204,888	204,888	199,697
Library	1,071,455	1,544,019	1,718,896	1,444,790
Convention and Visitor's	680,000	545,530	800,000	675,177
Total	228,729,870	233,200,619	243,509,932	235,146,807

APPENDIX 11
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS

Indirect	2006	2007	2008	Average
Administration/Clerk	1,530,481	1,479,832	1,552,957	1,521,090
COD Administration	155,033	209,310	224,354	196,232
County Administrator	1,036,002	1,154,792	1,316,300	1,169,031
Finance	3,997,285	4,810,705	5,239,581	4,682,524
Human Resources	1,297,075	1,243,934	1,311,926	1,284,312
Legal	2,818,711	3,310,196	3,319,855	3,149,587
Legislative Auditor	607,934	747,118	774,335	709,796
OS Business Office	186,881	187,116	201,290	191,762
Procurement/Contract	530,460	629,747	644,315	601,507
Technology	6,714,805	6,076,022	6,059,461	6,283,429
Public Safety Business	2,029,674	1,598,988	1,593,406	1,740,689
Extension Council	383,139	488,665	425,045	432,283
Special Community Grants	767,365	1,032,810	1,151,037	983,737
Total	22,054,845	22,969,235	23,813,862	22,945,981
 % Indirect of Direct	 10%	 10%	 10%	 10%

**APPENDIX 12
KANSAS ENTERTAINMENT, LLC
KANSAS CITY SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT**

<u>YEAR</u>	<u>GENERAL STATE AID</u>		<u>LOCAL EFFORT</u>		<u>TOTAL CONTRIBUTION</u>		<u>TOTAL COSTS</u>		<u>ANNUAL SURPLUS/ (DEFICIT)</u>	<u>CUMULATIVE SURPLUS/ (DEFICIT)</u>
Year 1	\$	-	\$	-	\$	-	\$	-	\$	-
Year 2		-		3,899,462		3,899,462		-	3,899,462	3,899,462
Year 3		-		7,620,072		7,620,072		-	7,620,072	11,519,534
Year 4		-		7,815,313		7,815,313		-	7,815,313	19,334,847
Year 5		-		8,016,412		8,016,412		-	8,016,412	27,351,259
TOTAL	\$	-	\$	27,351,259	\$	27,351,259	\$	-	\$	27,351,259

APPENDIX 12, ASSUMPTIONS:

1. Analysis assumes little or no cost impact of this development on the School District as all jobs will be filled by existing residents. Therefore, no new students are projected.
2. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at **\$ 4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
As the development is not expected to generate new students, only the Local Effort revenue is considered in this analysis.
3. Local Effort includes school district's property tax revenue only; other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for Kansas City School District in Appendix 2.
4. The school district's surplus could lead to a reduction in the property tax rate and/or be remitted to the State.

APPENDIX 13
KANSAS ENTERTAINMENT, LLC
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES MOVING TO THE AREA	NEW RESIDENTS MOVING TO THE AREA	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 3	1,991	1,155	-	-	7,744	4,449

APPENDIX 13, ASSUMPTIONS:

1. Employees:

- a. The development is estimated to require approximately **1,991** employees.
Source: Developer's application/template.
- b. Approximately **42%** of all employees will live in Wyandotte County, based on historical work-residence data.
Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Wyandotte County.
- c. Wyandotte County currently (2008) has an unemployment rate of **6.9%** which is higher than the normal rate of 4%.
Source: US Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics. By County. Data for Wyandotte County.
Analysis assumes all employees of the development will be existing unemployed residents and no net new employees are expected.

2. Residents:

The development will not include a residential component and therefore no residents are estimated for the development.

3. Visitors:

- a. Report by Richard Wells estimated approximately **8,198** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **7,619** daily visitors to the development, including local residents. The analysis uses the average of these **7,908**
Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.
- b. Developer's application estimates a locals' penetration rate of **38.6%** with approximately **155,509** County residents in 2006. The analysis assumes number of local visitors at **60,026** or approximately **164.5** visits a day. The analysis assumes no additional costs associated with these local visitors, costs are estimated only for the **7,744** non-local visitors.

Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services estimated as follows:

- 50%** of all commuting employees and daily visitors.
- 0%** of all employees residing in the City (those currently unemployed).
- 100%** of all new residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services. Development employees living in the City will not require incremental services as they are already accounted for in the current budget.

PINNACLE ENTERTAINMENT

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
PINNACLE ENTERTAINMENT

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 282,304,001	\$ 35,288,000	\$ -	\$ -	\$ -	
Property Tax	507,000	52,989,000	-	-	-	
Sales/Use Tax	-	16,030,104	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	4,000,000	-	-	-	
Total	\$ 282,811,001	\$ 108,307,104	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	-	4,000,000	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Total	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 282,811,001	\$ 104,307,104	\$ -	\$ -	\$ -	

Consultant's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 142,639,368	\$ 13,372,441	\$ 1,725,090	\$ 2,732,391	\$ -	
Property Tax	655,913	32,518,845	-	-	28,326,250	
Sales/Use Tax	24,026,000	10,199,717	-	-	-	
Income Tax	12,443,074	-	-	-	-	
Building Fees	-	515,704	-	-	-	
Lodging Tax	2,352,999	4,550,610	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	4,000,000	-	-	-	
Total	\$ 182,117,354	\$ 65,157,317	\$ 1,725,090	\$ 2,732,391	\$ 28,326,250	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 3,727,780	\$ -	\$ -	\$ -	
Public Works	-	1,615	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	363,920	-	-	-	
Total	\$ -	\$ 4,093,315	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 182,117,354	\$ 61,064,002	\$ 1,725,090	\$ 2,732,391	\$ 28,326,250	

**FISCAL IMPACT--CONSTRUCTION
PINNACLE ENTERTAINMENT**

Opening Date-Permanent Facility

Jul-11

Proposer's Estimates: 2009-2011							
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>		
<u>REVENUE:</u>							
Gaming Rev. Sharing	\$ 86,714,540	\$ 10,839,317	\$ -	\$ -	\$ -		
Property Tax	169,000	17,663,000	-	-	-		
Sales/Use Tax	-	4,923,923	-	-	-		
Income Tax	-	-	-	-	-		
Lodging Tax	-	-	-	-	-		
Developer Contributions	-	4,000,000	-	-	-		
Total	\$ 86,883,540	\$ 37,426,240	\$ -	\$ -	\$ -		
<u>COSTS:</u>							
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -		
Public Works	-	4,000,000	-	-	-		
Education	-	-	-	-	-		
Fire Protection/EMS	-	-	-	-	-		
Total	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -		
Surplus/(Deficit)	\$ 86,883,540	\$ 33,426,240	\$ -	\$ -	\$ -		
Voluntary Contributions to State and Local Governments:							
1. Road/streets, sewer/water and storm drains improvements estimated at \$4 million from 2009-11, 100% paid for by proposer. Development Agreement w/ UG indicates that developer will pay for all on-site infrastructure improvements and specific off-site improvements.							
Footnote: City and County numbers provided by Developer combined into UG.							

Consultant's Estimates: 2009-2010							
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>		
<u>REVENUE:</u>							
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -		
Property Tax	-	-	-	-	-		
Sales/Use Tax	3,334,540	1,415,606	-	-	-		
Income Tax	1,331,258	-	-	-	-		
Building Fees	-	515,704	-	-	-		
Lodging Tax	-	-	-	-	-		
School State Aid	-	-	-	-	-		
Developer Contributions	-	4,000,000	-	-	-		
Total	\$ 4,665,797	\$ 5,931,310	\$ -	\$ -	\$ -		
<u>COSTS:</u>							
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -		
Public Works	-	-	-	-	-		
Education	-	-	-	-	-		
Building Inspection	-	-	-	-	-		
Fire Protection/EMS	-	-	-	-	-		
Admin. Overhead	-	-	-	-	-		
Total	\$ -	\$ -	\$ -	\$ -	\$ -		
Surplus/(Deficit)	\$ 4,665,797	\$ 5,931,310	\$ -	\$ -	\$ -		

FISCAL IMPACT: 2012-2013
PINNACLE ENTERTAINMENT

Proposer's Estimates					
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>					
Gaming Rev. Sharing	\$ 195,589,461	\$ 24,448,683	\$ -	\$ -	\$ -
Property Tax	338,000	35,326,000	-	-	-
Sales/Use Tax	-	11,106,181	-	-	-
Income Tax	-	-	-	-	-
Lodging Tax	-	-	-	-	-
Developer Contributions	-	-	-	-	-
Total	\$ 195,927,461	\$ 70,880,864	\$ -	\$ -	\$ -
<u>COSTS:</u>					
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	-	-	-
Education	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 195,927,461	\$ 70,880,864	\$ -	\$ -	\$ -
Voluntary Contributions to Community and Governments (not included above):					
1. Minimum annual contribution of \$1 million to Wyandotte charities. One-time \$1 million contribution to Wyandotte charities. Source: Development Agreement with UG					
Footnotes:					
1. City and County numbers provided by Pinnacle Entertainment combined into Unified Government.					

Consultant's Estimates					
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>					
Gaming Rev. Sharing	\$ 142,639,368	\$ 13,372,441	\$ 1,725,090	\$ 2,732,391	\$ -
Property Tax	655,913	32,518,845	-	-	28,326,250
Sales/Use Tax	20,691,461	8,784,111	-	-	-
Income Tax	11,111,817	-	-	-	-
Building Fees	-	-	-	-	-
Lodging Tax	2,352,999	4,550,610	-	-	-
School State Aid	-	-	-	-	-
Developer Contributions	-	-	-	-	-
Total	\$ 177,451,556	\$ 59,226,007	\$ 1,725,090	\$ 2,732,391	\$ 28,326,250
<u>COSTS:</u>					
Law Enforcement	\$ -	\$ 3,727,780	\$ -	\$ -	\$ -
Public Works	-	1,615	-	-	-
Education	-	-	-	-	-
Building Inspection	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-
Admin. Overhead	-	363,920	-	-	-
Total	\$ -	\$ 4,093,315	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 177,451,556	\$ 55,132,691	\$ 1,725,090	\$ 2,732,391	\$ 28,326,250

Consultant's Comments:		<u>2012</u>	<u>2012</u>
Proposer	GGR Estimate	\$ 401,456,200	Visitors 4,502,558
Consultants	GGR Estimate	\$ 193,239,000	Visitors 2,443,045

APPENDIX 1
PINNACLE ENTERTAINMENT
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	33,333	\$ 18,972,391	\$ 6,843,251	\$ 3,316,525
	Hotel	160,444	91,320,378	32,938,824	97,626
	Restaurants	40,667	23,146,317	8,348,766	24,745
	Entertainment	50,103	28,517,401	10,286,090	30,487
	Retail	5,000	2,845,859	1,026,488	3,042
Subtotal		289,548	164,802,345	59,443,419	3,472,425
Year 2	Casino	66,667	31,365,354	14,770,790	36,663,862
	Hotel	320,889	150,971,800	71,096,689	19,542,625
	Restaurants	81,333	38,265,732	18,020,364	4,953,328
	Entertainment	100,207	47,145,264	22,201,975	6,102,744
	Retail	10,000	4,704,803	2,215,619	609,016
Subtotal		579,095	272,452,953	128,305,438	67,871,575
TOTAL		868,643	\$ 437,255,298	\$ 187,748,857	\$ 71,344,000

APPENDIX 1, ASSUMPTIONS:

1. The permanent development is estimated to open in July 2011.

However, construction schedule provided by the developer shows no construction expenses past 2010 and revenues for the development are estimated for the full year 2011, instead of 6 months. As a result, the analysis assumes the development will be completed in 2010 and will be fully operational by January 2011.

	Sq. Footage	Other Information
Casino	100,000	2,300 slot machines, 85 table games (includes 25 poker)
Hotel	481,333	500 guest rooms, both standard and premium
Restaurants	122,000	restaurants and bars
Entertainment	150,310	convention space/entertainment showroom
Retail	15,000	retail outlets and lifestyle center
Total	868,643	

Source: Developer's template.

2. Construction costs are estimated using above square footages and cost breakdown provided by Pinnacle in its template document:

	Land	Building	FF&E*	Total**
	\$ 55,700,000	\$ 381,555,298	\$ 71,344,000	\$ 508,599,298

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's application/template

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
PINNACLE ENTERTAINMENT
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>KANSAS CITY SCHOOL DIST. REVENUE</u>	<u>UNIFIED GOVERNMENT REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	\$ 18,972,391	\$ 3,316,525	\$ 22,288,916	\$ 5,572,229			
	Hotel	91,320,378	97,626	91,418,004	22,854,501			
	Restaurants	23,146,317	24,745	23,171,061	5,792,765			
	Entertainment	28,517,401	30,487	28,547,887	7,136,972			
	Retail	2,845,859	3,042	2,848,901	712,225			
Subtotal		164,802,345	3,472,425	168,274,770	42,068,692	\$ -	\$ -	\$ -
Year 2	Casino	31,365,354	36,663,862	90,887,304	22,721,826			
	Hotel	150,971,800	19,542,625	264,672,041	66,168,010			
	Restaurants	38,265,732	4,953,328	67,084,511	16,771,128			
	Entertainment	47,145,264	6,102,744	82,651,417	20,662,854			
	Retail	4,704,803	609,016	8,248,096	2,062,024			
Subtotal		272,452,953	67,871,575	513,543,369	128,385,842	\$ 2,725,168	\$ 3,128,522	\$ 63,103
Year 3	Casino	-	-	92,414,512	23,103,628			
	Hotel	-	-	272,022,995	68,005,749			
	Restaurants	-	-	68,947,704	17,236,926			
	Entertainment	-	-	84,946,963	21,236,741			
	Retail	-	-	8,477,177	2,119,294			
Subtotal		-	-	526,809,350	131,702,337	\$ 8,316,706	\$ 9,547,670	\$ 192,579
Year 4	Casino	-	-	93,987,535	23,496,884			
	Hotel	-	-	279,594,477	69,898,619			
	Restaurants	-	-	70,866,793	17,716,698			
	Entertainment	-	-	87,311,374	21,827,844			
	Retail	-	-	8,713,130	2,178,283			
Subtotal		-	-	540,473,310	135,118,328	\$ 8,531,546	\$ 9,794,308	\$ 197,554
Year 5	Casino	-	-	95,607,750	23,901,937			
	Hotel	-	-	287,393,104	71,848,276			
	Restaurants	-	-	72,843,455	18,210,864			
	Entertainment	-	-	89,746,719	22,436,680			
	Retail	-	-	8,956,162	2,239,041			
Subtotal		-	-	554,547,189	138,636,797	\$ 8,752,830	\$ 10,048,345	\$ 202,677
TOTAL		\$ 437,255,298	\$ 71,344,000			\$ 28,326,250	\$ 32,518,845	\$ 655,913

APPENDIX 2
PINNACLE ENTERTAINMENT
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount:

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District \$	64.7790	
Unified Government \$	74.3670	Includes Wyandotte County and Kansas City rates.
State \$	1.5000	

Source: Wyandotte County/Kansas City Unified Government Manager. Rates include all funds for which property tax revenues are collected.

Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.

3. Assessed value estimated at **25.0%** of appraised value for both real and personal property for commercial property
Source: Kansas Department of Revenue website.

4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.

5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

**APPENDIX 3
PINNACLE ENTERTAINMENT
SALES TAX REVENUE**

<u>YEAR</u>		<u>SQUARE FT. BUILT</u>	<u>CONSTRUCTION MATERIALS COST</u>	<u>FF&E PURCHASES</u>	<u>RETAIL SALES</u>	<u>TOTAL TAXABLE SALES</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	33,333	\$ 6,843,251	\$ 3,316,525	\$ -	\$ 10,159,776			
	Hotel	160,444	32,938,824	97,626	-	33,036,451			
	Restaurants	40,667	8,348,766	24,745	-	8,373,511			
	Entertainment	50,103	10,286,090	30,487	-	10,316,577			
	Retail	5,000	1,026,488	3,042	-	1,029,530			
Subtotal		289,548	59,443,419	3,472,425	-	62,915,844	\$ 786,448	\$ 629,158	\$ 3,334,540
Year 2	Casino	66,667	14,770,790	36,663,862	-	51,434,653			
	Hotel	320,889	71,096,689	19,542,625	-	90,639,314			
	Restaurants	81,333	18,020,364	4,953,328	-	22,973,692			
	Entertainment	100,207	22,201,975	6,102,744	-	28,304,719			
	Retail	10,000	2,215,619	609,016	-	2,824,634			
Subtotal		579,095	128,305,438	67,871,575	-	196,177,013	\$ 2,452,213	\$ 1,961,770	\$ 10,397,382
Year 3	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	41,049,852	41,049,852			
	Entertainment	-	-	-	8,710,597	8,710,597			
	Retail	-	-	-	9,900,000	9,900,000			
Subtotal		-	-	-	59,660,449	59,660,449	\$ 745,756	\$ 596,604	\$ 3,162,004
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	45,610,946	45,610,946			
	Entertainment	-	-	-	9,678,441	9,678,441			
	Retail	-	-	-	11,000,000	11,000,000			
Subtotal		-	-	-	66,289,388	66,289,388	\$ 828,617	\$ 662,894	\$ 3,513,338
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	46,979,275	46,979,275			
	Entertainment	-	-	-	9,968,795	9,968,795			
	Retail	-	-	-	11,330,000	11,330,000			
Subtotal		-	-	-	68,278,069	68,278,069	\$ 853,476	\$ 682,781	\$ 3,618,738
TOTAL		868,643	\$ 187,748,857	\$ 71,344,000	\$ 194,227,906	\$ 453,320,763	\$ 5,666,510	\$ 4,533,208	\$ 24,026,000

APPENDIX 3
PINNACLE ENTERTAINMENT
SALES TAX REVENUE

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rate is as follows:
- | | <u>Designation</u> |
|---------------|--------------------|
| 1.250% | City |
| 1.000% | County |
| 5.300% | State |
| 7.550% | TOTAL |

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Materials Cost - 50% of construction cost is assumed to be materials cost.

Source: Discussion with Nevada contractors

3. Retail sales revenue for retail, food and beverage and entertainment components is shown using the Developer's estimates. Source: Developer's template.

APPENDIX 4
PINNACLE ENTERTAINMENT
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>BONNER SPRINGS REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	-	-	-	-	-	-	-
Year 3	Casino	193,239,000	888,402	560,891	1,449,293	2,898,585	42,512,580	3,864,780
Year 4	Casino	198,069,975	910,612	574,913	1,485,525	2,971,050	43,575,395	3,961,400
Year 5	Casino	203,021,724	933,377	589,286	1,522,663	3,045,326	44,664,779	4,060,434
TOTAL		\$ 2,732,391	\$ 1,725,090	\$ 4,457,480	\$ 8,914,960	\$ 130,752,754	\$ 11,886,614	

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR	\$ 180,178,000
Cummings GGR	206,300,000
Average	\$ 193,239,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

2. Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Wyandotte County	1.5%	of all lottery gaming revenues.
Kansas City	0.75%	of all lottery gaming revenues.
Bonner Springs	0.46%	of all lottery gaming revenues.
Edwardsville	0.29%	of all lottery gaming revenues.

Source: SB 66 and Interlocal Agreement between Kansas City, Bonner Springs, and Edwardsville.

Analysis assumes Kansas City will be the host city, retaining 50% of city-share and Bonner Springs and Edwardsville will split the remaining 50%. According to the interlocal agreement, revenue should be shared based on road miles and area of each jurisdiction. As this information was not available, the analysis uses population, as it is assumed to correlate to size and road length of the two locations:

	2007 Population	% of Total
Bonner Spring	7,069	61.30%
Edwardsville	4,463	38.70%

11,532 Source: US Census Bureau. "Population Finder."

3. Year 3 assumes first full year of operation for the facility.

**APPENDIX 5
PINNACLE ENTERTAINMENT
STATE INCOME TAX REVENUE**

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 25,135,815	\$ 40,954	\$ 1,331,258
	Operating	-	-	-
Subtotal		25,135,815	40,954	1,331,258
Year 2	Construction	58,797,403	42,353	3,136,479
	Operating	-	-	-
Subtotal		58,797,403	42,353	3,136,479
Year 3	Construction	-	-	-
	Operating	51,390,432	27,526	2,441,765
Subtotal		51,390,432	27,526	2,441,765
Year 4	Construction	-	-	-
	Operating	57,100,472	27,532	2,713,255
Subtotal		57,100,472	27,532	2,713,255
Year 5	Construction	-	-	-
	Operating	58,813,496	28,358	2,820,319
Subtotal		58,813,496	28,358	2,820,319
TOTAL		\$ 251,237,618	\$	12,443,074

APPENDIX 5, ASSUMPTIONS:

1. Construction salary per employee is estimated at \$ **40,954** excluding benefits per Developer template. Salary is inflated 3% annually per Developer's template. Year 1 (2009) includes payroll information for the last quarter of 2008, for a total of 5 quarters.
2. Operating salary per employee is estimated at \$ **27,526** excluding benefits per Developer template. Salary is inflated by 3% annually per Developer's template.
3. Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 6
PINNACLE ENTERTAINMENT
ESTIMATED BUILDING PERMIT FEE REVENUE

<u>YEAR</u>	<u>LAND USE</u>	<u># OF SQ. FT. BUILT</u>	<u>CONSTRUCTION VALUATION</u>	<u>UNIFIED GOVERNMENT PERMIT REVENUE</u>
Year 1	Casino	100,000	\$ 15,810,000	\$ 64,345
	Hotel	481,333	67,040,060	269,265
	Restaurants	122,000	16,529,780	67,224
	Entertainment	150,310	26,695,056	107,885
	Retail	15,000	1,469,850	6,984
Total		868,643	\$ 127,544,746	\$ 515,704

APPENDIX 6, ASSUMPTIONS:

1. Construction Valuation is calculated as follows:

	<u>Suggested Value/Sq. Ft.</u>	
Casino	\$158.10	
Hotel	\$139.28	
Restaurants	\$135.49	
Entertainment	\$177.60	Source: "Building Valuation Data." Square Foot
Retail	\$97.99	Construction Costs table, values for IIB style construction.

Building permit fee revenue is estimated in Year 1 for the entire development prior to construction.

2. Commercial building permit fee calculation:

\$30	per first	\$30,000	plus
\$0.75	for each additional	\$100	of value.
\$225	for value between	\$30,000-1,000,000	plus
\$0.50	for each additional	\$100	of value.
\$5,105	for value above	\$1,000,000	plus
\$0.40	for each additional	\$100	of value.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

3. Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the information required to estimate these fees is unknown.

APPENDIX 7
PINNACLE ENTERTAINMENT
TRANSIENT GUEST TAX REVENUE

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ROOM REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	-	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	-	-	-	-	-
Year 3	Hotel	500	13,637,058	1,261,428	136,371	722,764
Year 4	Hotel	500	15,152,286	1,401,586	151,523	803,071
Year 5	Hotel	500	15,606,855	1,443,634	156,069	827,163
TOTAL			\$ 44,396,199	\$ 4,106,648	\$ 443,962	\$ 2,352,999

APPENDIX 7, ASSUMPTIONS:

1. Sales tax rate is as follows:

	<u>Designation</u>
9.250%	City
1.000%	County
5.300%	State
15.550%	TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

2. Room revenue based on Developer's estimates. Source: Developer's template.
3. Analysis assumes complementary rooms will have tax assessed.

**APPENDIX 8
PINNACLE ENTERTAINMENT
SUMMARY OF ESTIMATED REVENUE**

YEAR		<u>STATE OF KANSAS</u>	<u>KANSAS CITY SCHOOL DIST.</u>	<u>BONNER SPRINGS</u>	<u>EDWARDS- VILLE</u>	<u>WYANDOTTE COUNTY</u>	<u>KANSAS CITY</u>	<u>UNIFIED GOV'T TOTAL</u>
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	3,334,540	-	-	-	629,158	786,448	1,415,606
	Gaming Revenue	-	-	-	-	-	-	-
	Income Tax Revenue	1,331,258	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	515,704	-	515,704
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		4,665,797	-	-	-	1,144,862	786,448	1,931,310
Year 2	Property Tax	63,103	2,725,168	-	-	3,128,522	-	3,128,522
	Sales Tax Revenue	10,397,382	-	-	-	1,961,770	2,452,213	4,413,983
	Gaming Revenue	-	-	-	-	-	-	-
	Income Tax Revenue	3,136,479	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		13,596,964	2,725,168	-	-	5,090,293	2,452,213	7,542,505
Year 3	Property Tax	192,579	8,316,706	-	-	9,547,670	-	9,547,670
	Sales Tax Revenue	3,162,004	-	-	-	596,604	745,756	1,342,360
	Gaming Revenue	46,377,360	-	888,402	560,891	2,898,585	1,449,293	4,347,878
	Income Tax Revenue	2,441,765	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	722,764	-	-	-	136,371	1,261,428	1,397,798
Subtotal		52,896,471	8,316,706	888,402	560,891	13,179,230	3,456,476	16,635,706
Year 4	Property Tax	197,554	8,531,546	-	-	9,794,308	-	9,794,308
	Sales Tax Revenue	3,513,338	-	-	-	662,894	828,617	1,491,511
	Gaming Revenue	47,536,794	-	910,612	574,913	2,971,050	1,485,525	4,456,574
	Income Tax Revenue	2,713,255	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	803,071	-	-	-	151,523	1,401,586	1,553,109
Subtotal		54,764,011	8,531,546	910,612	574,913	13,579,774	3,715,729	17,295,503
Year 5	Property Tax	202,677	8,752,830	-	-	10,048,345	-	10,048,345
	Sales Tax Revenue	3,618,738	-	-	-	682,781	853,476	1,536,257
	Gaming Revenue	48,725,214	-	933,377	589,286	3,045,326	1,522,663	4,567,989
	Income Tax Revenue	2,820,319	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	827,163	-	-	-	156,069	1,443,634	1,599,703
Subtotal		56,194,111	8,752,830	933,377	589,286	13,932,520	3,819,773	17,752,293
TOTAL		\$ 182,117,354	\$ 28,326,250	\$ 2,732,391	\$ 1,725,090	\$ 46,926,679	\$ 14,230,638	\$ 61,157,317

APPENDIX 8
PINNACLE ENTERTAINMENT
SUMMARY OF ESTIMATED REVENUE

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas gaming revenue includes 2% gaming revenue for problem gambling fund.
2. Property tax revenue for the Unified Government is shown under Wyandotte County, but is attributed to both the County and Kansas City.
3. Revenue in the Unified Government Total column is the sum of estimated revenue for the Wyandotte County and Kansas City.

APPENDIX 9
PINNACLE ENTERTAINMENT
UNIFIED GOVERNMENT
STREETS DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ROAD LANE- FEET ADDED</u>	<u>ANNUAL MAINTENANCE COST/LANE-FOOT</u>	<u>TOTAL MAINTENANCE COST</u>
Year 1	0	\$ 0.76	\$ -
Year 2	650	0.78	-
Year 3	0	0.80	522
Year 4	0	0.83	538
Year 5	0	0.85	554
TOTAL	650	\$	1,615

APPENDIX 9, ASSUMPTIONS:

1. A total of **650** lane-feet of pavement will be built for development access and maintained by the Unified Government.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
2. Maintenance cost per lane-mile is estimated at \$ **4,000**
and per lane-foot of \$ **0.76** inflated 3% annually.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

**APPENDIX 10
PINNACLE ENTERTAINMENT
UNIFIED GOVERNMENT
POLICE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF NON-UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0.0	0.0	\$ -	\$ -	\$ -	-
Year 2	0	0.0	0.0	-	-	-	-
Year 3	3,882	10.1	3.9	753,665	88,392	533,367	1,375,424
Year 4	3,882	10.1	3.9	783,812	91,927	-	875,739
Year 5	3,882	10.1	3.9	815,164	95,604	565,849	1,476,617
TOTAL				\$ 2,352,642	\$ 275,923	\$ 1,099,215	\$ 3,727,780

APPENDIX 10, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development and all new residents of the development (See Appendix 13 for calculation). Employees, residents and visitors are assumed in Year 3, first full year of operation.
- Uniformed positions are estimated using a ratio of **2.59** employees per 1,000 population.
Non-uniformed positions are estimated using a ratio of **1.00** employee per 1,000 population.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
- The following salary and benefits information is used:

	Salary	Benefits	Total Cost
Uniformed \$	43,226	\$ 12,968	\$ 56,194
Non-uniformed	20,800	6,240	27,040

Benefits are estimated at **30%** of salary costs. Salary and benefits costs are increased 4% annually.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

- Services/supplies are estimated at **12%** of salaries and benefits.

	2006	2007	2008	Average
Personnel (P) \$	37,176,526	\$ 36,520,054	\$ 38,222,573	\$ 37,306,384
Services/Supplies (SS)	4,577,958	4,274,090	4,274,090	4,375,379
Capital Projects (CP)	1,952,235	1,750,900	1,826,507	1,843,214
SS % of P	12%	12%	11%	12%
CP % of P*	5%	5%	5%	5%

Source: Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Three-year average (2006-2008) for the Police Department.

- The following capital costs are expected to be incurred:
One vehicle is added for each uniformed position at a cost of \$ **50,000** per vehicle, inflated 3% annually and replaced every 18 months.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
- Employment-related costs such as a uniform allowance of **\$910** annually per officer and **\$50,000** one-time training fee per officer and annual vehicle maintenance costs of \$ **14,211** per vehicle are not included in the analysis as they are assumed to be covered by the Services/Supplies estimates above.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

APPENDIX 11
PINNACLE ENTERTAINMENT
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS

YEAR	STREETS DEPARTMENT	POLICE DEPARTMENT	WASTEWATER DEPARTMENT	FIRE/EMS DEPARTMENT	COMMUNITY DEVELOPMENT	ADMIN. OVERHEAD	TOTAL COSTS
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	-	-	-	-	-	-
Year 3	522	1,375,424	-	-	-	134,267	1,510,213
Year 4	538	875,739	-	-	-	85,508	961,786
Year 5	554	1,476,617	-	-	-	144,145	1,621,316
TOTAL	\$ 1,615	\$ 3,727,780	\$ -	\$ -	\$ -	\$ 363,920	\$ 4,093,315

APPENDIX 11, ASSUMPTIONS:

1. See Appendices 9-10 for detailed calculations of all department costs.
2. According to the Wyandotte County/Kansas City Unified Government County Manager's Office, no additional Waste Water, Community Development and EMS/Fire department costs will be incurred.
3. Administrative overhead costs estimated at **10%** of all department costs estimated in this analysis.
 Source: Wyandotte County/Kansas City Unified Government Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund and other funds for which costs are incurred.

Direct	2006	2007	2008	Average
Appraiser	2,575,982	3,513,499	3,037,620	3,042,367
Community Correct.	2,579,176	3,107,099	3,113,287	2,933,187
Emergency Manag.	898,313	2,618,444	2,138,657	1,885,138
Fire Department	39,623,581	40,096,328	42,489,614	40,736,508
Police Department	44,056,351	43,178,454	44,956,580	44,063,795
Sheriff	16,465,641	17,585,021	17,144,004	17,064,889
Court Trustees	334,618	418,439	434,039	395,699
District Attorney	3,699,118	3,892,956	4,034,802	3,875,625
District Court	2,231,890	3,185,043	2,960,001	2,792,311
Law Library	30,879	31,662	30,377	30,973
Municipal Court	1,468,512	1,508,985	1,553,899	1,510,465
Process Servers	646,957	639,269	652,398	646,208
Aging	2,943,667	4,732,730	4,825,263	4,167,220
Community Programs	10,648,272	10,148,700	9,376,311	10,057,761
Coroner	225,154	200,152	203,481	209,596
Economic Development	5,350,220	5,080,672	3,957,476	4,796,123
Elections	1,239,337	1,368,368	1,384,967	1,330,891
Health Department	7,403,746	10,471,447	11,070,401	9,648,531
Historical Museum	233,853	276,367	249,618	253,279
Human Services	3,170,125	3,731,092	3,735,564	3,545,594
Mental Health	636,950	643,428	661,741	647,373
Neighborhood Resource Ctr.	5,172,941	4,464,883	3,999,153	4,545,659
Parks and Recreation	7,837,624	9,083,406	8,944,325	8,621,785
Register of Deeds	1,173,854	1,571,824	615,567	1,120,415
Transit	3,868,232	5,003,429	5,148,176	4,673,279
Planning/Zoning	801,690	710,681	739,666	750,679
Public Works	61,416,961	53,583,480	63,267,107	59,422,516
Soil Conservation	55,456	60,324	62,054	59,278
County Fair	189,315	204,888	204,888	199,697
Library	1,071,455	1,544,019	1,718,896	1,444,790
Convention and Visitor's	680,000	545,530	800,000	675,177
Total	228,729,870	233,200,619	243,509,932	235,146,807

APPENDIX 11
PINNACLE ENTERTAINMENT
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS

Indirect	2006	2007	2008	Average
Administration/Clerk	1,530,481	1,479,832	1,552,957	1,521,090
COD Administration	155,033	209,310	224,354	196,232
County Administrator	1,036,002	1,154,792	1,316,300	1,169,031
Finance	3,997,285	4,810,705	5,239,581	4,682,524
Human Resources	1,297,075	1,243,934	1,311,926	1,284,312
Legal	2,818,711	3,310,196	3,319,855	3,149,587
Legislative Auditor	607,934	747,118	774,335	709,796
OS Business Office	186,881	187,116	201,290	191,762
Procurement/Contract	530,460	629,747	644,315	601,507
Technology	6,714,805	6,076,022	6,059,461	6,283,429
Public Safety Business	2,029,674	1,598,988	1,593,406	1,740,689
Extension Council	383,139	488,665	425,045	432,283
Special Community Grants	767,365	1,032,810	1,151,037	983,737
Total	22,054,845	22,969,235	23,813,862	22,945,981
 % Indirect of Direct	 10%	 10%	 10%	 10%

**APPENDIX 12
PINNACLE ENTERTAINMENT
KANSAS CITY SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT**

<u>YEAR</u>	<u>GENERAL STATE AID</u>	<u>LOCAL EFFORT</u>	<u>TOTAL CONTRIBUTION</u>	<u>TOTAL COSTS</u>	<u>ANNUAL SURPLUS/ (DEFICIT)</u>	<u>CUMULATIVE SURPLUS/ (DEFICIT)</u>
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	2,725,168	2,725,168	-	2,725,168	2,725,168
Year 3	-	8,316,706	8,316,706	-	8,316,706	11,041,874
Year 4	-	8,531,546	8,531,546	-	8,531,546	19,573,420
Year 5	-	8,752,830	8,752,830	-	8,752,830	28,326,250
TOTAL	\$ -	\$ 28,326,250	\$ 28,326,250	\$ -	\$ 28,326,250	

APPENDIX 12, ASSUMPTIONS:

1. Analysis assumes little or no cost impact of this development on the School District as all jobs will be filled by existing residents. Therefore, no new students are projected.
2. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at **\$ 4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
As the development is not expected to generate new students, only the Local Effort revenue is considered in this analysis.
3. Local Effort includes school district's property tax revenue only; other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for Kansas City School District in Appendix 2.
4. The school district's surplus could lead to a reduction in the property tax rate and/or be remitted to the State.

APPENDIX 13
PINNACLE ENTERTAINMENT
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES MOVING TO THE AREA	NEW RESIDENTS MOVING TO THE AREA	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 3	2,074	1,203	-	-	6,561	3,882

APPENDIX 13, ASSUMPTIONS:

1. Employees:

- a. The development is estimated to require approximately **2,074** employees.
Source: Developer's revised application (final template).
- b. Approximately **42%** of all employees will live in Wyandotte County, based on historical work-residence data.
Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Wyandotte County.
- c. Wyandotte County currently (2008) has an unemployment rate of **6.9%** which is higher than the normal rate of 4%.
Source: US Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics. By County. Data for Wyandotte County.
Analysis assumes all employees of the development will be existing unemployed residents and no net new employees are expected.

2. Residents:

The development will not include a residential component and therefore no residents are estimated for the development.

3. Visitors:

- a. Report by Richard Wells estimated approximately **6,958** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **6,428** daily visitors to the development, including local residents. The analysis uses the average of these **6,693**
Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.
- b. Developer's application estimates a locals' penetration rate of **31.0%** with approximately **155,509** County residents in 2006. The analysis assumes number of local visitors at **48,208** or approximately **132.1** visits a day. The analysis assumes no additional costs associated with these local visitors, costs are estimated only for the **6,561** non-local visitors.

Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services estimated as follows:

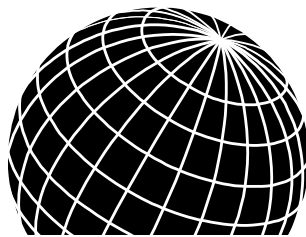
- 50%** of all commuting employees and daily visitors.
- 0%** of all employees residing in the City (those currently unemployed).
- 100%** of all new residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services. Development employees living in the City will not require incremental services as they are already accounted for in the current budget.

GOLDEN HEARTLAND, INC.

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
GOLDEN HEARTLAND, INC.

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates							
	<u>State</u>	<u>Wyandotte Co.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>Kansas City</u>	<u>K-12 Schools</u>	
REVENUE:							
Gaming Rev. Sharing	\$ 66,484,020	\$ 6,039,658	\$ 2,077,626	\$ 193,219	\$ -	\$ -	
Property Tax	207,173	19,278,023	6,985,219	11,532,671	-	-	
Sales/Use Tax	4,691,904	1,991,846	337,258	959,013	-	-	
Income Tax	-	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	-	
Developer Contributions	-	-	6,971,890	-	-	-	
Total	\$ 71,383,097	\$ 27,309,527	\$ 16,371,993	\$ 12,684,903	\$ -	\$ -	
COSTS:							
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	-	-	6,971,890	-	-	-	
Education	-	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	-	
Total	\$ -	\$ -	\$ 6,971,890	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 71,383,097	\$ 27,309,527	\$ 9,400,103	\$ 12,684,903	\$ -	\$ -	

Consultant's Estimates							
	<u>State</u>	<u>Wyandotte Co.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>Kansas City</u>	<u>K-12 Schools</u>	
REVENUE:							
Gaming Rev. Sharing	\$ 143,811,550	\$ 8,988,222	\$ 4,494,111	\$ 212,659	\$ 4,281,452	\$ -	
Property Tax	502,495	11,315,860	11,460,579	-	-	20,227,112	
Sales/Use Tax	22,634,050	4,270,576	4,270,576	-	-	-	
Income Tax	13,647,874	-	-	-	-	-	
Building Fees	-	-	403,284	-	-	-	
Lodging Tax	2,301,204	434,189	2,605,136	-	-	-	
School State Aid	-	-	-	-	-	-	
Developer Contributions	-	-	6,971,890	-	-	-	
Total	\$ 182,897,173	\$ 25,008,847	\$ 30,205,575	\$ 212,659	\$ 4,281,452	\$ 20,227,112	
COSTS:							
Law Enforcement	\$ -	\$ 840,607	\$ 3,201,858	\$ -	\$ -	\$ -	
Public Works	-	-	16,893	-	-	-	
Education	-	-	-	-	-	-	
Building Inspection	-	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	-	
Admin. Overhead	-	-	663,063	-	-	-	
Total	\$ -	\$ 840,607	\$ 3,881,814	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 182,897,173	\$ 24,168,239	\$ 26,323,762	\$ 212,659	\$ 4,281,452	\$ 20,227,112	

**FISCAL IMPACT--CONSTRUCTION
GOLDEN HEARTLAND, INC.**

Opening Date-Permanent Facility

Feb-11

Proposer's Estimates: 2009-2011

	<u>State</u>	<u>Wvandotte Co.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>Kansas City</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 66,484,020	\$ 6,039,658	\$ 2,077,626	\$ 193,219	\$ -	\$ -
Property Tax	207,173	19,278,023	6,985,219	11,532,671	-	-
Sales/Use Tax	4,691,904	1,991,846	337,258	959,013	-	-
Income Tax	-	-	-	-	-	-
Lodging Tax	-	-	-	-	-	-
Developer Contributions	-	-	6,971,890	-	-	-
Total	\$ 71,383,097	\$ 27,309,527	\$ 16,371,993	\$ 12,684,903	\$ -	\$ -
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	6,971,890	-	-	-
Education	-	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-	-
Total	\$ -	\$ -	\$ 6,971,890	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 71,383,097	\$ 27,309,527	\$ 9,400,103	\$ 12,684,903	\$ -	\$ -

Voluntary Contributions to State and Local Governments:

1. Road/streets, sewer/water and storm drains improvements estimated at \$6.97 million from 2009-11, 100% paid for by proposer.

Consultant's Estimates: 2009-2011

	<u>State</u>	<u>Wvandotte Co.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>Kansas City</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax	-	-	-	-	-	-
Sales/Use Tax	6,794,317	1,281,947	1,281,947	-	-	-
Income Tax	3,953,720	-	-	-	-	-
Building Fees	-	-	403,284	-	-	-
Lodging Tax	-	-	-	-	-	-
School State Aid	-	-	-	-	-	-
Developer Contributions	-	-	6,971,890	-	-	-
Total	\$ 10,748,038	\$ 1,281,947	\$ 8,657,121	\$ -	\$ -	\$ -
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	-	-	-	-
Education	-	-	-	-	-	-
Building Inspection	-	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-	-
Admin. Overhead	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 10,748,038	\$ 1,281,947	\$ 8,657,121	\$ -	\$ -	\$ -

**FISCAL IMPACT: 2012-2013
GOLDEN HEARTLAND, INC.**

Proposer's Estimates								
	State	Wvandotte Co.	Edwardsville	Bonner Springs	Kansas City	K-12 Schools		
<u>REVENUE:</u>								
Gaming Rev. Sharing	\$	-	\$	-	\$	-	\$	-
Property Tax		-		-		-		-
Sales/Use Tax		-		-		-		-
Income Tax		-		-		-		-
Lodging Tax		-		-		-		-
Developer Contributions		-		-		-		-
Total	\$	-	\$	-	\$	-	\$	-
<u>COSTS:</u>								
Law Enforcement	\$	-	\$	-	\$	-	\$	-
Public Works		-		-		-		-
Education		-		-		-		-
Fire Protection/EMS		-		-		-		-
Total	\$	-	\$	-	\$	-	\$	-
Surplus/(Deficit)	\$	-	\$	-	\$	-	\$	-

Consultant's Estimates						
REVENUE:	State	Wvandonotte Co.	Edwardsville	Bonner Springs	Kansas City	K-12 Schools
Gaming Rev. Sharing	\$ 143,811,550	\$ 8,988,222	\$ 4,494,111	\$ 212,659	\$ 4,281,452	\$ -
Property Tax	502,495	11,315,860	11,460,579	-	-	20,227,112
Sales/Use Tax	15,839,733	2,988,629	2,988,629	-	-	-
Income Tax	9,694,154	-	-	-	-	-
Building Fees	-	-	-	-	-	-
Lodging Tax	2,301,204	434,189	2,605,136	-	-	-
School State Aid	-	-	-	-	-	-
Developer Contributions	-	-	-	-	-	-
Total	\$ 172,149,136	\$ 23,726,900	\$ 21,548,454	\$ 212,659	\$ 4,281,452	\$ 20,227,112
COSTS:						
Law Enforcement	\$ -	\$ 840,607	\$ 3,201,858	\$ -	-	\$ -
Public Works	-	-	16,893	-	-	-
Education	-	-	-	-	-	-
Building Inspection	-	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-	-
Admin. Overhead	-	-	663,063	-	-	-
Total	\$ -	\$ 840,607	\$ 3,881,814	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 172,149,136	\$ 22,886,293	\$ 17,666,641	\$ 212,659	\$ 4,281,452	\$ 20,227,112

Consultant's Comments:

		<u>2012</u>			
Golden Heartland	GGR Estimate	\$ 266,085,000		2011 Visitors	3,888,427
Consultants	GGR Estimate	\$ 194,827,000		2012 Visitors	2,441,629

APPENDIX 1
GOLDEN HEARTLAND, INC.
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	65,902	\$ 51,967,334	\$ 25,983,667	\$ 5,493,684
	Hotel	136,000	107,243,443	53,621,722	11,337,153
	Restaurants	39,652	31,267,378	15,633,689	3,305,405
	Entertainment	26,289	20,730,315	10,365,158	2,191,488
	Casino Retail	550	433,705	216,853	45,849
Subtotal		268,393	211,642,176	105,821,088	22,373,580
Year 2	Casino	65,902	51,967,334	25,983,667	73,382,830
	Hotel	136,000	107,243,443	53,621,722	11,337,153
	Restaurants	39,652	31,267,378	15,633,689	3,305,405
	Entertainment	26,289	20,730,315	10,365,158	2,191,488
	Casino Retail	550	433,705	216,853	45,849
Subtotal		268,393	211,642,176	105,821,088	90,262,726
TOTAL		536,785	\$ 423,284,351	\$ 211,642,176	\$ 112,636,306

APPENDIX 1, ASSUMPTIONS:

1. The permanent facility is estimated to open in February 2011; no temporary facility proposed.

The analysis does not include Phase II of the development, which is expected to open in August 2014.

	Sq. Footage	Other Information
Casino	131,804	2,500 slot machines, 98 table games of which 18 are poker
Hotel	272,000	300 guest rooms, both standard and premium
Restaurants	79,303	restaurants and bars
Entertainment	52,578	entertainment showroom/spa/convention center
Casino Retail	1,100	retail outlets and lifestyle center

Total **536,785**

Source: Developer's application/final template.

2. Construction costs are estimated using above square footages and cost breakdown provided by Golden Heartland in its template document (costs are added in the year shown by the developer):

	Land	Building	FF&E*	Total**
	\$ 23,500,000	\$ 399,784,351	\$ 112,636,306	\$ 535,920,657

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's application/template.

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
GOLDEN HEARTLAND, INC.
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>KANSAS CITY SCHOOL DIST. REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>EDWARDSVILLE CITY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	\$ 51,967,334	\$ 5,493,684	\$ 57,461,018	\$ 14,365,255				
	Hotel	107,243,443	11,337,153	118,580,597	29,645,149				
	Restaurants	31,267,378	3,305,405	34,572,783	8,643,196				
	Entertainment	20,730,315	2,191,488	22,921,804	5,730,451				
	Casino Retail	433,705	45,849	479,554	119,888				
Subtotal		211,642,176	22,373,580	234,015,756	58,503,939	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	51,967,334	73,382,830	184,370,202	46,092,551				
	Hotel	107,243,443	11,337,153	118,580,597	29,645,149				
	Restaurants	31,267,378	3,305,405	34,572,783	8,643,196				
	Entertainment	20,730,315	2,191,488	22,921,804	5,730,451				
	Casino Retail	433,705	45,849	479,554	119,888				
Subtotal		211,642,176	90,262,726	360,924,940	90,231,235	\$ 3,532,468	\$ 1,976,205	\$ 2,001,478	\$ 87,756
Year 3	Casino	-	-	187,535,013	46,883,753				
	Hotel	-	-	121,797,900	30,449,475				
	Restaurants	-	-	35,510,805	8,877,701				
	Entertainment	-	-	23,543,713	5,885,928				
	Casino Retail	-	-	45,849	11,462				
Subtotal		-	-	368,433,279	92,108,320	\$ 5,448,162	\$ 3,047,921	\$ 3,086,901	\$ 135,347
Year 4	Casino	-	-	190,794,768	47,698,692				
	Hotel	-	-	125,111,722	31,277,931				
	Restaurants	-	-	36,476,967	9,119,242				
	Entertainment	-	-	24,184,280	6,046,070				
	Casino Retail	-	-	45,849	11,462				
Subtotal		-	-	376,613,585	94,153,396	\$ 5,561,500	\$ 3,111,327	\$ 3,151,118	\$ 138,162
Year 5	Casino	-	-	194,152,316	48,538,079				
	Hotel	-	-	128,524,959	32,131,240				
	Restaurants	-	-	37,472,113	9,368,028				
	Entertainment	-	-	24,844,064	6,211,016				
	Casino Retail	-	-	45,849	11,462				
Subtotal		-	-	385,039,301	96,259,825	\$ 5,684,982	\$ 3,180,408	\$ 3,221,082	\$ 141,230
TOTAL		\$ 423,284,351	\$ 112,636,306			\$ 20,227,112	\$ 11,315,860	\$ 11,460,579	\$ 502,495

APPENDIX 2
GOLDEN HEARTLAND, INC.
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount:

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District \$	60.3800	
County \$	33.7790	includes County Library rate.
City \$	34.2110	
State \$	1.5000	

Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

Source: Wyandotte County Budget FY 2007. Rates include all funds for which property tax revenues are collected.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.

3. Assessed value estimated at **25.0%** of appraised value for both real and personal property for commercial property
Source: Kansas Department of Revenue website.

4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.

5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

**APPENDIX 3
GOLDEN HEARTLAND, INC.
SALES TAX REVENUE**

<u>YEAR</u>		<u>SQUARE FT. BUILT</u>	<u>CONSTRUCTION MATERIALS COST</u>	<u>FF&E PURCHASES</u>	<u>RETAIL SALES</u>	<u>TOTAL TAXABLE SALES</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	65,902	\$ 25,983,667	\$ 5,493,684	\$ -	\$ 31,477,351			
	Hotel	136,000	53,621,722	11,337,153	-	64,958,875			
	Restaurants	39,652	15,633,689	3,305,405	-	18,939,094			
	Entertainment	26,289	10,365,158	2,191,488	-	12,556,646			
	Casino Retail	550	216,853	45,849	-	262,701			
Subtotal		268,393	105,821,088	22,373,580	-	128,194,668	\$ 1,281,947	\$ 1,281,947	\$ 6,794,317
Year 2	Casino	65,902	25,983,667	73,382,830	-	99,366,497			
	Hotel	136,000	53,621,722	11,337,153	-	64,958,875			
	Restaurants	39,652	15,633,689	3,305,405	-	18,939,094			
	Entertainment	26,289	10,365,158	2,191,488	-	12,556,646			
	Casino Retail	550	216,853	45,849	-	262,701			
Subtotal		268,393	105,821,088	90,262,726	-	196,083,814	\$ 1,960,838	\$ 1,960,838	\$ 10,392,442
Year 3	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	27,630,393	27,630,393			
	Entertainment	-	-	-	4,448,125	4,448,125			
	Casino Retail	-	-	-	-	-			
Subtotal		-	-	-	32,078,518	32,078,518	\$ 320,785	\$ 320,785	\$ 1,700,161
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	31,693,713	31,693,713			
	Entertainment	-	-	-	3,012,194	3,012,194			
	Casino Retail	-	-	-	-	-			
Subtotal		-	-	-	34,705,907	34,705,907	\$ 347,059	\$ 347,059	\$ 1,839,413
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	32,897,153	32,897,153			
	Entertainment	-	-	-	3,097,497	3,097,497			
	Casino Retail	-	-	-	-	-			
Subtotal		-	-	-	35,994,650	35,994,650	\$ 359,947	\$ 359,947	\$ 1,907,716
TOTAL		536,785	\$ 211,642,176	\$ 112,636,306	\$ 102,779,075	\$ 427,057,557	\$ 4,270,576	\$ 4,270,576	\$ 22,634,050

**APPENDIX 3
GOLDEN HEARTLAND, INC.
SALES TAX REVENUE**

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rate is as follows:
- | | <u>Designation</u> |
|---------------|--------------------|
| 1.000% | City |
| 1.000% | County |
| <u>5.300%</u> | State |
| 7.300% | TOTAL |

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Materials Cost - 50% of construction cost is assumed to be materials cost.

Source: Discussion with Nevada contractors

3. Retail sales revenue for retail, food and beverage and entertainment components uses the Developer's estimates. Source: Developer's template.
Entertainment revenue is golf course revenue.

APPENDIX 4
GOLDEN HEARTLAND, INC.
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>BONNER SPRINGS REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	-	-	-	-	-	-	-
Year 3	Casino	194,827,000	69,143	1,392,059	1,461,203	2,922,405	42,861,940	3,896,540
Year 4	Casino	199,697,675	70,872	1,426,861	1,497,733	2,995,465	43,933,489	3,993,954
Year 5	Casino	204,690,117	72,644	1,462,532	1,535,176	3,070,352	45,031,826	4,093,802
TOTAL		\$ 212,659	\$ 4,281,452	\$ 4,494,111	\$ 8,988,222	\$ 131,827,254	\$ 11,984,296	

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR	\$ 166,454,000
Cummings GGR	223,200,000
Average	\$ 194,827,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

2. Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Wyandotte County	1.5%	of all lottery gaming revenues.
Edwardsville	0.75%	of all lottery gaming revenues.
Bonner Springs	0.04%	of all lottery gaming revenues.
Kansas City	0.71%	of all lottery gaming revenues.

Source: SB 66 and Interlocal Agreement between Kansas City, Bonner Springs, and Edwardsville.

Analysis assumes Edwardsville will be the host city, retaining 50% of city-share and Bonner Springs and Kansas City will split the remaining 50%. According to the interlocal agreement, revenue should be shared based on road miles and size of each jurisdiction. As this information was not available, the analysis uses population, as it is assumed to correlate to size and road length of the two locations:

	2007 Population	% of Total
Bonner Springs	7,069	4.73%
Kansas City	142,320	95.27%

149,389 Source: US Census Bureau. "Population Finder."

3. Year 4 assumes first full year of operation for the permanent facility, permanent casino will be operational for 6 months in Year 3 and the temporary casino is operational prior to this date.

**APPENDIX 5
GOLDEN HEARTLAND, INC.
STATE INCOME TAX REVENUE**

YEAR		ESTIMATED PAYROLL EXPENDITURES	ESTIMATED PAYROLL/ EMPLOYEE	STATE OF KANSAS INCOME TAX REVENUE
Year 1	Construction	\$ 76,881,606	\$ 36,141	\$ 3,953,720
	Operating	-	-	-
Subtotal		76,881,606	36,141	3,953,720
Year 2	Construction	76,881,606	36,141	3,953,720
	Operating	4,355,579	23,381	195,380
Subtotal		81,237,185	59,522	4,149,100
Year 3	Construction	-	-	-
	Operating	39,133,680	24,082	1,775,543
Subtotal		39,133,680	24,082	1,775,543
Year 4	Construction	-	-	-
	Operating	40,281,368	24,789	1,847,273
Subtotal		40,281,368	24,789	1,847,273
Year 5	Construction	-	-	-
	Operating	41,480,810	25,527	1,922,238
Subtotal		41,480,810	25,527	1,922,238
TOTAL		\$ 279,014,649	\$	13,647,874

APPENDIX 5, ASSUMPTIONS:

- Developer's template does not contain information on construction salaries. However, the template shows total construction costs are estimated at \$ **399,784,351**. Salaries/benefits are estimated to make up half of this cost, or \$ **199,892,176** Source: Discussions with commercial developers in Nevada. This amount must be adjusted to exclude benefits at 30% of total cost: \$ **153,763,212** Source: Average benefits percentage used for three Kansas City casinos as shown in Developer templates. Average salary per employee is estimated at \$ **36,141** Source: Average construction salary (excluding benefits) for three Kansas City casinos as shown in Developer templates.
- Operating salary per employee is estimated at \$ **24,082** excluding benefits per Developer template. Salary is inflated by 3% annually per Developer's template. Operating employees will be hired in the last few months of 2010, generating some payroll in that year.
- Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 6
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
ESTIMATED BUILDING PERMIT FEE REVENUE

<u>YEAR</u>	<u>LAND USE</u>	<u># OF SQ. FT. BUILT</u>	<u>COST OF BUILDING</u>	<u>BUILDING PERMIT REVENUE</u>
Year 1	Casino	131,804	\$ 98,164,398	\$ 98,864
	Hotel	272,000	202,578,953	203,279
	Restaurants	79,303	59,062,937	59,763
	Entertainment	52,578	39,158,810	39,859
	Casino Retail	1,100	819,253	1,519
Total		536,785	\$ 399,784,351	\$ 403,284

APPENDIX 6, ASSUMPTIONS:

- According to Ordinance NO. 812, cost of building is estimated as all value of work, including materials and labor.
Source: Edwardsville, Kansas, City Administrator's Office.
This information is shown in Appendix 1 as provided by the Developer.
Building permit fee revenue is estimated in Year 1 for the entire development prior to construction.
- Commercial building permit fee calculation:

\$1,200	for value between	\$350,001 and \$500,000	plus
\$1.00	for each additional	\$1,000	of value.

Source: Edwardsville, Kansas, City Administrator's Office.
- Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the information required to estimate these fees is unknown.

**APPENDIX 7
GOLDEN HEARTLAND, INC.
TRANSIENT GUEST TAX REVENUE**

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ROOM REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	-	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	-	-	-	-	-
Year 3	Hotel	300	13,832,248	829,935	138,322	733,109
Year 4	Hotel	300	14,414,941	864,896	144,149	763,992
Year 5	Hotel	300	15,171,745	910,305	151,717	804,102
TOTAL			\$ 43,418,934	\$ 2,605,136	\$ 434,189	\$ 2,301,204

APPENDIX 7, ASSUMPTIONS:

- Sales tax rate is as follows:

<u>Designation</u>
6.000% City
1.000% County
5.300% State
12.300% TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

- Room revenue based on Developer's estimates. Source: Developer's template.
- Analysis assumes complementary rooms will have tax assessed.

APPENDIX 8
GOLDEN HEARTLAND, INC.
SUMMARY OF ESTIMATED REVENUE

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>KANSAS CITY SCHOOL DIST.</u>	<u>BONNER SPRINGS</u>	<u>KANSAS CITY</u>	<u>WYANDOTTE COUNTY</u>	<u>EDWARDS-VILLE</u>
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	6,794,317	-	-	-	1,281,947	1,281,947
	Gaming Revenue	-	-	-	-	-	-
	Income Tax Revenue	3,953,720	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	403,284
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		10,748,038	-	-	-	1,281,947	1,685,231
Year 2	Property Tax	87,756	3,532,468	-	-	1,976,205	2,001,478
	Sales Tax Revenue	10,392,442	-	-	-	1,960,838	1,960,838
	Gaming Revenue	-	-	-	-	-	-
	Income Tax Revenue	4,149,100	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		14,629,298	3,532,468	-	-	3,937,043	3,962,316
Year 3	Property Tax	135,347	5,448,162	-	-	3,047,921	3,086,901
	Sales Tax Revenue	1,700,161	-	-	-	320,785	320,785
	Gaming Revenue	46,758,480	-	69,143	1,392,059	2,922,405	1,461,203
	Income Tax Revenue	1,775,543	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	733,109	-	-	-	138,322	829,935
Subtotal		51,102,640	5,448,162	69,143	1,392,059	6,429,434	5,698,823
Year 4	Property Tax	138,162	5,561,500	-	-	3,111,327	3,151,118
	Sales Tax Revenue	1,839,413	-	-	-	347,059	347,059
	Gaming Revenue	47,927,442	-	70,872	1,426,861	2,995,465	1,497,733
	Income Tax Revenue	1,847,273	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	763,992	-	-	-	144,149	864,896
Subtotal		52,516,282	5,561,500	70,872	1,426,861	6,598,001	5,860,806
Year 5	Property Tax	141,230	5,684,982	-	-	3,180,408	3,221,082
	Sales Tax Revenue	1,907,716	-	-	-	359,947	359,947
	Gaming Revenue	49,125,628	-	72,644	1,462,532	3,070,352	1,535,176
	Income Tax Revenue	1,922,238	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	804,102	-	-	-	151,717	910,305
Subtotal		53,900,915	5,684,982	72,644	1,462,532	6,762,423	6,026,509
TOTAL		\$ 182,897,173	\$ 20,227,112	\$ 212,659	\$ 4,281,452	\$ 25,008,847	\$ 23,233,685

APPENDIX 8
GOLDEN HEARTLAND, INC.
SUMMARY OF ESTIMATED REVENUE

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

APPENDIX 9
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
POLICE DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF NON-UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0.0	0.0	\$ -	\$ -	\$ -	-
Year 2	0	0.0	0.0	-	-	-	-
Year 3	3,752	10.5	2.4	870,633	102,110	150,340	1,123,083
Year 4	3,752	10.5	2.4	909,811	106,705	-	1,016,516
Year 5	3,752	10.5	2.4	950,753	111,507	-	1,062,259
TOTAL				\$ 2,731,197	\$ 320,321	\$ 150,340	\$ 3,201,858

APPENDIX 9, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 14 for calculation).

Employees, residents and visitors are assumed in Year 3, first year of operation.

- Uniformed positions are estimated using a ratio of **2.8** employees per 1,000 population.
Non-uniformed positions are estimated using a ratio of **0.65** employee per 1,000 population.
Source: Edwardsville, Kansas, City Administrator's Office.

- The following salary and benefits information is used:

	Salary	Benefits	Total Cost
Officer III \$	32,178	\$ 16,591	\$ 48,769
Officer II	40,279	20,769	61,048
Officer I	49,702	25,627	75,329
Master Patrol Officer	50,180	25,874	76,054
Non-uniformed	20,800	10,725	31,525

Source: Wyandotte County Human Resources website.

Benefits are estimated at **51.6%** of salary costs. Salary and benefits costs are increased **4.5%** annually.

Full benefit information for Police department was unavailable, the analysis uses benefits data from the Fire department.

Source: Edwardsville, Kansas, City Administrator's Office. Average salary for all uniformed positions is used.

- Services/supplies are estimated at **12%** of salaries and benefits using Kansas City Police Department data (Edwardsville data not available).

	2006	2007	2008	Average
Personnel (P) \$	37,176,526	\$ 36,520,054	\$ 38,222,573	\$ 37,306,384
Services/Supplies (SS)	4,577,958	4,274,090	4,274,090	4,375,379
Capital Projects (CP)	1,952,235	1,750,900	1,826,507	1,843,214
SS % of P	12%	12%	11%	12%

CP % of P* *not included in analysis, calculated below.

Source: Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Three-year average (2006-2008) for the Police Department.

- The following capital costs are expected to be incurred:

One vehicle per 2 uniformed positions are added at a cost of \$ **26,191** per vehicle, inflated 3% annually and replaced every 36 months.

Source: Edwardsville, Kansas, City Administrator's Office.

APPENDIX 9
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
POLICE DEPARTMENT COST PROJECTIONS

6. Employment-related costs such as a uniform allowance of **\$900** annually per officer and annual vehicle maintenance costs of **\$ 2,500** per vehicle are not included in the analysis as they are assumed to be covered by the Services/Supplies estimates above.
Source: Edwardsville, Kansas, City Administrator's Office.

**APPENDIX 10
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
STREETS DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ROAD LANE- FEET ADDED</u>	<u>ANNUAL MAINTENANCE COST/LANE-FOOT</u>	<u>TOTAL MAINTENANCE COST</u>
Year 1	0	\$ 0.76	\$ -
Year 2	6,800	0.78	-
Year 3	0	0.80	5,465
Year 4	0	0.83	5,629
Year 5	0	0.85	5,798
TOTAL	6,800	\$	16,893

APPENDIX 10, ASSUMPTIONS:

1. A total of **1,700** lane-feet of 4-lane roadway will be built by Developer and maintained by the City of Edwardsville.
Source: Edwardsville, Kansas, City Administrator's Office.
2. Maintenance cost per lane-mile is estimated at **\$ 4,000** and per lane-foot of **\$ 0.76** inflated 3% annually.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
Edwardsville road maintenance information was unavailable.

**APPENDIX 11
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
SUMMARY OF ESTIMATED COSTS**

<u>YEAR</u>	<u>STREETS DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>FIRE/EMS DEPARTMENT</u>	<u>WASTEWATER DEPARTMENT</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>ADMIN. OVERHEAD</u>	<u>TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	-	-	-	-	-	-
Year 3	5,465	1,123,083	-	-	-	232,481	1,361,029
Year 4	5,629	1,016,516	-	-	-	210,562	1,232,707
Year 5	5,798	1,062,259	-	-	-	220,020	1,288,077
TOTAL	\$ 16,893	\$ 3,201,858	\$ -	\$ -	\$ -	\$ 663,063	\$ 3,881,814

APPENDIX 11, ASSUMPTIONS:

1. See Appendices 9-10 for detailed calculations of all department costs.
2. According to the Edwardsville City Manager's Office, no additional Waste Water Treatment, Fire/EMS and Community Development department costs will be incurred due to existing capacity for Water Treatment and Fire/EMS and Developer's cost responsibility for Community Development.
3. Administrative overhead costs estimated at **21%** of all department costs estimated in this analysis.
Source: City of Wellington Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund.
Detailed data for City of Edwardsville was not available.

APPENDIX 12
GOLDEN HEARTLAND, INC.
WYANDOTTE COUNTY
SHERIFF DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF NEW POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0.0	\$ -	\$ -	\$ -	-
Year 2	0	0.0	-	-	-	-
Year 3	3,752	3.9	227,331	16,444	28,186	271,962
Year 4	3,752	3.9	234,151	16,938	29,032	280,121
Year 5	3,752	3.9	241,176	17,446	29,903	288,525
TOTAL			\$ 702,659	\$ 50,828	\$ 87,121	\$ 840,607

APPENDIX 12, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 14 for calculation).
- New positions are estimated using a ratio of **1.04** employees per 1,000 population.
The analysis does not estimate the impact of the development on Juvenile Detention as no new local residents are estimated and commuting employees and visitors are assumed to be adults and will not require Juvenile services which are usually provided to residents of an area, not visitors.

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>
Sheriff*	1	0.00
Undersheriff*	1	0.00
Jail Administrator*	1	0.00
Manager*	1	0.00
Program Supervisor*	1	0.00
Classification Supervisor*	1	0.00
Program Assistant	3	0.02
Program Coordinator	2	0.01
Clinical Mental Health Professional	2	0.01
Classification Technician	4	0.03
Sergeant	12	0.08
Lieutenant	4	0.03
Captain	4	0.03
Investigator	2	0.01
Deputy	111	0.71
Clerical	<u>17</u>	<u>0.11</u>
Total	167	1.04

*Not included in the above ratios as additional positions are not estimated.

County population is estimated at **155,509** in 2006.

Source: FTE data from Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Data for Sheriff's Department.

Population information from US Census Bureau, "State & County Quick Facts."

- Costs for salaries, benefits, services and supplies and capital outlay are estimated as follows, using 2007 budget data.

Costs are inflated **3%** annually from 2007.

<u>Adult programs</u>	<u>Personnel</u>	<u>Services/Supplies</u>	<u>Capital Equipment</u>	<u>Total</u>
Sheriff Admin.	\$ 2,594,887	\$ 236,141	\$ 39,500	\$ 2,870,528
Jail Authority	\$ 6,088,188	\$ 391,966	\$ 1,037,088	\$ 7,517,242
Total Cost	\$ 8,683,075	\$ 628,107	\$ 1,076,588	\$ 10,387,770
FTEs	\$ 167	\$ 167	\$ 167	\$ 167
Cost/FTE	\$ 51,994	\$ 3,761	\$ 6,447	\$ 62,202

Source: Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Data for Sheriff's Department.

APPENDIX 13
GOLDEN HEARTLAND, INC.
BONNER SPRINGS/EDWARDSVILLE SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT

<u>YEAR</u>	<u>GENERAL STATE AID</u>		<u>LOCAL EFFORT</u>		<u>TOTAL CONTRIBUTION</u>		<u>TOTAL COSTS</u>		<u>ANNUAL SURPLUS/ (DEFICIT)</u>	<u>CUMULATIVE SURPLUS/ (DEFICIT)</u>
Year 1	\$	-	\$	-	\$	-	\$	-	\$	-
Year 2		-		3,532,468		3,532,468		-	3,532,468	3,532,468
Year 3		-		5,448,162		5,448,162		-	5,448,162	8,980,630
Year 4		-		5,561,500		5,561,500		-	5,561,500	14,542,130
Year 5		-		5,684,982		5,684,982		-	5,684,982	20,227,112
TOTAL	\$	-	\$	20,227,112	\$	20,227,112	\$	-	\$	20,227,112

APPENDIX 13, ASSUMPTIONS:

1. Analysis assumes little or no cost impact of this development on the School District as all jobs will be filled by existing residents. Therefore, no new students are projected.
2. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at \$ **4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
As the development is not expected to generate new students, only the Local Effort revenue is considered in this analysis.
3. Local Effort includes school district's property tax revenue only; other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for Kansas City School District in Appendix 2.
4. The school district's surplus could lead to a reduction in the property tax rate and/or be remitted to the State.

APPENDIX 14
GOLDEN HEARTLAND, INC.
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES LIVING IN THE CITY	ESTIMATED NUMBER OF NEW RESIDENTS	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 3	1,625	943	-	-	6,562	3,752

APPENDIX 14, ASSUMPTIONS:

1. Employees:

- a. The development is estimated to require approximately **1,625** employees.
Source: Developer's template.
- b. Approximately **42%** of all employees will live in Wyandotte County, based on historical work-residence data.
Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Wyandotte County.
- c. Wyandotte County currently (2008) has an unemployment rate of **6.9%** which is higher than the normal rate of 4%.
Source: US Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics. By County. Data for Wyandotte County.
Analysis assumes all employees of the development will be existing unemployed residents and no net new employees are expected.

2. Residents:

The development will not include a residential component and therefore no residents are estimated for the development.

3. Visitors:

- a. Report by Richard Wells estimated approximately **6,396** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **6,982** daily visitors to the development, including local residents. The analysis uses the average of these **6,689**
Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.
- b. Developer's application estimates a locals' resident penetration rate of **30.0%** with approximately **155,509** County residents in 2006. The analysis assumes number of local visitors at **46,653** or approximately **127.8** visits a day. The analysis assumes no additional costs associated with these local visitors; costs are estimated only for the non-local visitors or **6,562**
Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services estimated as follows:

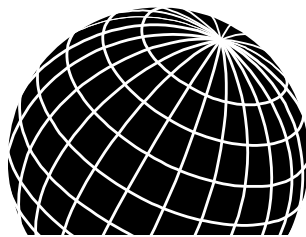
- 50%** of all commuting employees and daily visitors.
- 0%** of all employees residing in the City (those currently unemployed).
- 100%** of all new residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services. Development employees living in the City will not require incremental services as they are already accounted for in the current budget.

LEGENDS SUN

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
LEGENDS SUN CASINO

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 203,508,903	\$ 25,438,614	\$ -	\$ -	\$ -	
Property Tax	323,509	15,525,647	-	-	-	
Sales/Use Tax	16,113,631	6,840,693	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	15,064,500	-	-	-	
Total	\$ 219,946,043	\$ 62,869,454	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 74,015	\$ -	\$ -	\$ -	
Public Works	-	15,064,500	-	-	-	
Education	-	-	-	-	199,160	
Fire Protection/EMS	-	-	-	-	-	
Total	\$ -	\$ 15,138,515	\$ -	\$ -	\$ 199,160	
Surplus/(Deficit)	\$ 219,946,043	\$ 47,730,939	\$ -	\$ -	\$ (199,160)	

Consultant's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 124,042,216	\$ 11,628,958	\$ 1,500,175	\$ 2,376,145	\$ -	
Property Tax	575,721	28,543,116	-	-	24,863,105	
Sales/Use Tax	37,741,402	16,022,293	-	-	-	
Income Tax	18,718,033	-	-	-	-	
Building Fees	-	706,731	-	-	-	
Lodging Tax	2,547,453	4,926,677	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	15,064,500	-	-	-	
Total	\$ 183,624,825	\$ 76,892,276	\$ 1,500,175	\$ 2,376,145	\$ 24,863,105	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 3,769,277	\$ -	\$ -	\$ -	
Public Works	-	4,906	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	368,291	-	-	-	
Total	\$ -	\$ 4,142,474	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 183,624,825	\$ 72,749,801	\$ 1,500,175	\$ 2,376,145	\$ 24,863,105	

**FISCAL IMPACT--CONSTRUCTION
LEGENDS SUN CASINO**

Opening Date-Permanent Facility

Dec-10

Proposer's Estimates: 2009-2011						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 64,977,300	\$ 8,122,162	\$ -	\$ -	\$ -	
Property Tax	-	-	-	-	-	
Sales/Use Tax	5,202,966	2,208,807	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	15,064,500	-	-	-	
Total	\$ 70,180,266	\$ 25,395,469	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 74,015	\$ -	\$ -	\$ -	
Public Works	-	15,064,500	-	-	-	
Education	-	-	-	-	199,160	
Fire Protection/EMS	-	-	-	-	-	
Total	\$ -	\$ 15,138,515	\$ -	\$ -	\$ 199,160	
Surplus/(Deficit)	\$ 70,180,266	\$ 10,256,954	\$ -	\$ -	\$ (199,160)	
Voluntary Contributions to State and Local Governments:						
1. Road/streets, sewer/water and storm drains improvements estimated at \$15.1 million from 2009-11, 100% paid for by proposer (shown under Developer Contributions). Developer Agreement with UG states Developer will pay all on-site and selected off-site infrastructure improvements necessitated by project.						
Footnotes: City and County numbers provided by Legends Sun combined into Unified Government.						

Consultant's Estimates: 2009-2010						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	
Property Tax	-	-	-	-	-	
Sales/Use Tax	2,091,610	887,948	-	-	-	
Income Tax	3,465,778	-	-	-	-	
Building Fees	-	365,364	-	-	-	
Lodging Tax	-	-	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	15,064,500	-	-	-	
Total	\$ 5,557,388	\$ 16,317,811	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 5,557,388	\$ 16,317,811	\$ -	\$ -	\$ -	

**FISCAL IMPACT: 2012-2013
LEGENDS SUN CASINO**

Proposer's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 138,531,603	\$ 17,316,452	\$ -	\$ -	\$ -	
Property Tax	323,509	15,525,647	-	-	-	
Sales/Use Tax	10,910,665	4,631,886	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 149,765,777	\$ 37,473,985	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 149,765,777	\$ 37,473,985	\$ -	\$ -	\$ -	
Voluntary Contributions to Community and Governments (not included above):						
1. \$6 million one-time contribution for social services, charities, non-host school districts and offsite non-casino related infrastructure. (Source: Development Agreement w/ UG)						
2. Annual \$750,000 contribution to Wyandotte County community to grow at same rate as GGR. (Source: Development Agreement w/ UG)						
Footnotes: City and County numbers provided by Legends Sun combined into Unified Government.						

Consultant's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 124,042,216	\$ 11,628,958	\$ 1,500,175	\$ 2,376,145	\$ -	
Property Tax	575,721	28,543,116	-	-	24,863,105	
Sales/Use Tax	35,649,792	15,134,346	-	-	-	
Income Tax	15,252,255	-	-	-	-	
Building Fees	-	341,367	-	-	-	
Lodging Tax	2,547,453	4,926,677	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 178,067,437	\$ 60,574,464	\$ 1,500,175	\$ 2,376,145	\$ 24,863,105	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 3,769,277	\$ -	\$ -	\$ -	
Public Works	-	4,906	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	368,291	-	-	-	
Total	\$ -	\$ 4,142,474	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 178,067,437	\$ 56,431,990	\$ 1,500,175	\$ 2,376,145	\$ 24,863,105	

Consultant's Comments:		<u>2012</u>		<u>2012</u>
Legends Sun	GGR Estimate	\$ 281,568,300	Visitors	4,314,596
Consultants	GGR Estimate	\$ 167,702,000	Visitors	2,106,265

**APPENDIX 1
LEGENDS SUN
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST**

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	43,667	\$ 24,494,438	\$ 8,473,045	\$ -
	Hotel	121,667	68,247,862	23,608,103	-
	Restaurants	12,550	7,039,814	2,435,192	-
	Entertainment	25,500	14,304,004	4,948,000	-
	Retail	-	-	-	-
	Residential	-	-	-	-
Subtotal		203,383	114,086,118	39,464,340	-
Year 2	Casino	87,333	33,842,762	29,676,017	48,643,882
	Hotel	243,333	94,294,718	82,685,086	29,552,366
	Restaurants	25,100	9,726,565	8,529,023	3,048,347
	Entertainment	51,000	19,763,140	17,329,888	6,193,852
	Retail	5,000	1,937,563	1,699,009	607,240
	Residential	-	-	-	-
Subtotal		411,767	159,564,747	139,919,024	88,045,687
Year 3	Casino	-	-	-	-
	Hotel	-	-	-	-
	Restaurants	-	-	-	-
	Entertainment	-	-	-	-
	Retail	200,000	77,502,508	67,960,345	24,289,616
	Residential	200,000	77,502,508	67,960,345	24,289,616
Subtotal		400,000	155,005,016	135,920,690	48,579,232
TOTAL		1,015,150	\$ 428,655,881	\$ 315,304,053	\$ 136,624,919

APPENDIX 1, ASSUMPTIONS:

1. The permanent development is estimated to open in December 2010.

Developer's presentation stated that Phase 2 of the project will be operational 15-months after Phase 1, or approximately April 2012.

	Sq. Footage	Other Information
Casino	131,000	2,000 slot machines, 85 table games (includes poker at 25)
Hotel	365,000	350 guest rooms, both standard and premium
Restaurants	37,650	restaurants and bars
Entertainment	76,500	convention space/entertainment showroom/fitness center space
Retail	205,000	retail outlets (5,000 sq. ft.-Phase 1) and lifestyle center (200,000 sq. ft.-Phase 2)
Residential	200,000	250 residential units over lifestyle shopping center (Phase 2)

Total 1,015,150

Source: Developer's application/template.

2. Construction costs are estimated using above square footages and cost breakdown provided by Legends Sun in its template document (costs are added in the year shown by the developer):

Land Improvements	Building	FF&E*	Total**
\$ 69,889,154	\$ 358,766,727	\$ 136,624,919	\$ 565,280,799

No land cost is included as the land will be leased, not purchased.

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's application/template.

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

**APPENDIX 2
LEGENDS SUN
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE**

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>KANSAS CITY SCHOOL DIST. REVENUE</u>	<u>UNIFIED GOVERNMENT REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	\$ 24,494,438	\$ -	\$ 24,494,438	\$ 6,123,610			
	Hotel	68,247,862	-	68,247,862	17,061,966			
	Restaurants	7,039,814	-	7,039,814	1,759,953			
	Entertainment	14,304,004	-	14,304,004	3,576,001			
	Retail	-	-	-	-			
	Residential	-	-	-	-			
Subtotal		114,086,118	-	114,086,118	28,521,530	\$ -	\$ -	\$ -
Year 2	Casino	33,842,762	48,643,882	107,715,915	26,928,979			
	Hotel	94,294,718	29,552,366	194,142,382	48,535,596			
	Restaurants	9,726,565	3,048,347	20,025,920	5,006,480			
	Entertainment	19,763,140	6,193,852	40,690,116	10,172,529			
	Retail	1,937,563	607,240	2,544,803	636,201			
	Residential	-	-	-	-			
Subtotal		159,564,747	88,045,687	365,119,135	91,279,784	\$ 1,847,596	\$ 2,121,061	\$ 42,782
Year 3	Casino	-	-	109,488,076	27,372,019			
	Hotel	-	-	199,080,083	49,770,021			
	Restaurants	-	-	20,535,247	5,133,812			
	Entertainment	-	-	41,725,004	10,431,251			
	Retail	77,502,508	24,289,616	104,395,054	26,098,763			
	Residential	77,502,508	24,289,616	101,792,124	11,706,094			
Subtotal		155,005,016	48,579,232	577,015,586	130,511,960	\$ 5,913,013	\$ 6,788,204	\$ 136,920
Year 4	Casino	-	-	111,313,402	27,828,350			
	Hotel	-	-	204,165,914	51,041,479			
	Restaurants	-	-	21,059,854	5,264,963			
	Entertainment	-	-	42,790,938	10,697,735			
	Retail	-	-	106,780,000	26,695,000			
	Residential	-	-	104,117,199	11,973,478			
Subtotal		-	-	590,227,306	133,501,005	\$ 8,454,434	\$ 9,705,783	\$ 195,768
Year 5	Casino	-	-	113,193,487	28,298,372			
	Hotel	-	-	209,404,321	52,351,080			
	Restaurants	-	-	21,600,199	5,400,050			
	Entertainment	-	-	43,888,851	10,972,213			
	Retail	-	-	109,236,494	27,309,123			
	Residential	-	-	106,512,026	12,248,883			
Subtotal		-	-	603,835,378	136,579,721	\$ 8,648,062	\$ 9,928,069	\$ 200,252
TOTAL		\$ 428,655,881	\$ 136,624,919			\$ 24,863,105	\$ 28,543,116	\$ 575,721

APPENDIX 2
LEGENDS SUN
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount. Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District \$	64.7790	
Unified Government \$	74.3670	Includes Wyandotte County and Kansas City rates.
State \$	1.5000	

Source: Wyandotte County/Kansas City Unified Government Manager. Rates include all funds for which property tax revenues are collected.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
3. Assessed value estimated at

25.0%	of appraised value for both real and personal property for commercial property
11.5%	of appraised value for both real and personal property for residential property

Source: Kansas Department of Revenue website.

4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.
 Personal property revenue is not estimated for residential construction as the amount of property is not known.
5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

**APPENDIX 3
LEGENDS SUN
SALES TAX REVENUE**

<u>YEAR</u>		<u>SQUARE FT. BUILT</u>	<u>CONSTRUCTION MATERIALS COST</u>	<u>FF&E PURCHASES</u>	<u>RETAIL SALES</u>	<u>TOTAL TAXABLE SALES</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	43,667	\$ 8,473,045	\$ -	\$ -	\$ 8,473,045			
	Hotel	121,667	23,608,103	-	-	23,608,103			
	Restaurants	12,550	2,435,192	-	-	2,435,192			
	Entertainment	25,500	4,948,000	-	-	4,948,000			
	Retail	-	-	-	-	-			
	Residential	-	-	-	-	-			
Subtotal		203,383	39,464,340	-	-	39,464,340	\$ 493,304	\$ 394,643	\$ 2,091,610
Year 2	Casino	87,333	29,676,017	48,643,882	-	78,319,899			
	Hotel	243,333	82,685,086	29,552,366	-	112,237,452			
	Restaurants	25,100	8,529,023	3,048,347	-	11,577,370			
	Entertainment	51,000	17,329,888	6,193,852	-	23,523,740			
	Retail	5,000	1,699,009	607,240	-	2,306,249			
	Residential	-	-	-	-	-			
Subtotal		411,767	139,919,024	88,045,687	-	227,964,710	\$ 2,849,559	\$ 2,279,647	\$ 12,082,130
Year 3	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	26,084,000	26,084,000			
	Entertainment	-	-	-	1,764,000	1,764,000			
	Retail	200,000	67,960,345	24,289,616	7,300,000	99,549,961			
	Residential	200,000	67,960,345	24,289,616	-	92,249,961			
Subtotal		400,000	135,920,690	48,579,232	35,148,000	219,647,922	\$ 2,745,599	\$ 2,196,479	\$ 11,641,340
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	50,913,029	50,913,029			
	Entertainment	-	-	-	2,043,468	2,043,468			
	Retail	-	-	-	46,998,135	46,998,135			
	Residential	-	-	-	-	-			
Subtotal		-	-	-	99,954,632	99,954,632	\$ 1,249,433	\$ 999,546	\$ 5,297,595
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	62,427,080	62,427,080			
	Entertainment	-	-	-	4,937,942	4,937,942			
	Retail	-	-	-	57,705,302	57,705,302			
	Residential	-	-	-	-	-			
Subtotal		-	-	-	125,070,324	125,070,324	\$ 1,563,379	\$ 1,250,703	\$ 6,628,727
TOTAL		1,015,150	\$ 315,304,053	\$ 136,624,919	\$ 260,172,956	\$ 712,101,928	\$ 8,901,274	\$ 7,121,019	\$ 37,741,402

**APPENDIX 3
LEGENDS SUN
SALES TAX REVENUE**

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rate is as follows:
- | | <u>Designation</u> |
|---------------|--------------------|
| 1.250% | City |
| 1.000% | County |
| <u>5.300%</u> | State |
| 7.550% | TOTAL |

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Materials Cost - 50% of construction cost is assumed to be materials cost. Source: Discussion with Nevada contractors.
3. Retail sales revenue for retail, food and beverage and entertainment components is shown using the Developer's estimates. Source: Developer's template.
- Phase 2 of the development is estimated to open in April 2012, resulting in higher restaurant and retail revenue.

**APPENDIX 4
LEGENDS SUN
LOTTERY GAMING CONTRIBUTION REVENUE**

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>BONNER SPRINGS REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	13,634,309	62,683	39,575	102,257	204,515	2,999,548	272,686
Year 3	Casino	163,611,707	752,192	474,895	1,227,088	2,454,176	35,994,576	3,272,234
Year 4	Casino	167,702,000	770,997	486,768	1,257,765	2,515,530	36,894,440	3,354,040
Year 5	Casino	171,894,550	790,272	498,937	1,289,209	2,578,418	37,816,801	3,437,891
TOTAL		\$ 2,376,145	\$ 1,500,175	\$ 3,876,319	\$ 7,752,638	\$ 113,705,365	\$ 10,336,851	

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports for 2012.

Wells GGR \$ 152,604,000
Cummings GGR 182,800,000
Average \$ 167,702,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

2. Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Wyandotte County	1.5%	of all lottery gaming revenues.
Kansas City	0.75%	of all lottery gaming revenues.
Bonner Springs	0.46%	of all lottery gaming revenues.
Edwardsville	0.29%	of all lottery gaming revenues.

Source: SB 66 and Interlocal Agreement between Kansas City, Bonner Springs, and Edwardsville.

Analysis assumes Kansas City will be the host city, retaining 50% of city-share and Bonner Springs and Edwardsville will split the remaining 50%. According to the interlocal agreement, revenue should be shared based on road miles and square miles each jurisdiction. As this information was not available, the analysis uses population, as it is assumed to correlate to size and road length of the two locations:

	2007 Population	% of Total
Bonner Springs	7,069	61.30%
Edwardsville	4,463	38.70%

11,532 Source: US Census Bureau. "Population Finder."

3. Year 3 assumes first full year of operation for the facility; one month of gaming revenue is expected in Year 2 given

**APPENDIX 5
LEGENDS SUN
STATE INCOME TAX REVENUE**

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 67,686,660	\$ 35,535	\$ 3,465,778
	Operating	-	-	-
Subtotal		67,686,660	35,535	3,465,778
Year 2	Construction	97,915,112	35,535	5,013,574
	Operating	-	-	-
Subtotal		97,915,112	35,535	5,013,574
Year 3	Construction	-	-	-
	Operating	55,906,840	29,344	2,708,275
Subtotal		55,906,840	29,344	2,708,275
Year 4	Construction	-	-	-
	Operating	75,899,761	29,848	3,694,789
Subtotal		75,899,761	29,848	3,694,789
Year 5	Construction	-	-	-
	Operating	78,386,630	30,351	3,835,616
Subtotal		78,386,630	30,351	3,835,616
TOTAL		\$ 375,795,004	\$	18,718,033

APPENDIX 5, ASSUMPTIONS:

- Construction salary per employee is estimated at \$ 35,535 excluding benefits.
Salary remains constant throughout construction period per template.
Construction salaries for Phase 2 (retail and residential) were not included in Developer's template and therefore not included in this Appendix.
- Operating salary per employee is estimated at \$ 29,344 excluding benefits
per Developer template. Salary is inflated by 2% annually per Developer's template.
- Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

**APPENDIX 6
LEGENDS SUN
ESTIMATED BUILDING PERMIT FEE REVENUE**

<u>YEAR</u>	<u>LAND USE</u>	<u># OF SQ. FT. BUILT</u>	<u>CONSTRUCTION VALUATION</u>	<u>UNIFIED GOVERNMENT PERMIT REVENUE</u>
Year 1	Casino	131,000	\$ 20,711,100	\$ 83,949
	Hotel	365,000	50,837,200	204,454
	Restaurants	37,650	5,101,199	21,510
	Entertainment	76,500	13,586,400	55,451
	Retail	-	-	-
	Residential	-	-	-
Total		610,150	90,235,899	365,364
Year 2	Casino	-	-	-
	Hotel	-	-	-
	Restaurants	-	-	-
	Entertainment	-	-	-
	Retail	205,000	20,690,589	83,867
	Residential	200,000	23,560,220	257,500
Total		405,000	\$ 44,250,809	\$ 341,367
TOTAL		1,015,150	\$ 134,486,707	\$ 706,731

APPENDIX 6, ASSUMPTIONS:

1. Construction Valuation is calculated as follows:

	<u>Suggested Value/Sq. Ft.</u>	
Casino	\$158.10	
Hotel	\$139.28	
Restaurants	\$135.49	
Entertainment	\$177.60	Source: "Building Valuation Data." Square Foot
Retail	\$97.99	Construction Costs table, values for IIB style construction.
Residential	\$114.37	

2. Commercial building permit fee calculation:

\$30	per first	\$30,000	plus
\$0.75	for each additional	\$100	of value.
\$225	for value between	\$30,000-1,000,000	plus
\$0.50	for each additional	\$100	of value.
\$5,105	for value above	\$1,000,000	plus
\$0.40	for each additional	\$100	of value.
		\$1,000	per unit.

Multi-family residential building permit fee is estimated at

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

3. Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the information required to estimate these fees is unknown.

**APPENDIX 7
LEGENDS SUN
TRANSIENT GUEST TAX REVENUE**

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ROOM REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	-	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	-	-	-	-	-
Year 3	Hotel	350	15,546,324	1,438,035	155,463	823,955
Year 4	Hotel	350	16,017,463	1,481,615	160,175	848,926
Year 5	Hotel	350	16,501,357	1,526,376	165,014	874,572
TOTAL			\$ 48,065,144	\$ 4,446,026	\$ 480,651	\$ 2,547,453

APPENDIX 7, ASSUMPTIONS:

- Sales tax rate is as follows:

<u>Designation</u>
9.250% City
1.000% County
<u>5.300%</u> State
15.550% TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

- Room revenue based on Developer's estimates. Source: Developer's template.
- Analysis assumes complementary rooms will have tax assessed.

**APPENDIX 8
LEGENDS SUN
SUMMARY OF ESTIMATED REVENUE**

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>KANSAS CITY SCHOOL DIST.</u>	<u>BONNER SPRINGS</u>	<u>EDWARDS- VILLE</u>	<u>WYANDOTTE COUNTY</u>	<u>KANSAS CITY</u>	<u>UNIFIED GOV'T TOTAL</u>
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	2,091,610	-	-	-	394,643	493,304	887,948
	Gaming Revenue	-	-	-	-	-	-	-
	Income Tax Revenue	3,465,778	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	365,364	-	365,364
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		5,557,388	-	-	-	760,007	493,304	1,253,311
Year 2	Property Tax	42,782	1,847,596	-	-	2,121,061	-	2,121,061
	Sales Tax Revenue	12,082,130	-	-	-	2,279,647	2,849,559	5,129,206
	Gaming Revenue	3,272,234	-	62,683	39,575	204,515	102,257	306,772
	Income Tax Revenue	5,013,574	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	341,367	-	341,367
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		20,410,720	1,847,596	62,683	39,575	4,946,590	2,951,816	7,898,406
Year 3	Property Tax	136,920	5,913,013	-	-	6,788,204	-	6,788,204
	Sales Tax Revenue	11,641,340	-	-	-	2,196,479	2,745,599	4,942,078
	Gaming Revenue	39,266,810	-	752,192	474,895	2,454,176	1,227,088	3,681,263
	Income Tax Revenue	2,708,275	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	823,955	-	-	-	155,463	1,438,035	1,593,498
Subtotal		54,577,300	5,913,013	752,192	474,895	11,594,322	5,410,722	17,005,044
Year 4	Property Tax	195,768	8,454,434	-	-	9,705,783	-	9,705,783
	Sales Tax Revenue	5,297,595	-	-	-	999,546	1,249,433	2,248,979
	Gaming Revenue	40,248,480	-	770,997	486,768	2,515,530	1,257,765	3,773,295
	Income Tax Revenue	3,694,789	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	848,926	-	-	-	160,175	1,481,615	1,641,790
Subtotal		50,285,558	8,454,434	770,997	486,768	13,381,034	3,988,813	17,369,847
Year 5	Property Tax	200,252	8,648,062	-	-	9,928,069	-	9,928,069
	Sales Tax Revenue	6,628,727	-	-	-	1,250,703	1,563,379	2,814,082
	Gaming Revenue	41,254,692	-	790,272	498,937	2,578,418	1,289,209	3,867,627
	Income Tax Revenue	3,835,616	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	874,572	-	-	-	165,014	1,526,376	1,691,389
Subtotal		52,793,859	8,648,062	790,272	498,937	13,922,204	4,378,964	18,301,168
TOTAL		\$ 183,624,825	\$ 24,863,105	\$ 2,376,145	\$ 1,500,175	\$ 44,604,157	\$ 17,223,619	\$ 61,827,776

APPENDIX 8
LEGENDS SUN
SUMMARY OF ESTIMATED REVENUE

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas gaming revenue includes 2% gaming revenue for problem gambling fund.
2. Property tax revenue for the Unified Government is shown under Wyandotte County, but is attributed to both the County and Kansas City.
3. Revenue in the Unified Government Total column is the sum of estimated revenue for the Wyandotte County and Kansas City.

**APPENDIX 9
LEGENDS SUN
UNIFIED GOVERNMENT
STREETS DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ROAD LANE- FEET ADDED</u>	<u>ANNUAL MAINTENANCE COST/LANE-FOOT</u>	<u>TOTAL MAINTENANCE COST</u>
Year 1	0	\$ 0.76	\$ -
Year 2	1,975	0.78	-
Year 3	0	0.80	1,587
Year 4	0	0.83	1,635
Year 5	0	0.85	1,684
TOTAL	1,975	\$	4,906

APPENDIX 9, ASSUMPTIONS:

1. A total of **1,975** lane-feet of pavement will be built for development access and maintained by the Unified Government.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
2. Maintenance cost per lane-mile is estimated at **\$ 4,000** and per lane-foot of **\$ 0.76** inflated 3% annually.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

**APPENDIX 10
LEGENDS SUN
UNIFIED GOVERNMENT
POLICE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF NON-UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0.0	0.0	\$ -	\$ -	\$ -	-
Year 2	0	0.0	0.0	-	-	-	-
Year 3	3,925	10.2	3.9	762,055	89,376	539,304	1,390,735
Year 4	3,925	10.2	3.9	792,537	92,951	-	885,488
Year 5	3,925	10.2	3.9	824,239	96,669	572,148	1,493,055
TOTAL				\$ 2,378,831	\$ 278,995	\$ 1,111,452	\$ 3,769,277

APPENDIX 10, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development and all new residents of the development (See Appendix 13 for calculation). Employees, residents and visitors are assumed in Year 3, first full year of operation.
- Uniformed positions are estimated using a ratio of **2.59** employees per 1,000 population.
Non-uniformed positions are estimated using a ratio of **1.00** employee per 1,000 population.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
- The following salary and benefits information is used:

	Salary	Benefits	Total Cost
Uniformed \$	43,226	\$ 12,968	\$ 56,194
Non-uniformed	20,800	6,240	27,040

Benefits are estimated at **30%** of salary costs. Salary and benefits costs are increased 4% annually.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

- Services/supplies are estimated at **12%** of salaries and benefits.

	2006	2007	2008	Average
Personnel (P) \$	37,176,526	\$ 36,520,054	\$ 38,222,573	\$ 37,306,384
Services/Supplies (SS)	4,577,958	4,274,090	4,274,090	4,375,379
Capital Projects (CP)	1,952,235	1,750,900	1,826,507	1,843,214
SS % of P	12%	12%	11%	12%
CP % of P*	5%	5%	5%	5% *not included in analysis, calculated below.

Source: Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Three-year average (2006-2008) for the Police Department.

- The following capital costs are expected to be incurred:

One vehicle is added for each uniformed position at a cost of \$ **50,000** per vehicle, inflated 3% annually and replaced every 18 months.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

- Employment-related costs such as a uniform allowance of \$ **910** annually per officer and \$ **50,000** one-time training fee per officer and annual vehicle maintenance costs of \$ **14,211** per vehicle are not included in the analysis as they are assumed to be covered by the Services/Supplies estimates above.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

**APPENDIX 11
LEGENDS SUN
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS**

YEAR	<u>STREETS DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>WASTEWATER DEPARTMENT</u>	<u>FIRE/EMS DEPARTMENT</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>ADMIN. OVERHEAD</u>	<u>TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	-	-	-	-	-	-
Year 3	1,587	1,390,735	-	-	-	135,865	1,528,187
Year 4	1,635	885,488	-	-	-	86,567	973,690
Year 5	1,684	1,493,055	-	-	-	145,859	1,640,598
TOTAL	\$ 4,906	\$ 3,769,277	\$ -	\$ -	\$ -	\$ 368,291	\$ 4,142,474

APPENDIX 11, ASSUMPTIONS:

1. See Appendices 9-10 for detailed calculations of all costs estimated in the analysis.
2. According to the Wyandotte County/Kansas City Unified Government County Manager's Office, no additional Waste Water, Community Development and EMS/Fire department costs will be incurred.
3. Administrative overhead costs estimated at **10%** of all department costs estimated in this analysis.
Source: Wyandotte County/Kansas City Unified Government Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund and other funds for which costs are incurred.

Direct	2006	2007	2008	Average
Appraiser	2,575,982	3,513,499	3,037,620	3,042,367
Community Correct.	2,579,176	3,107,099	3,113,287	2,933,187
Emergency Manag.	898,313	2,618,444	2,138,657	1,885,138
Fire Department	39,623,581	40,096,328	42,489,614	40,736,508
Police Department	44,056,351	43,178,454	44,956,580	44,063,795
Sheriff	16,465,641	17,585,021	17,144,004	17,064,889
Court Trustees	334,618	418,439	434,039	395,699
District Attorney	3,699,118	3,892,956	4,034,802	3,875,625
District Court	2,231,890	3,185,043	2,960,001	2,792,311
Law Library	30,879	31,662	30,377	30,973
Municipal Court	1,468,512	1,508,985	1,553,899	1,510,465
Process Servers	646,957	639,269	652,398	646,208
Aging	2,943,667	4,732,730	4,825,263	4,167,220
Community Programs	10,648,272	10,148,700	9,376,311	10,057,761
Coroner	225,154	200,152	203,481	209,596
Economic Development	5,350,220	5,080,672	3,957,476	4,796,123
Elections	1,239,337	1,368,368	1,384,967	1,330,891
Health Department	7,403,746	10,471,447	11,070,401	9,648,531
Historical Museum	233,853	276,367	249,618	253,279
Human Services	3,170,125	3,731,092	3,735,564	3,545,594
Mental Health	636,950	643,428	661,741	647,373
Neighborhood Resource Ctr.	5,172,941	4,464,883	3,999,153	4,545,659
Parks and Recreation	7,837,624	9,083,406	8,944,325	8,621,785
Register of Deeds	1,173,854	1,571,824	615,567	1,120,415
Transit	3,868,232	5,003,429	5,148,176	4,673,279
Planning/Zoning	801,690	710,681	739,666	750,679
Public Works	61,416,961	53,583,480	63,267,107	59,422,516
Soil Conservation	55,456	60,324	62,054	59,278
County Fair	189,315	204,888	204,888	199,697
Library	1,071,455	1,544,019	1,718,896	1,444,790
Convention and Visitor's	680,000	545,530	800,000	675,177
Total	228,729,870	233,200,619	243,509,932	235,146,807

**APPENDIX 11
LEGENDS SUN
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS**

Indirect	2006	2007	2008	Average
Administration/Clerk	1,530,481	1,479,832	1,552,957	1,521,090
COD Administration	155,033	209,310	224,354	196,232
County Administrator	1,036,002	1,154,792	1,316,300	1,169,031
Finance	3,997,285	4,810,705	5,239,581	4,682,524
Human Resources	1,297,075	1,243,934	1,311,926	1,284,312
Legal	2,818,711	3,310,196	3,319,855	3,149,587
Legislative Auditor	607,934	747,118	774,335	709,796
OS Business Office	186,881	187,116	201,290	191,762
Procurement/Contract	530,460	629,747	644,315	601,507
Technology	6,714,805	6,076,022	6,059,461	6,283,429
Public Safety Business	2,029,674	1,598,988	1,593,406	1,740,689
Extension Council	383,139	488,665	425,045	432,283
Special Community Grants	767,365	1,032,810	1,151,037	983,737
Total	22,054,845	22,969,235	23,813,862	22,945,981
 % Indirect of Direct	 10%	 10%	 10%	 10%

**APPENDIX 12
LEGENDS SUN
KANSAS CITY SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT**

<u>YEAR</u>	<u>GENERAL STATE AID</u>	<u>LOCAL EFFORT</u>	<u>TOTAL CONTRIBUTION</u>	<u>TOTAL COSTS</u>	<u>ANNUAL SURPLUS/ (DEFICIT)</u>	<u>CUMULATIVE SURPLUS/ (DEFICIT)</u>
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	1,847,596	1,847,596	-	1,847,596	1,847,596
Year 3	-	5,913,013	5,913,013	-	5,913,013	7,760,609
Year 4	-	8,454,434	8,454,434	-	8,454,434	16,215,044
Year 5	-	8,648,062	8,648,062	-	8,648,062	24,863,105
TOTAL	\$ -	\$ 24,863,105	\$ 24,863,105	\$ -	\$ 24,863,105	

APPENDIX 12, ASSUMPTIONS:

1. Analysis assumes little or no cost impact of this development on the School District as all jobs will be filled by existing residents.
The development is estimated to add 250 multi-family residential units with approximately 800 square feet per unit. These units will be marketed to "young professionals" and "empty nesters" in the area according to the Developer. Analysis assumes no families with children will live in these units. Therefore, no new students are projected.
2. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at \$ **4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
As the development is not expected to generate new students, only the Local Effort revenue is considered in this analysis.
3. Local Effort includes school district's property tax revenue only; other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for Kansas City School District in Appendix 2.
4. The school district's surplus could lead to a reduction in the property tax rate and/or be remitted to the State.

**APPENDIX 13
LEGENDS SUN
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES**

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES MOVING TO THE AREA	NEW RESIDENTS MOVING TO THE AREA	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 3	2,550	1,479	-	375	5,621	3,925

APPENDIX 13, ASSUMPTIONS:

1. Employees:

- a. The development is estimated to require approximately **2,550** employees.
Source: Developer's application/template.
- b. Approximately **42%** of all employees will live in Wyandotte County, based on historical work-residence data.
Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Wyandotte County.
- c. Wyandotte County currently (2008) has an unemployment rate of **6.9%** which is higher than the normal rate of 4%.
Source: US Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics. By County. Data for Wyandotte County.
Analysis assumes all employees of the development will be existing unemployed residents and no net new employees are expected.

2. Residents:

- The development will include **250** 800 sq. ft. multi-family residential units. Residents of these units are projected to be "empty nesters" or young professionals, averaging **1.50** people per unit. All residents will be new to the County.
Source: US Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics. By County. Data for Wyandotte County.

3. Visitors:

- a. Report by Richard Wells estimated approximately **5,809** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **5,732** daily visitors to the development, including local residents. The analysis uses the average of these **5,771**
Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.
- b. Developer's application estimates a locals' penetration rate of **35.0%** with approximately **155,509** County residents in 2006. The analysis assumes number of local visitors at **54,428** or approximately **149.1** visits a day. The analysis assumes no additional costs associated with these local visitors, costs are estimated only for the **5,621** non-local visitors.
Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services estimated as follows:

- 50%** of all commuting employees and daily visitors.
- 0%** of all employees residing in the City (those currently unemployed).
- 100%** of all new residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services. Development employees living in the City will not require incremental services as they are already accounted for in the current budget.

Nebraska Furniture Mart

PROCESSED

2008 AUG 13 A 9:26

Kansas Lottery Gaming Facility Review Board
Kansas Racing & Gaming Commission
700 S.W. Harrison, Suite 420
Topeka, Kansas 66603-3754

RECEIVED
KANSAS RACING AND
GAMING COMMISSION

Dear Board Members,

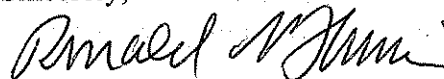
I am writing on behalf of Nebraska Furniture Mart, regarding our Kansas City, Kansas, location at 1601 Village West Parkway. It has come to my attention that the Kansas Lottery is evaluating four casino proposals for Wyandotte County, two of which are located west of I-435 and adjacent to our store.

Our Kansas store opened in 2003, and we have been privileged to be a major attraction in the Village West area since its inception. The store is situated on an 80-acre campus and is comprised of over 1,050,000 square feet of retail and distribution warehouse space. We employ over 1,100 employees. We accommodate our customers and employees with approximately 2,600 parking spaces, as well as an internal road system.

The first-class hotels, restaurants, retail centers, and entertainment and athletic attractions impose demands on the roads west of I-435. There is no doubt I am pleased that the Village West area is a phenomenal success with year-round visitors. However, we must be careful to ensure we do not upset this balance by adding a casino destination that we cannot support from a traffic standpoint, which may ultimately frustrate and deter visitors from the area. Currently, the traffic flow is burdened on days there is an event at the Speedway or a game at the nearby T-Bones stadium. By strategically locating a casino on the eastern side of I-435, it gives easy access to the Village West area through the France Family Boulevard while allowing easier traffic flow in and out of the area.

Traffic issues have become a concern to all area businesses located to the west of I-435, and the constant influx of visitors and patrons will only increase with each development added to the area. Adding a destination casino and the accompanying traffic to the west side of I-435 would, in my opinion, increase the traffic problems. We are excited about the prospect of additional tourists in the area. As a member of the Village West business community, a casino location on the east side of I-435 is the more prudent choice.

Sincerely,



Ronald Blumkin
President
Nebraska Furniture Mart

Omaha

700 South 72nd Street, Omaha, NE 68114
Phone: 402-397-6100

Des Moines

2075 NW 94th Street, Clive, IA 50325
Phone: 515-727-6500

Kansas City

1601 Village West Parkway, Kansas City, KS 66111
Phone: 913-288-6200

From: Monique Strong

Sent: Wednesday, August 13, 2008 1:44 PM

To: Jay Hall

Subject: Opposing Wyandotte Casino

W. Roberts Jr. of Kansas City wanted to voice his opposition for a casino in Wyandotte County. He feels that it would further affect our suffering economy and increase crime.

[Monique Strong](#)