KANSAS
RACING AND GAMING COMMISSION

Mark Parkinson, Governor
Patrick Martin, Interim Executive Director

AGENDA
KANSAS LOTTERY GAMING FACILITY REVIEW BOARD
9 am, Wednesday, December 1, 2010

Topeka Downtown Ramada Inn
420 SE 6th Ave
Topeka, KS 66607

A. CALL TO ORDER

B. APPROVAL OF THE AGENDA

C. BOARD ITEMS

1. Presentation by William Eadington, Ph.D., University of Nevada-Reno, on economic dimensions of the Kansas Expanded Lottery Act bid process for licenses in the South Central gaming zone

2. Kansas Lottery Gaming Facility Review Board consultant information and presentations regarding the South Central gaming zone

    a. Will Cummings, Cummings Associates, on revenue projections
    b. Richard Wells and Susan Gossi, Wells Gaming Research, on revenue projections
    c. Dean Macomber, Macomber International, on analysis of non-gaming amenities
    d. Grant Govertsen, Union Gaming Analytics, on the financial status of the applicant
    e. Paul Laudolff, Construction Cost Systems, on construction cost analysis
    f. Matt Cunningham and Dan Houston, Civic Economics, on economic impacts
    g. Eugenia Larmore, Ekay Economic Consultants, on fiscal impacts

3. Applicant responses:

    a. Global Gaming KS LLC (45 minutes)
    b. Peninsula Gaming Partners, LLC (45 minutes)

D. OTHER MOTIONS

E. STAFF REPORTS

F. ADJOURNMENT

700 SW Harrison, Suite 500, Topeka, KS 66603-3754 • (785) 296-5800 • Fax: (785) 296-0900
krgc.ks.gov • E-mail: krgc@krgc.ks.gov

COMPARING THE SUMNER COUNTY SUBMISSIONS

William R. Eadington

December 1, 2010

SIMILARITIES BETWEEN THE APPLICANT SUBMISSIONS

- Companies with similar histories, similar scope of casino operations
- Similar regional presence in their respective markets
  - Oklahoma for Global Gaming Systems
  - Iowa and Louisiana for Peninsula
- Similar target audiences, with respect to existing casino operations
  - Roughly three star hotel operations, similar in food offerings
- Both applicants have some experience with racinos (Remington Park and Evangeline Downs)
- Both have developed greenfield casino sites into successful casino operations
- Did they use the same architects?
  - Similar visualization of what a Kansas Prairie-inspired casino should look like

WINSPIRIT
CASINO

KANSAS STAR

casino ★ hotel ★ event center

BOTH APPLICANTS OPERATE ATTRACTIVE FACILITIES ELSEWHERE

BOTH APPLICANTS OFFER INTERESTING “SWEETENERS” FOR SUMNER COUNTY

GLOBAL GAMING SOLUTIONS

- **All data taken from www.casinocity.com**
- **WinStar World Casino (Thackerville, OK)**
  - **Proximity to Dallas market; about a one hour drive**
  - **5,800 slots, 114 table games, 395 hotel rooms, 380,000 sq. ft. of gaming space; 395 hotel rooms & suites**
    - **Includes all restaurant, lounge, back-of-house in sq. footage computation**
  - **Claim of being 3rd largest casino in the world (probably based on slot count, not revenues or visitation or CAPEX)**
  - **Gaming revenues: perhaps $300 m to $400 m (consultant's estimate)**
- **Riverwind Casino (Norman, OK)**
  - **2,498 slots and 55 tables, 219,000 sq.ft. of gaming space; 100 hotel rooms => gaming revenues of perhaps $100 m to $150 m**
- **Remington Park (Oklahoma City, OK)**
  - **750 slot machines, 55,000 sq.ft. of gaming space; no hotel rooms => gaming revenues of perhaps $30 m to $40 m**
- **Treasure Valley Casino (Davis, OK)**
  - **402 slot machines, 4 table games, 9,440 sq.ft. of gaming space; 59 hotel rooms => gaming revenues of perhaps $10 m to $15 m**

PENINSULA GAMING

- All data taken from www.casinocity.com
- Diamond Jo Dubuque
  - 975 slot machines, 17 table games; 35,000 sq. ft. of gaming space; no hotel => gaming revenues of about $50 m to $60 m per year (Consultant's estimate)
- Diamond Jo Worth
  - 965 slot machines, 33 table games; 38,500 sq. ft. of gaming space; 102 hotel rooms => gaming revenues of about $60 m to $70 m per year
- Amelia Belle
  - 822 slot machines, 17 table games; 30,000 sq. ft. of gaming space; no hotel => gaming revenues of about $40 m to $50 m per year
- Evangeline Downs
  - 1,627 gaming machines, no table games; 80,000 sq. ft. of gaming space; no hotel => gaming revenues of about $100 m to $120 m per year

OTHER OBSERVATIONS ON GLOBAL GAMING SOLUTIONS

- **Tribal casinos are self-regulated**
  - **They have not been subject to state regulation**
- **No direct experience to date in running an Auto Racing Facility**
  - **They can hire the needed expertise**
- **Race Track is more than 60 months (5 years) out on submitted plans; funded by outside partners**
- **Tax differentials between KS and OK create incentives to redirect customers from KS to OK casinos**
  - **However, given regional nature of markets, customers are going to stay within 100 mile radius of their residences => it may be hard to persuade them to migrate**
- **I-35 Corridor argument is a bit contrived**
  - **The Interstate itself is not a tourist attraction**
  - **The company does understand the local TX, OK market**

GLOBAL GAMING SOLUTIONS

3. Key Advantages of Global Gaming as the State's Operator

- I-35 destination market experience.
- Proven development and operational expertise in destination properties.
- Substantial financial capability.
- Proven record in economic development in local communities.
- Proven record in expanding facilities to extract market potential.

INTERESTING COINCIDENCE, BUT I-35 IS NOT A DESTINATION IN ITS OWN RIGHT

OTHER OBSERVATIONS ON PENINSULA GAMING

- **Experience with regulatory bodies in Iowa and Louisiana**
- **No direct experience to date in running an Equestrian Events Center**
  - **They can hire the needed expertise**
- **Distance from their other casinos will limit their ability to cross-market**
- **The indictment issue in Iowa has to be taken into consideration by the Review Board**

AN UNORTHODOX SOURCE OF INFORMATION:

WWW.TRIPADVISOR.COM

TRIPADVISOR COMMENTS ON WINSTAR WORLD CASINO

QUALIFIER: POSSIBLE LOADING OF RESULTS FROM THE MARKETING DEPARTMENTS OF CASINOS REFERENCED. ALSO, CASINO PATRONS CAN BE A CRITICAL BUNCH OF PEOPLE.

- **Trip Advisor rating at about 2.3 (out of 5); 35 reviews**
- **Lots of complaints on tight slots, 50 cents ante to $1 ante per hand at Blackjack**
  - **Some note that this is the norm in Oklahoma**
  - **Characteristics of a monopoly situation; used in Morongo Casino in Palm Springs, CA (closest to LA market) before competition became more heated in that area**
- **Very large casino but cheap construction (industrial style building, poor AC)**
  - **World Cities theming is not very effective**
- **Many complaints on the food; some compliments on free coffee & soft drinks on casino floor**
  - **Complaints about unfriendly employees**
- **Many customers compared Winstar against Shreveport (3 hours drive from Dallas, compared to 1 hour)**
  - **On balance, Shreveport comes out better in comparison**

TRIPADVISOR COMMENTS ON RIVERWIND CASINO

- TripAdvisor rating at about 2.0 (out of 5); 18 reviews
- Lots of complaints on tight slots, 50 cents ante per hand at Blackjack, expensive mixed drinks (though free soft drinks and coffee)
  - Limited service from casino employees
- Some compliments on the facility and the hotel rooms; none on the gambling conditions (too expensive, cannot win, etc.)
- Cigarette smoke, poor ventilation mentioned in some references

TRIPADVISOR COMMENTS ON REMINGTON PARK

- **TripAdvisor rating at 5 (out of 5); 1 review**
- **Patron liked the Silk's Restaurant, ambience; surprisingly pleased**

TRIPADVISOR COMMENTS ON PENINSULA CASINOS

- No reviews on the Dubuque or Worth casinos
  – 4 reviews on the Woodfire Grill Restaurant at Diamond Jo Dubuque (average score 4.5 out of 5)
- No reviews on Evangeline Downs or on Amelia Belle

TRIPADVISOR COMMENTS ON OTHER REGIONAL CASINOS

- **Ameristar Casino, Kansas City, MO**
  - **Rating of about 4.0, 27 reviews**
  - **Comments mainly on the hotel**
- **Argosy Casino, Kansas City, MO**
  - **Rating of about 4.0, 31 ratings**
  - **Comments mainly on the hotel**
- **Eldorado Casino, Shreveport, LA**
  - **Rating of about 4.0, 84 ratings**
  - **Comments mainly on the hotel**
- **Sam's Town, Shreveport, LA**
  - **Rating of about 3.5, 86 ratings**
  - **Complaints over smoke in casino, unfriendly staff, charging for internet, etc.**
- **Mohegan Sun, Uncasville, CT**
  - **Rating of about 4.0, 624 ratings**
  - **Some reviewers mixed up Foxwoods and Mohegan Sun**
- **Foxwoods, Ledyard, CT**
  - **Rating of about 3.0, 37 ratings**
  - **Complaints over tight machines, dirty bathrooms, poor service**

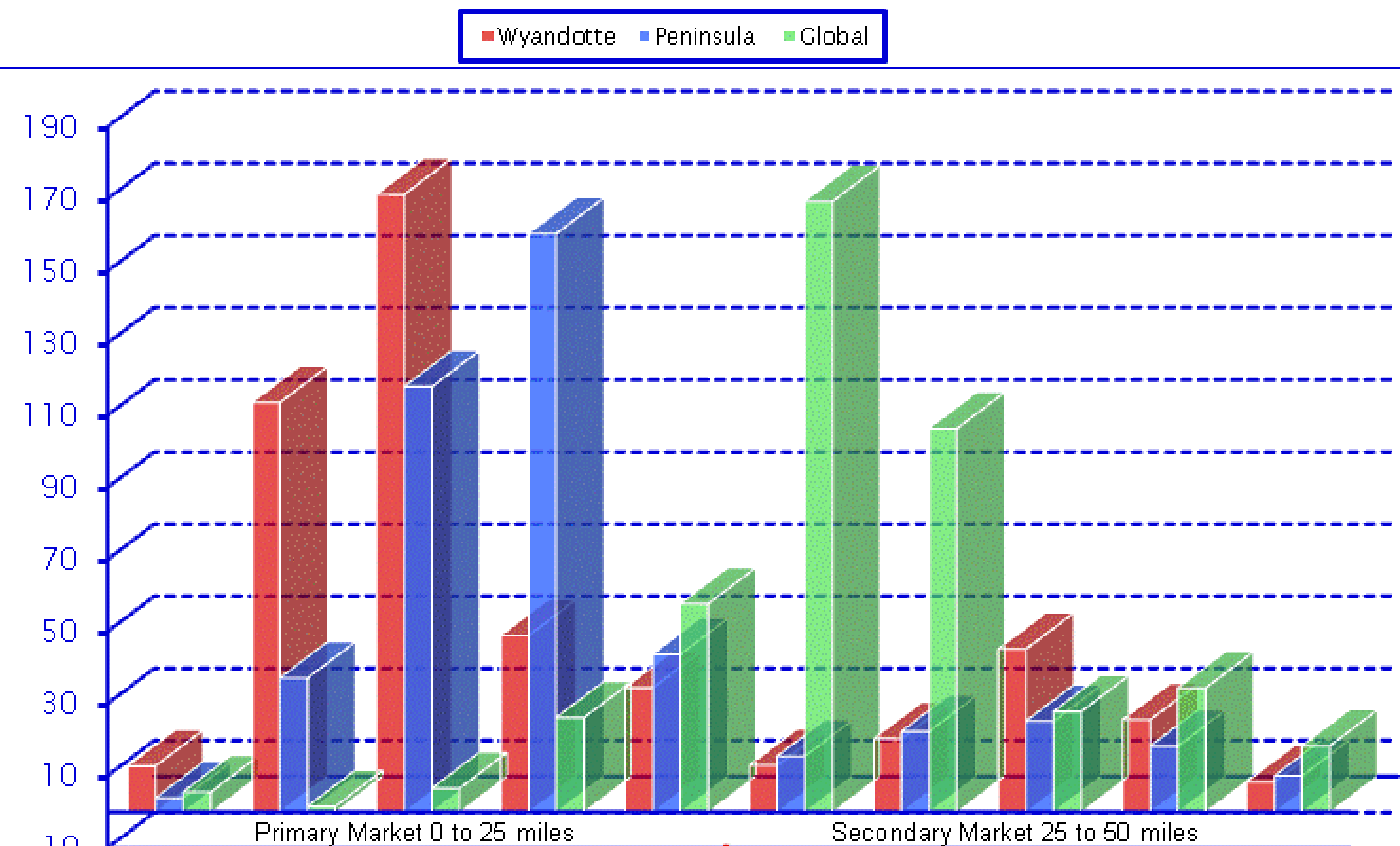
MAJOR AREAS FOR COMPARISON OF THE APPLICANTS

- **Does an Auto Racing Facility have a stronger or weaker attractiveness to a Sumner County casino resort than an Equestrian Center?**
  - **Is the difference in planned development and opening of these facilities an important consideration?**
- **Is the revenue generating capability of the Mulvane location over Wellington an important consideration?**
  - **There is going to be some difference, *ceteris paribus*, but one can dispute the magnitudes**
- **Are there marked differences between the two applicants in terms of the physical facilities offered?**
  - **Does either one have the capability to outdraw the other if all other influences were the same**
- **Are there marked differences between the two applicants in terms of management styles and philosophies?**
  - **Can the marketing or HR strategy of one company lead to better performance than the other?**

THE TRAVEL TIME ISSUE

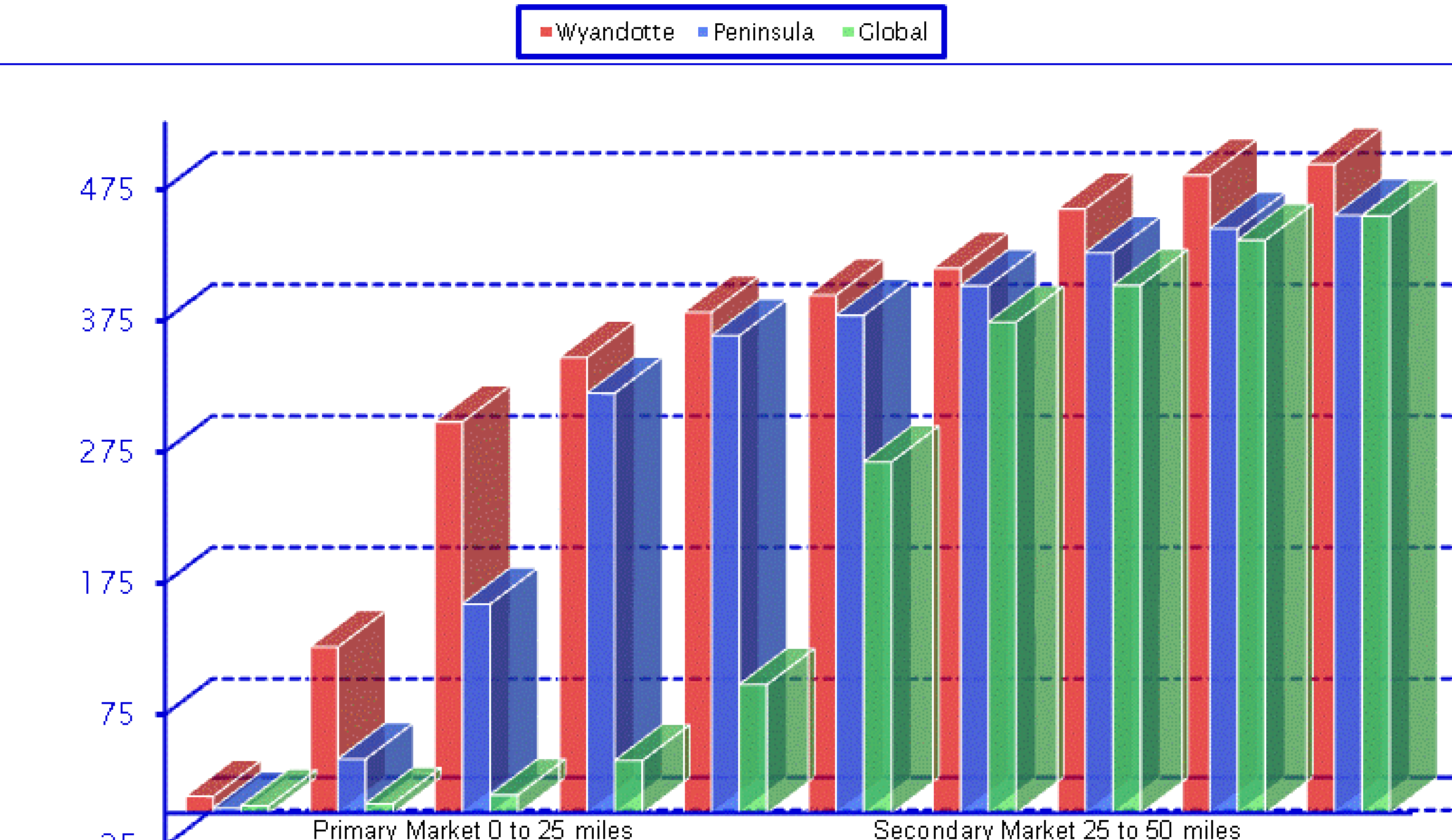
- 14 miles in difference between Exit 19 and Exit 33 translates into about an additional 14 minutes of travel time in each direction (11 minutes at 76 miles per hour)
- Survey results (such as those provided to Global Gaming by Jayhawk Consulting Services) are not good indicators of how people are actually going to act
  - Far better to observe behavior than to ask people how they would behave in a hypothetical situation
- Assume increased travel time is 25 minutes per trip (round-trip) for Mulvane v. Wellington casino
  - If the alternative site in Mulvane is selected, then assume all the numbers below should be cut by 40% to 50%
- For someone who would travel 4 times per month (48 times per year) to a Mulvane casino from Wichita is going to have to travel a total of 20 hours more per year, and have to travel about 1,350 more miles per year to get to a Wellington casino site
  - At a cost of $0.50 per mile for transport, this would amount to an additional $675 per year on gasoline, maintenance, wear-and-tear, etc.
  - If travel time is valued at $18.81/hour (average wage rate in Wichita), then the additional travel time cost to the individual would amount to an additional $375 per year. (Note: the assumption is that the opportunity cost of driving time is the wage rate.)
- Because it is more expensive to go to a casino in Wellington relative to Mulvane (at the rate of about $22 per trip, based on the above assumptions), it is reasonable that Wichita consumers would make fewer trips to Wellington, all other considerations held constant

KS SC Gaming Zone Adult Population by Distance (5-mi increments) from Each Casino Site



	>0 to 5 mi	>5 to 10mi	>10 to 15mi	>15 to 20mi	>20 to 25mi	>25 to 30mi	>30 to 35mi	>35 to 40mi	>40 to 45mi	>45 to 50mi
Wyandotte	12.8	113.6	171.3	49.0	34.5	13.0	20.4	45.2	25.6	8.4
Peninsula	3.9	37.2	118.0	160.4	43.8	15.5	22.4	25.2	18.3	10.1
Global	5.6	1.6	6.6	26.2	57.8	169.4	106.4	27.9	34.4	18.4

KS SC Gaming Zone Cumulative Adult Population by Distance from Each Casino Site



	> 0 to 5mi	> 5 to 10mi	>10 to 15mi	>15 to 20mi	>20 to 25mi	>25 to 30mi	>30 to 35mi	>35 to 40mi	>40 to 45mi	>45 to 50mi
Wyandotte	12.8	126.4	297.7	346.7	381.2	394.2	414.6	459.8	485.4	493.8
Peninsula	3.9	41.1	159.1	319.5	363.3	378.8	401.2	426.4	444.7	454.8
Global	5.6	7.2	13.8	40.0	97.8	267.2	373.6	401.5	435.9	454.3

Cummings Associates

Projections for the Performance of New Gaming Facilities in South-Central Kansas

November 23, 2010

135 Jason Street, Arlington, Massachusetts 02476
Telephone: 781-641-1215 - Fax: 641-0954 - e-mail: cummingsw@aol.com

Contents

List of Exhibits

Exhibit

Projections for the Performance of New Gaming Facilities in South-Central Kansas

Executive Summary

Background / Introduction

In 2007, the State of Kansas authorized casinos in the form of "Kansas Lottery Gaming Facilities." The State is now engaged in a third round of applications from prospective casino operators, this one focusing on Sumner County. The Lottery Gaming Facility Review Board retained Will Cummings, the author of this report, to develop independent projections for the likely gaming revenues of the facilities proposed by the two applicants.

I developed these based upon the performance of the existing gaming facilities across the Midwest, as well as those most comparable elsewhere, using a gravity-model methodology that is described in more detail in Appendix A.

Assumptions

With respect to the new casinos proposed for Sumner County, I have assumed:

- Operation under the terms of Kansas's Expanded Lottery Act.
- "Bricks and mortar" as specified by the applicants.
- Management skill and promotional efforts comparable to those of the facilities that I have identified as the most comparable in states nearby, resulting in slot "power ratings" around 103 for Peninsula in Mulvane and 111 for Global Gaming (higher because more rural) near Wellington. (Details in main body.)
- Two sets of scenarios regarding competition:
  - i. No other new casinos nearby ("Base"); and

ii. A Class II casino at Park City, just north of Wichita ("With Competition").

- o A propensity to gamble on the part of local residents (and tourists) similar to that elsewhere in the Midwest.

Based on these assumptions, I took the detailed model described (in part) in Appendix A, calculated the numbers of "distance-adjusted" adults likely to patronize each facility, and applied the appropriate average rates of spending to each. (I have also included modest amounts of "drive-by capture" in my projected gaming revenues.) The results are summarized in Exhibit A.

All my projections are presented in terms of then-year dollars and as of "stabilized operations," after initial transients have been worked out.

Projections for Global Gaming

If there is no competition nearby, I project total gaming revenues at Global's WinSpirit casino at Exit 19 to rise from $62.1 million in 2012 (assuming six months of operation) to $141.2 million in 2014, to $155.8 million in 2016, and to $160.5 million upon full build-out (expressed in 2016 dollars).

Exhibit B compares my projections with those of the applicant. We are essentially identical.

With competition from an Indian casino with 1,000 Class II gaming devices at Park City, just north of Wichita, I project revenues at WinSpirit 18% to 21% lower, rising to just $127.3 million by 2016. Under the "Full Build" scenario, I assume a larger Class II facility that otherwise mirrors WinSpirit (2,000 gaming devices, etc.) In this case, the impact would be more severe (roughly 32%), and I project $109 million in gaming revenues for Global Gaming's casino at full build-out.

While total visitation, like gaming win, is projected to be somewhat less at WinSpirit than at Peninsula's casino proposed for Exit 33, "tourist" visitation (defined as those coming from beyond 100 miles) is projected to be greater at WinSpirit. This is because it would lie closer to the population centers of Oklahoma, the higher power rating that I have assumed for it (as the more rural facility) extends its "reach," and the travel plaza that Global plans would capture somewhat more drive-by traffic. As a result, it would have slightly more positive impacts on the "balance of trade" in casino services that is currently quite negative for the State of Kansas (Kansans spend more on casinos in other states than vice-versa).

Projections for Peninsula Gaming

If there is no competition nearby, I project total gaming revenues at Peninsula's Kansas Star casino at Exit 33 to rise from $159.1 million in 2012 (at its Phase 1a, or "temporary," casino) to $192.1 million in 2014 and to $213.4 million at full build-out in 2016.

My projections are somewhat higher than those presented by Peninsula, as indicated in Exhibit C. Since the gap narrows in later years, I believe that gap is largely due to my assumption of "stabilized operations" right from Year 1, an assumption that Peninsula may not share.

These projections are substantially higher than those for gaming revenues at the WinSpirit casino described above. This is because my models, based on the data I have seen elsewhere, indicate that proximity (convenient access) is a major factor in consumers' spending at *any* casino, not just those in competitive markets. The Kansas Star casino at Exit 33 would be substantially more convenient to Wichita, the dominant source of customers in the area, than Global Gaming's casino at Exit 19. Differences in projected market shares also contribute, but are much less significant than the projected impacts on total spending – I estimate that WinSpirit's share of Sedgwick County's spending would be 80%, versus 91% for Kansas Star.

With competition from an Indian casino with 1,000 Class II gaming devices at Park City, I project revenues at Kansas Star 21% to 25% lower, rising to just $169 million by 2016. Under the "Full Build" scenario, I assume a larger Class II facility that otherwise mirrors Peninsula's casino (2,000 gaming devices, etc.) Under this scenario, the impact would be more severe (roughly 34%), and I project $141 million in gaming revenues for Kansas Star in 2016.

My analyses and projections are based upon the assumptions described herein. Some of these assumptions will inevitably not materialize, and unanticipated events and circumstances will occur. The actual results will therefore vary from my projections, and such variations may be material.

Exhibit A: Summary of Projections

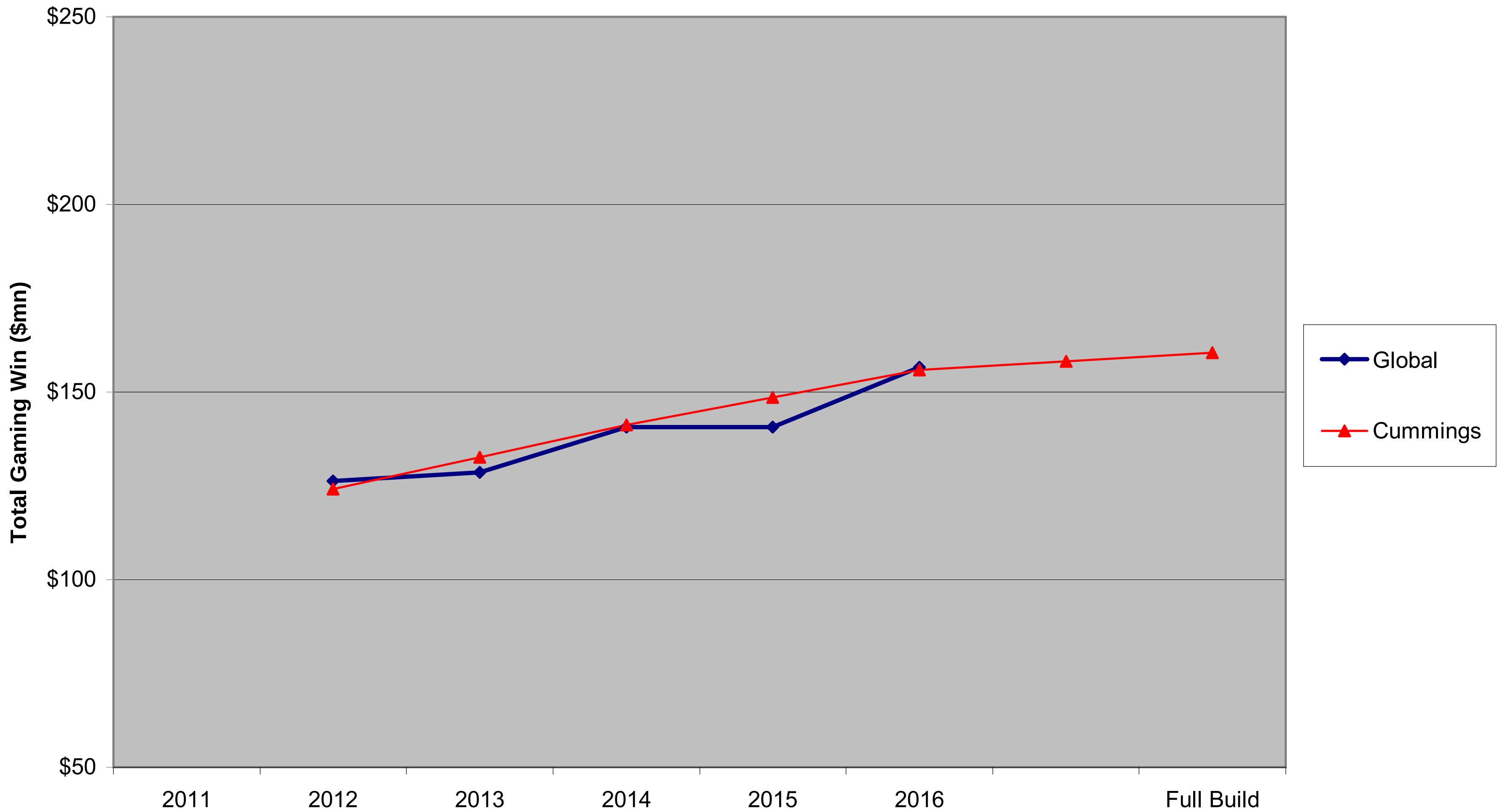
(all in then-year $)

	Global / WinSpirit				Peninsula / Kansas Star			
	2012	**2014**	**2016**	**Full Build**	**2012**	**2014**	**2016**	**Full Build**
Slot Machines	1,300	1,550	1,800	2,000	1,310	1,500	2,000	2,000
Table Games (not inc. poker)	30	40	40	40	32	42	50	50
Total Gaming Positions (" ")	1,480	1,790	2,040	2,240	1,502	1,752	2,300	2,300
Slot Power Rating	111.0	110.8	110.9	111.1	97.5	102.9	102.9	102.9
Total Gaming Revenues ($million):	(6 mos)							
With no Local Competition	$62.1	$141.2	$155.8	$160.5	$159.1	$192.1	$213.4	$213.4
With Competitor in Park City	$46.8	$111.7	$127.3	$109.1	$109.3	$143.7	$169.4	$141.0
Total Annual Visitation (000):	(6 mos)							
With no Local Competition	716	1,583	1,684	1,760	1,741	1,997	2,248	2,248
With Competitor in Park City	578	1,316	1,434	1,278	1,329	1,620	1,886	1,634
Annual "Tourist" Visitation (000):	(6 mos)							
With no Local Competition	67	173	187	198	70	121	144	144
With Competitor in Park City *	68	175	189	197	70	122	145	142

* Visitor Numbers sometimes go up with competition because Visitor $ change little, but per capita spending goes down.

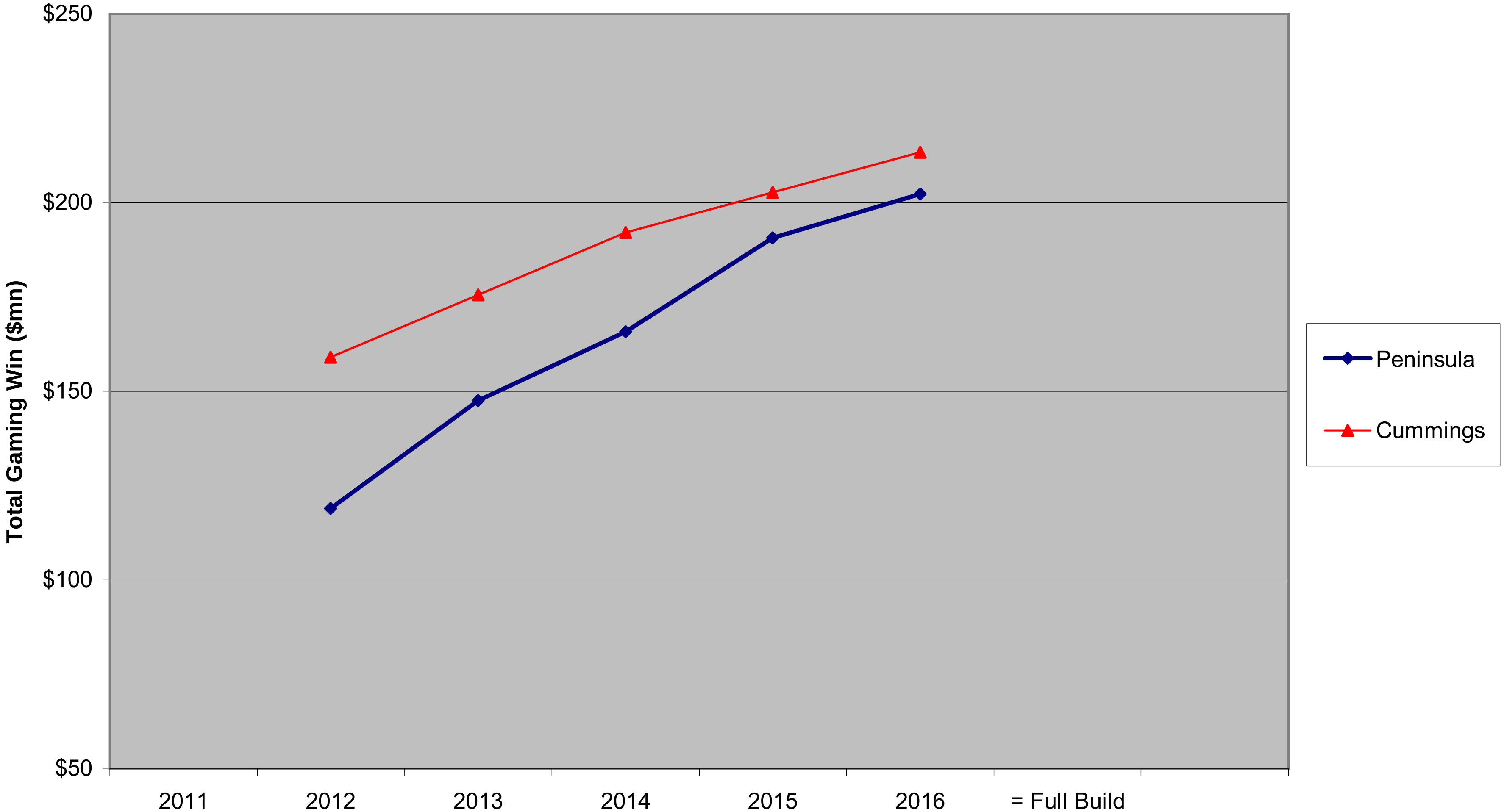
Note: 100 = "Midwest Standard" power rating. Latest major facilities in Iowa range from 102 to 107. Boot Hill today = 106.7.
Slot power ratings at the "Big Three" KCMO facilities currently range from 100 to 106; table ratings 100 to 105.
I have assumed 103 for tables at both facilities (the "3" reflects poker).

Exhibit B: Cummings Projections Compared to Global Gaming's



Note: Cummings projections are for "stabilized operations"

Exhibit C: Cummings Projections Compared to Peninsula's



Note: Cummings projections are for "stabilized operations"

Projections for the Performance of New Gaming Facilities in South-Central Kansas

1. Introduction

In 2007, the State of Kansas enacted its Expanded Lottery Act, which authorizes casino gaming in the form of "Kansas Lottery Gaming Facilities." The Kansas Lottery, Racing and Gaming Commission, and Lottery Gaming Facility Review Board are now engaged in a third round of applications from prospective casino operators, this being devoted to the South-Central Gaming Zone, with two applications pending for Sumner County, south of Wichita. In support of this process, the Lottery Gaming Facility Review Board retained Will Cummings, the author of this report, to develop independent projections for likely gaming revenues of the facilities proposed by the two applicants.

This report documents my analyses and conclusions.

Section 2 describes my analyses of the existing markets for gaming across the U.S., and explains my methodology for analyzing and projecting such revenues. (I discuss that methodology in greater detail in Appendix A.) Section 3 describes the key assumptions underlying my projections, which are then developed in Section 4 (for the Global Gaming facility proposed at Exit 19 near Wellington) and Section 5 (for the casino that Peninsula Gaming proposes at Exit 33 near Mulvane). Section 6 summarizes my conclusions.

2. Methodology

In order to develop my projections for South-Central Kansas, I first conducted detailed analyses of the performance of the gaming-device facilities and casinos nearby (and those most comparable in other states) in relation to the demographics of the market areas which surround them. "Geography," by which I primarily mean the distribution of population, is the most important factor underlying the performance of gaming facilities, as it is indeed for the sales of most consumer goods and services.

My methodology is described in detail in Appendix A. In brief, it is based on the number of adults residing at various distances from each gaming facility in an area, and the ratio of actual revenues obtained to such numbers of adults so distributed. I apply "gravity models" that incorporate data for various geographic subunits in each market such as its adult population, per capita income, urban/rural nature, and distance to the nearest casino(s) and/or race-track gaming-device facilities (or relevant group(s) of such facilities).[1] From these parameters, I estimate the "distance-adjusted" adult population of each market. This figure is intended to represent the effective market population "as if" the entire population resided within ten miles of a gaming-device facility.[2] In order to do this on a detailed basis for the alternative sites here, I conducted this analysis by zip code in Kansas and the adjacent portions of neighboring states.

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[1] These are called "gravity" models because in their simplest form, they are similar to Newton's Law of Gravitation: the "attraction" of each competing facility is inversely proportional to the square of its distance from the relevant population. Because economists named Reilly and Huff pioneered their application to retail sales, they are now called "Reilly" or, more commonly, "Huff models."

[2] And also had per capita income of $20,000 and was urban in nature, i.e., part of a defined metropolitan statistical area. These relationships are based upon statistical analysis of these models and of survey data from several large casino markets. The ten-mile criterion is no special figure; it is simply a benchmark intended to represent convenient access.

The model also covers the rest of Oklahoma, Missouri, and portions of many other states nearby to ensure complete coverage of all the markets of interest. For the areas most remote from South-Central Kansas, I used counties as the basic elements of analysis.

A portion of the detailed gravity model is illustrated in **Exhibit 3** (note that this exhibit extends over two pages, and presents just a small portion of the model). In addition to the demographic data regarding each zip code, a second set of inputs describes its distance from each of many current or potential gaming facilities or groups of such facilities: the Hollywood casino now under construction at the Kansas Speedway in Kansas City, the alternative facilities south of Wichita, a potential Indian casino at Park City just north of Wichita, and existing casinos elsewhere in Kansas and in the states that surround it.

The model takes the distance (and later, travel time) *from* each geographic market segment *to* each of the competing gaming-device facilities, identifies the closest such facility, and based on that distance, estimates a "distance-adjusted" adult population for each market segment. Again, these figures represent the number of adults that would generate the estimated level of spending if they all lived within ten miles of the facility. For the State as a whole (and for all the adjoining markets), these figures are lower than the actual adult population, because most people live more than ten miles from such a facility. The model then distributes the distance-adjusted adult populations of each market segment across all the competing facilities, depending upon travel time and attractiveness.

I have used these models for analysis and projections not only in Kansas but also in many other markets across the country in a similar fashion. The results of my analyses with respect to slot machines are summarized in **Exhibit 4**. This exhibit presents an index that I call a "power rating" for each of the facilities (or groups thereof) in the major markets of the Northeastern and Central U.S.[3] These power ratings represent annual spending on slot machines (and/or VLTs) per "distance-adjusted" adult compared to a representative "Midwest Standard" figure of $700 (the middle yellow bar in this exhibit). Annual spending averaging $770 per (distance-adjusted) adult would translate into a power rating of 110 (the upper yellow bar); $630 into a power rating of 90 (the lower yellow bar). (I have also conducted parallel analyses for consumer spending on casino table games, but they attract much less spending than slot machines. These procedures are described in more detail in Appendix A.)

Exhibit 4 presents the broad range of markets in three groups: Northeastern U.S. in the first column, medium to large markets elsewhere in the second column (largely in the Midwest), and very rural markets in the third column. Rural facilities often do very well.[4] More competitive markets also generally attract higher rates of spending, but as they may be either urban, rural, North, South, East or West, I have not devoted a separate column to them.

It is obvious that most of the gaming facilities in the Northeast (the first column) perform relatively poorly by this measure. This is due in large part to the relatively high tax rates

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[3] It may be helpful to consider these power ratings as a kind of extension of the "fair share" concept that is often used to compare different gaming facilities. If, for example, all the slot machines in a given market average $200 in win per day as a group, a facility at which they win $240 per day is said to do 120% of its "fair share." One that wins $180 per machine per day is said to do just 90% of its fair share.

The concepts behind my power ratings are similar, but include analyses of the surrounding demographics. If there are many people and few machines in an area (Chicago, for example), each machine *should* win a lot each day. In rural Iowa, on the other hand, there are many more machines and many fewer people. A facility with the same power rating will win much less per machine per day than in Chicago, but will do equally well in attracting spending from the (smaller) surrounding population.

imposed on many of the slots-at-tracks facilities there. These can therefore invest only modest amounts in bricks and mortar and in player rewards, and these are increasingly critical to the success of most gaming operations today – especially in competitive markets.

In the Midwest, however, modern facilities consistently perform at or above "Midwest Standard." The "big three" casinos in Kansas City, Missouri have slot power ratings that range from 99.7 at the Ameristar to 104.9 at Harrah's North Kansas City. The casinos constructed most recently in the major markets of Iowa are in the same ballpark: the Isle at Waterloo (102.1), Riverside, which lies just south of Cedar Rapids / Iowa City (105.7), the two casinos in Dubuque (106±), and the Horseshoe at the greyhound track in Council Bluffs (107).

I should perhaps emphasize at this point that "power rating" (or more generally, casino performance)[5] is not determined solely, nor even largely, by the bricks-and-mortar or "glitz" of a casino facility. Far more important, in my opinion, are management skill, customer service, and the resources that are devoted to player development. There are *many* unprepossessing facilities in the top right corner of Exhibit 4 – but if you're rural (easy to get to), easy to park at, and invest a lot in your players (which low- to no-taxed Indian facilities find easy to do), you can be very "attractive."[6]

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4 As described in Appendix A, there are at least three reasons why rural facilities appear to do well: (i) easier to get around, (ii) less to do, and (iii) "survival bias" (in small markets, often only the best survive).

5 Compared, again, to the population that surrounds it.

6 I will cite, as I did in 2008, casinos like the Eastern Shawnee Travel Center, Peoria Gaming Center, and Little Turtle facilities in Oklahoma. These are ugly little "gasinos," right next door (in two cases) to physically much more attractive full-scale casinos (and just down the road from one in the third case), but they were all *packed* with customers when I visited. They clearly offer the gaming experience that many players desire. I am therefore cautious in discounting the ability of less-physically-attractive casinos to compete against those with more glitz.

Based upon the markets I have analyzed across the Midwest and the specific assumptions that I describe in Section 3, I have developed estimates for the likely power ratings of the new facilities as described in **Exhibit 5**. My models then apply the "elasticities" of spending versus distance and income to the population of all the relevant zip codes and counties across Kansas and its neighboring states. They calculate the market shares of each casino or group of casinos and also incorporate the potential impacts of capacity constraints. The models then calculate the impacts of all these factors on the appropriate rate(s) of spending per adult per year from each zip code or county, and allocate that spending among all the facilities in the region. I have also included (modest) amounts of business derived from the capture of a small fraction of the traffic passing either these facilities, as both would be immediately adjacent to the Kansas Turnpike.[7]

I describe the results in Sections 4 and 5.

[7] Due to a legal challenge, Peninsula Gaming has a backup Site B located two miles from the Turnpike. If its casino is in fact constructed on that site, my models suggest that its revenues would decline by roughly 14% from those at Site A. While loss of drive-by capture is a factor in this reduction, the bulk of it would occur simply because that site is roughly three minutes more distant from almost all potential customers.

3. Assumptions

With respect to the new casinos proposed for Sumner County, I have assumed:

- Operation under the terms of Kansas's Expanded Lottery Act.

- "Bricks and mortar" as specified by the applicants.

- Management skill and promotional efforts comparable to those of the facilities that I have identified as the most comparable in states nearby, resulting in slot power ratings around 103 for Peninsula in Mulvane and 111 for Global Gaming (higher because more rural) near Wellington. (Details are presented in Exhibit 5.)

- Two sets of scenarios regarding competition:

    i. No other new casinos nearby ("Base"); and

    ii. A Class II casino at Park City, just north of Wichita ("With Competition").

- A propensity to gamble on the part of local residents (and tourists) similar to that elsewhere in the Midwest.

All my analyses and projections were initially developed in terms of 2010 dollars, then extrapolated to future years assuming inflation at three percent per annum. My projections also assume "stabilized operations." There may, however, be initial transients on the order of ten to twenty percent as, with any new facility, the new casino works out kinks. In particular, it may take some time for the casino operator to develop the players' list upon which its targeted marketing efforts will depend. After this period, assuming recovery to "normal" economic conditions, I would expect outyear win to grow by two to three percent per year.

4. Projections for Global Gaming's WinSpirit Casino

Exhibits 8B through **11B** present a series of projections for the performance of the WinSpirit casino under the assumption that there is no competition nearby, neither from a casino in Park City nor any other location in the immediate vicinity. The "B" represents "Base Case." I have numbered the exhibits this way because I subsequently present projections assuming competition from a new Indian casino in Park City, just north of Wichita. I have numbered the corresponding exhibits *with* competition 8C through 11C.[8]

Projections with No Competition Nearby

Exhibit 8B presents my projections for 2012, the first year of operation at WinSpirit. I assume, based on the applicant's submission, that this casino will open with 1,300 slots and 30 table games, plus additional tables for poker.[9] I project total slot revenues to run at an annual rate of $108.2 million, or $228 per slot per day, and total revenues, including tables, to run at $124.2 million. (For comparability with the other years / scenarios, this exhibit is presented on a

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8 Prior to developing my projections for the new casinos, I used my slot and table models to (a) assess the performance of existing facilities (such as the new Boot Hill casino in Dodge City) (**Exhibit 6**), and (b) develop a "baseline" for the future prior to the opening of either casino in Sumner County (**Exhibit 7**). I would observe that Boot Hill is not doing quite as well as I projected (running at an annual rate of $37.7 million, versus my 2008 projection of $40.7 million), but it is not yet fully built-out. With the addition of its hotel, more slots, and additional amenities, I have assumed that it ultimately reaches the slot power rating of 112 that I first assumed for it. My assumptions for the new Hollywood Casino at the Kansas Speedway remain the same as in 2009. I have assumed little change in competition from the Oklahoma casinos closest to South-Central Kansas – only the opening of a hotel at the First Council casino in Chilocco, which will occur shortly.

9 In the rest of this report, the numbers of table games that I present do not include poker. Poker tables typically generate much less revenue than other (house-banked) games, so I treat them separately in my models.

twelve-month basis. In my summary exhibits, I assume [like the applicant] that WinSpirit will open mid-year, and present the same projections on the basis of six months of operation.)

The middle portion of this exhibit, like all of this type, presents a capsule projection for Kansas's "balance of trade" in casino gaming under this scenario. In comparison with Exhibit 7, Kansans' spending at casinos within Kansas will go up, their spending elsewhere ("to Others") will go down, and spending from other states *to* Kansas casinos (e.g., WinSpirit) will bring more money in. I project WinSpirit's beneficial impacts on this balance of trade at $58.1 million at an annual rate in 2012.

The bottom portion of this exhibit summarizes my projections for visitation. Note that I estimate *dollars* first, then number of visitors[10] – in my experience, dollar spending is more consistent across markets, while visitation varies more widely (as therefore, does spending per visitor). Total visitation, again on an annual basis, is projected at 1,432,000, with 134,000 of these representing tourists, defined as those traveling more than one hundred miles.

By 2014 (**Exhibit 9B**), Global Gaming anticipates 1,550 slots, 40 table games, and its travel plaza will be open. I project total annual slot revenues with this configuration at $122.9 million, or $217 per unit per day, and total gaming revenues at $141.2 million.[11] The beneficial impacts on balance of trade rise to $69.5 million, total visitation rises to 1.58 million, and "tourist" visitation to 173,000.

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[10] Based on typical rates of per capita spending observed elsewhere in the Midwest.

[11] I will observe here, once and once only, that a portion of the increases in my projections for dollar figures from 2012 to 2014 to 2016 are due simply to inflation, which we have assumed at 3% per year.

By 2016 (**Exhibit 10B**), Global Gaming anticipates a total of 1,800 slots, with the other elements of its configuration remaining unchanged. I project the resulting total annual slot revenues at $136.4 million, or $208 per slot per day, and total gaming revenues at $155.8 million. The beneficial impacts on balance of trade rise to $78.2 million, total visitation rises to 1.68 million, and tourist visitation rises to 187,000.

Exhibit 11B presents my projections for WinSpirit at "full build," sometime down the road but presented here in terms of 2016 dollars. This configuration includes 2,000 slot machines, a total of 200 hotel rooms, additional restaurants, RV parking, and other amenities. I project total gaming revenues here at $160.5 million, positive impacts on the balance of trade at $81.6 million, tourist visitation at 198,000, and total visitation at 1.76 million.

Exhibit 12 compares my projections with those of the applicant. We are essentially identical. (Note that I have interpolated my projections so as to yield a smoother line, while Global Gaming has projected more of a stairstep pattern with each change in its configuration. If I followed the same practice, you could not tell us apart.)

Finally, I would observe at this point that while my projections for total gaming revenues at WinSpirit are somewhat less than those I present in the next section for Peninsula's Kansas Star casino, I project more tourists at WinSpirit. This is because, at Exit 19, it would lie closer to the major population centers of Oklahoma than Kansas Star at Exit 33, the higher power rating that I have assumed for WinSpirit (as the more rural facility) extends its "reach," and I have assumed that its travel plaza captures somewhat more drive-by traffic than would Kansas Star. As a result, I project that WinSpirit would also have slightly more positive impacts on Kansas's balance of trade in casino services.

Projections with a Casino at Park City

I have also examined a scenario in which the Wyandotte Tribe constructs a casino on its existing property in Park City, between the former Wild West World and the former Wichita Greyhound Park. In my projections for 2012 through 2016, I assume that this casino would be rather rudimentary, with 1,000 Class II gaming devices, a dozen non-house-banked table games, and few amenities. In my "full build" projection, however, I assume that this competing casino would step up significantly, and essentially mirror the size and configuration of the WinSpirit casino – with the significant exception that its games would remain Class II.

Exhibit 8C presents my projections for Global Gaming's casino with a "small" competitor in Park City in 2012 (as before, at an annual rate), **Exhibit 9C** those for 2014, and **Exhibit 10C** my projections for 2016. With such competition, the gaming revenues that I project for WinSpirit range from 25% less (in 2012) to 18% less (in 2016) than those with no casino in Park City. (The larger and more amenity-laden WinSpirit becomes, the lower the impact from the more rudimentary casino assumed in Park City.)

Exhibit 11C presents my projections for WinSpirit at full build in competition with a casino in Park City that looks essentially identical (though again, with Class II games rather than Class III). Under these circumstances, I project Global Gaming's total annual win roughly 32% lower than without such competition.

5. Projections for Peninsula Gaming's Kansas Star Casino

Following the same format as with Global Gaming, **Exhibits 13B** through **16B** present a series of projections for the performance of the Kansas Star casino under the assumption that there is no competition nearby, from a casino in Park City or anywhere else in the immediate vicinity. Again, the "B" represents "Base Case." I subsequently present projections assuming competition from a new Indian casino in Park City, and have numbered the corresponding exhibits *with* competition 13C through 16C.

Projections with No Competition Nearby

Exhibit 13B presents my projections for 2012, the first year of operations at Kansas Star. Based on the applicant's submission, I assume this casino will open in a "temporary" facility (which will subsequently become its events center) with 1,310 slots and 32 table games. Its hotel will not yet be open. I project total annual slot revenues for this type of operation at $138.9 million in 2012, or $291 per slot per day. I project total revenues, including table games, at $159.1 million.

The middle portion of this exhibit presents a summary of Kansas's balance of trade with respect to casino gaming under this scenario. In comparison with Exhibit 7 (the situation prior to opening any new casino in Sumner County), Kansans' spending at casinos within Kansas will rise, their spending elsewhere ("to Others") will decline, and spending from other states *to* Kansas casinos (including, in particular, Kansas Star) will go up. I project Kansas Star's beneficial impacts on this balance of trade at $49.2 million in 2012.

My projections for visitation are summarized in the bottom portion of this exhibit. As described above, I develop projections for dollar spending first, because I find it more consistent across markets, then estimate number of visitors based on typical rates of per capita spending that I have observed elsewhere in the Midwest. Using this procedure, I project total visitation to Kansas Star in 2012 at 1.74 million, with just 70,000 of these representing tourists traveling more than one hundred miles (no hotel!).

By 2014 (**Exhibit 14B**), Peninsula expects to be in the second year of operations in its "permanent" facility, with 1,500 slots, 42 table games, a 150-room hotel, and various other amenities. I project total slot revenues with this configuration at $168.2 million, or $307 per slot per day, and total gaming revenues at $192.1 million. The positive impacts on balance of trade rise to $63.2 million, total visitors to nearly 2 million, and the number of tourist visitors to 121,000.

By 2016 (**Exhibit 15B**), Peninsula will complete its full build-out, with 2,000 slot machines, 50 table games (plus poker), 300 hotel rooms, and additional amenities. I project total slot revenues at $187.4 million under this configuration, which equates to $257 per unit per day. With the addition of table win, I project total gaming revenues at $213.4 million.

Because Peninsula has committed to full build-out by 2016, **Exhibit 16B** is identical to Exhibit 15B. I have included this exhibit to parallel my procedure with Global Gaming, in which the corresponding exhibits are *not* identical. Thus, if you want to compare "2016 as promised," compare Exhibit 15B with Exhibit 10B. If you want to compare "full build-outs," compare Exhibit 16B with Exhibit 11B. (In addition, I assume a higher level of competition in

Exhibit 16C than in Exhibit 15C, which correspond to 16B and 15B without competition, respectively. My apologies for the multiplicity of scenarios!)

Exhibit 17 compares my projections with those of the applicant. My projections are somewhat higher than those of Peninsula, particularly in the early years. I suspect, therefore, that the gap is due largely to my assumption of "stabilized operations" right from 2012, an assumption that the applicant may not share.

My projections for gaming revenues at the Kansas Star casino are substantially higher than those that I presented for Global Gaming's WinSpirit above. This is because my models, based on the data that I have seen elsewhere, indicate that proximity (convenient access) is a major factor in consumers' spending at *any* casino, not just those in competitive markets. The Kansas Star casino at Exit 33 would be substantially more convenient to Wichita, the dominant source of customers in the area, than the WinSpirit casino at Exit 19. Differences in projected market shares also contribute, but these are much less marked than the projected impacts my models indicate for total spending. I estimate that *either* casino would dominate the Wichita market, with WinSpirit obtaining a market share from Sedgwick County of 80%, versus 91% for Kansas Star.

I would also repeat my observation from Section 4 that WinSpirit is projected to attract more "tourists," and thereby have slightly more positive impacts on Kansas's balance of trade in casino services, due to its location closer to the border, higher power rating that I have assumed, and travel plaza. The higher gaming revenues that I project for Kansas Star are essentially due to eliciting higher levels of visitation and spending from the residents of Wichita.

Projections with a Casino at Park City

As in Section 4, I have also examined a scenario in which the Wyandotte Tribe constructs a casino on its property in Park City. As with WinSpirit, my projections for Kansas Star from 2012 through 2016 assume that this competing casino offers 1,000 Class II gaming devices, a dozen non-house-banked table games, and few amenities.

Under these conditions, gaming win at Kansas Star is projected to decline between 31% (**Exhibit 13C**, which, as with Exhibit 13B, reflects operations at Kansas Star's temporary facility in 2012) and 21% (**Exhibit 15C**, Kansas Star with 2,000 slots in 2016, which equals full build-out for this casino) from the levels it is projected to achieve without such competition. These impacts are slightly more severe than those I have projected for WinSpirit because Kansas Star, at Exit 19, derives a greater proportion of its revenues from Sedgwick County where the competition would be most intense.

Exhibit 16C presents my projections for Kansas Star at full build when competing with a casino in Park City that looks essentially identical, albeit with the important difference that the games in Park City would be Class II rather than Class III. Under these conditions, I project Kansas Star's total gaming revenues roughly 34% lower than without such competition.

6. Conclusions

Exhibit 18 summarizes my projections for the two applicants.

If there is no competition nearby, I project total gaming revenues at Peninsula Gaming's Kansas Star casino at Exit 33 to rise from $159.1 million in 2012 to $192.1 million in 2014 and to $213.4 million at full build-out in 2016. Total visitation rises to more than 2.2 million, though only 144,000 of these would represent "tourists" coming from more than a hundred miles away.

Global Gaming's WinSpirit casino at Exit 19 would under similar conditions attract somewhat less gaming revenue: $62.1 million in 2012 (assuming six months of operation), $141.2 million in 2014, $155.8 million in 2016, and $160.5 million at full build-out, expressed in terms of 2016 dollars. Total visitation would rise to only 1.76 million, but a higher number would be tourists (198,000) traveling more than a hundred miles each way. WinSpirit's impact on Kansas's balance of trade in casino services would therefore be slightly more positive than that of Kansas Star.

With competition from an Indian casino with Class II games at Park City, either casino in Sumner County would suffer adverse impacts of roughly 20% to 33%, depending on the size and configuration of the casino at Park City.

Cummings Associates

Projections for the Performance

of New Gaming Facilities in

South-Central Kansas

Exhibits

November 23, 2010

135 Jason Street, Arlington, Massachusetts 02476
Telephone: 781-641-1215 - Fax: 641-0954 - e-mail: cummingsw@aol.com

List of Exhibits

Exhibit 1: Gaming Facilities in and Near South-Central Kansas

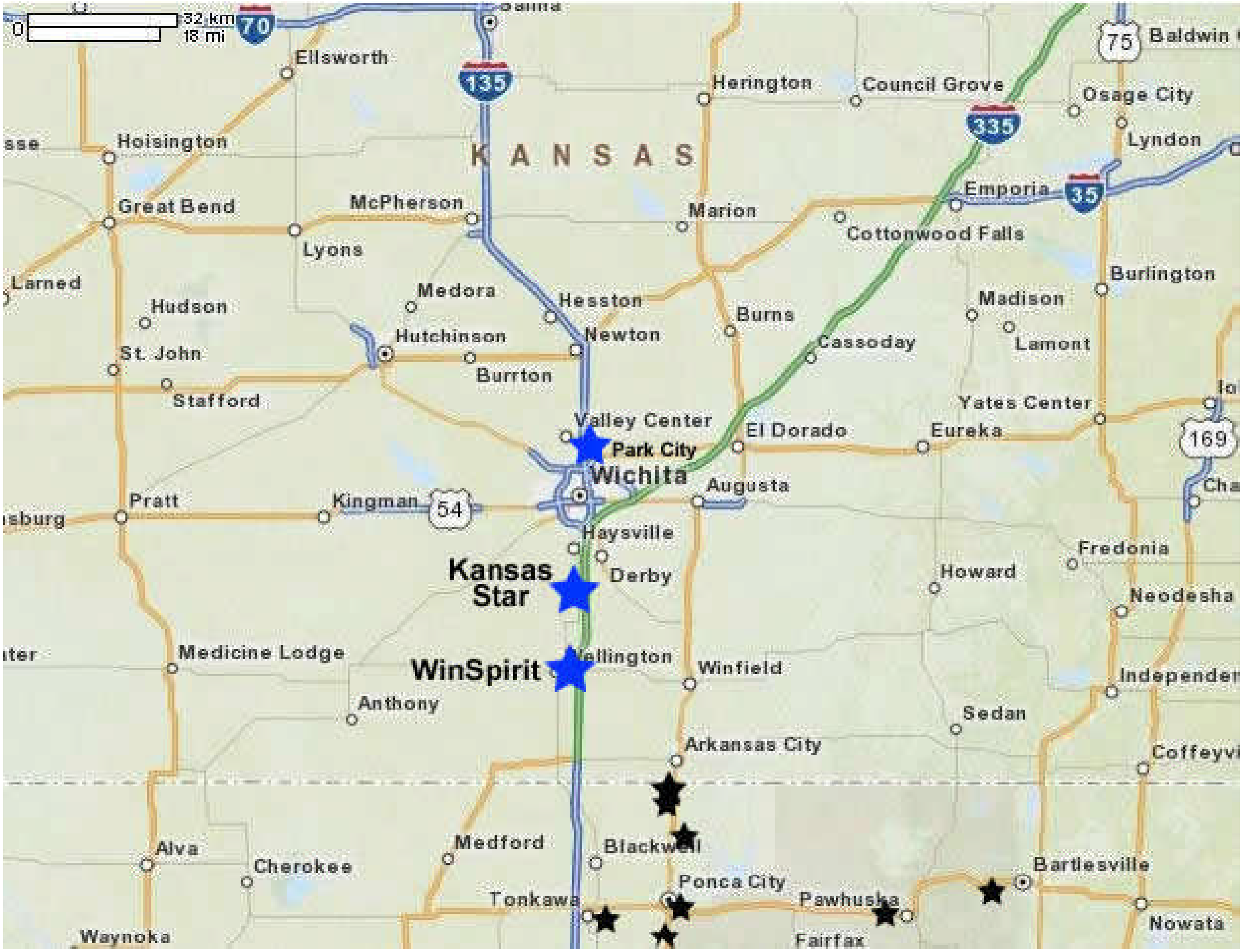

Exhibit 2: Detail for Sedgwick and Sumner Counties

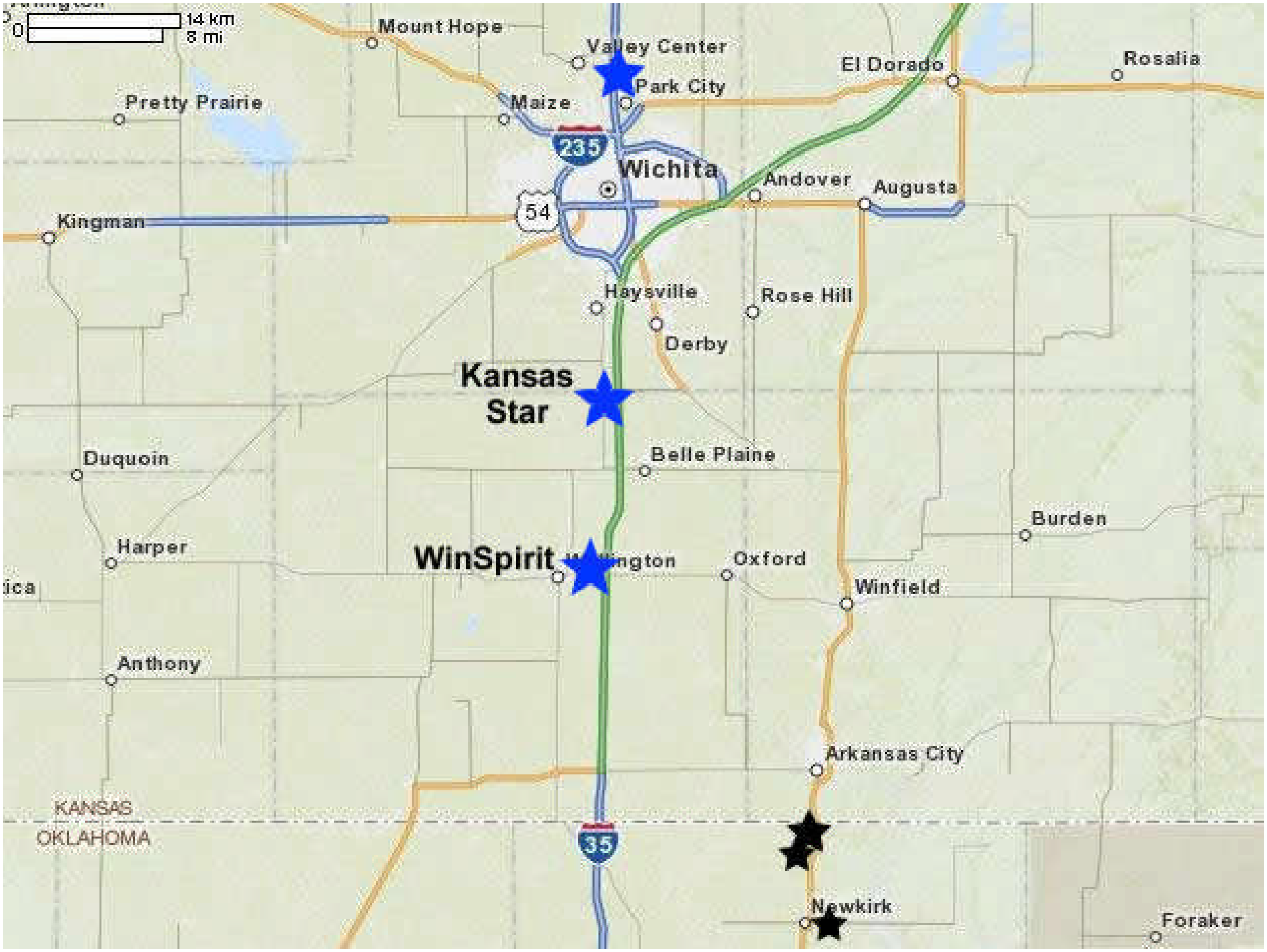

Exhibit 3: Portion of Model Inputs

Midwest Market Projections

Average Distances:

State	County	ZIP	Spdway	KStar	WinSpi	Park C	DodgeC	KC7thS	Wh Cl	Horton	Mayetta	Powhat	Argosy	IOC	Harrahs
KS	ALLEN	66732	99	128	138	117	266	106	155	142	122	147	110	109	111
KS	ALLEN	66748	109	114	124	102	251	117	154	134	113	139	120	120	122
KS	ALLEN	66749	100	121	131	106	255	108	146	127	106	132	112	111	113
KS	ALLEN	66751	98	125	136	111	260	105	145	130	110	135	109	108	110
KS	ALLEN	66755	90	135	145	120	269	97	146	134	114	139	101	100	102
KS	ALLEN	66772	103	126	135	118	265	110	159	146	126	151	114	113	115
KS	ANDERSON	66014	67	156	167	140	287	73	132	121	102	127	77	76	78
KS	ANDERSON	66015	89	130	141	114	262	97	135	118	97	123	101	101	103
KS	ANDERSON	66032	71	147	158	129	276	79	121	107	88	113	82	82	84
KS	ANDERSON	66033	61	157	169	139	285	69	117	106	87	111	72	72	74
KS	ANDERSON	66039	79	143	154	127	275	86	136	123	104	129	89	89	91
KS	ANDERSON	66091	80	138	150	121	269	88	128	113	93	118	92	91	93
KS	ANDERSON	66093	87	129	141	112	260	96	131	110	89	114	99	99	101
KS	ATCHISON	66002	42	226	240	205	341	50	35	31	44	37	47	52	52
KS	ATCHISON	66016	44	214	227	193	329	53	36	27	32	33	51	56	55
KS	ATCHISON	66023	52	207	221	186	321	61	39	20	24	26	59	64	63
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KS	WYANDOTTE	66106	9	216	228	196	337	7	84	79	65	85	10	11	13
KS	WYANDOTTE	66109	7	216	229	196	337	10	76	70	57	76	10	13	14
KS	WYANDOTTE	66111	7	216	228	196	337	7	82	76	63	82	10	11	13
KS	WYANDOTTE	66112	7	216	229	196	337	7	79	73	60	79	10	11	13
KS	WYANDOTTE	66118	13	223	235	203	344	7	86	81	69	87	7	7	7

Total KS

(one of two pages)

Exhibit 3: Portion of Model Inputs

Midwest Market Projections

State	County	ZIP	A'star		St Jo	Closest Effective	2010 Adult Population	2000 PCI	Impacts: Facility etc	Dstnce	Urban?	Income	Dist-Adj Adults
KS	ALLEN	66732	114	. . .	144	71	229	$15,160	100%	20%	100%	87%	39
KS	ALLEN	66748	125	. . .	152	81	1,991	$15,160	100%	18%	100%	87%	310
KS	ALLEN	66749	116	. . .	143	88	6,015	$15,160	100%	17%	100%	87%	889
KS	ALLEN	66751	113	. . .	141	83	719	$15,160	100%	18%	100%	87%	110
KS	ALLEN	66755	105	. . .	135	80	862	$15,160	100%	18%	100%	87%	136
KS	ALLEN	66772	118	. . .	148	67	210	$15,160	100%	21%	100%	87%	37
KS	ANDERSON	66014	81	. . .	112	67	231	$15,033	100%	21%	100%	86%	41
KS	ANDERSON	66015	106	. . .	132	89	549	$15,033	100%	17%	100%	86%	80
KS	ANDERSON	66032	87	. . .	114	71	3,396	$15,033	100%	20%	100%	86%	581
KS	ANDERSON	66033	77	. . .	104	61	513	$15,033	100%	22%	100%	86%	97
KS	ANDERSON	66039	94	. . .	123	79	464	$15,033	100%	18%	100%	86%	74
KS	ANDERSON	66091	97	. . .	123	80	227	$15,033	100%	18%	100%	86%	35
KS	ANDERSON	66093	104	. . .	130	87	445	$15,033	100%	17%	100%	86%	66
KS	ATCHISON	66002	54	. . .	25	25	9,532	$16,400	100%	42%	100%	90%	3,570
KS	ATCHISON	66016	58	. . .	37	27	418	$16,400	100%	39%	100%	90%	146
KS	ATCHISON	66023	66	. . .	44	20	888	$16,400	100%	49%	100%	90%	389
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KS	WYANDOTTE	66106	16	. . .	54	9	15,781	$15,966	100%	85%	100%	89%	11,861
KS	WYANDOTTE	66109	17	. . .	46	7	10,305	$15,966	100%	100%	100%	89%	9,160
KS	WYANDOTTE	66111	16	. . .	51	7	7,037	$15,966	100%	100%	100%	89%	6,255
KS	WYANDOTTE	66112	16	. . .	49	7	7,773	$15,966	100%	100%	100%	89%	6,909
KS	WYANDOTTE	66118	9	. . .	55	7	1	$15,966	100%	100%	100%	89%	1
	Total KS						1,943,042						730,317

Exhibit 4: Gaming-Device "Power Ratings"

(Total Annual Spending versus benchmark of $700)

Northeastern US Markets		Medium to Large Midwest (+/-) Markets		Rural Markets West & Midwest	
				Deadwood, SD	129.9
				S Dakota Indian avg. (8)	124.7 e
				Upstate Michigan avg.	120.0 e
				Kansas Natives avg.	116.9 e
		Mississippi / Louisiana (average of MANY facilities)	115.5		
				Diamond Jo Northwood, IA	113.3
				Iowa Natives average	112.0 e
				Terribles Lakeside. IA	110.4
Midwest Standard +10%				Upstate Wisconsin avg.	110.0 e
				Emmetsburg, IA	109.3
				Colorado (2)	108.9
		Horseshoe / Bluffs Run, IA	107.0	Dodge City, KS	106.7
		Dubuque Mystique, IA	106.1		
		Dubuque Diamond Jo, IA	105.9		
		Riverside, IA	105.7		
		Harrahs NKCMO	104.9	IOC Boonville, MO	105.0 o
Niagara (NY) casino	104.1 e	Albuquerque, NM avg.	104.2 e	IOC Marquette, IA	104.3 o
		Ameristar Council Bluffs, IA	103.9		
				Mt. Pleasant, MI	102.6 e
Atlantic City, NJ avg.	102.7			Other New Mexico avg.	102.5 e
		IOC Waterloo, IA	102.1	Wisconsin Dells	102.1 e
		Argosy Riverside, MO	101.0		
"Midwest Standard"					
		Ameristar KCMO	99.7		
		Michigan City, IN	99.1		
		Harrahs W St Louis	98.6		
		Harrahs Council Bluffs, IA	98.4		
		Prairie Meadows, IA	97.9		
Mohegan Sun, CT	95.7 o	Ameristar St Chas, MO	95.4		
		Jumers Rock Island, IL	95.4		
		Clinton, IA	95.4		
		Harrahs Joliet, IL	95.0 o		
		Belterra, Florence, IN	95.0		
		Argosy Sioux City, IA	94.9 o		
		St Jo MO	94.6 o	Metropolis, IL/KY	94.7 o
		Catfish Bend Burlington, IA	94.3		
Salamanca, NY	93.7 e			Mark Twain, MO	93.6 o
Foxwoods, CT	92.7 o	East St Louis, IL (2 facils)	93.0 o		
Dover Downs, DE	91.4	IOC Bettendorf, IA	91.4 o		
Charles Town, WV	91.1				
Tioga Downs, NY	90.9	Ameristar, E Chicago IN	90.1 o		
Midwest Standard -10%					
Harrington Raceway, DE	89.4	Green Bay, WI	89.6 e		
		Indiana Live	89.0		
		Rhythm City, IA	88.7 o		
Wheeling, WV	88.3	Hammond, IN	88.3	Caruthersville, MO	87.9 o
Delaware Park	87.4				
		Grand Vic, Rising Sun, IN	87.1 o		
		Hollywood, Lawr'burg, IN	87.0 o		
Erie, PA	85.4	Hoosier Park, IN	86.0		
Finger Lakes, NY	85.4				
Vernon Downs, NY	85.0	Lumiere, St Louis	85.0 o*	French Lick, IN	85.1
Hollywood @ Bangor, ME	84.0	IOC KCMO	84.7 o		
Batavia, NY	84.0				
The Meadows / Pittsburgh	83.7	Majestic Star, Gary IN	83.6 o		
Saratoga, NY	83.0	Elgin (Chicago) IL	83.0 o		
		Detroit (avg / 3 facils)	82.6 o		
		Joliet Empress, IL	82.6 o		
		Louisville, KY/IN	82.1 o		
		Aurora (Chicago), IL	82.0 o		
(Buffalo) Fairgrounds, NY	81.1				
Penn National / Harrisburg	81.0	Milwaukee, WI	81.0 e o		
Mountaineer Park, WV	81.0				
Mohegan @ Pocono Downs	80.0				
Newport Grand, RI	78.3				
Parx / Philadelphia	77.1	South Dakota VLTs	77.3		
Monticello, NY	75.4				
		Peoria, IL	73.1 o		
		KCKS 7th St Casino	72.9 e o		
Empire City @ Yonkers, NY	72.1 o				
Twin River @ Lincoln, RI	72.1 o				
Bethworks / PA	70.9	Montana VLTs	71.0		
Harrahs @ Chester, PA	70.0	Evansville, IN	70.1 o		
Mount Airy (Pocono), PA	69.6				
The Rivers / Pittsburgh	68.3				
Tri-State, WV	61.1				

e = estimated
o = old boat or capacity-constrained market

Exhibit 5: Projected Power Ratings, etc.

	Peninsula / Kansas Star				Global / WinSpirit			
	2012	**2014**	**2016**	**Full Build**	**2012**	**2014**	**2016**	**Full Build**
Slot Machines	1,310	1,500	2,000	2,000	1,300	1,550	1,800	2,000
Table Games (not inc. poker)	32	42	50	50	30	40	40	40
Total Gaming Positions (" ")	1,502	1,752	2,300	2,300	1,480	1,790	2,040	2,240
Baselines for Slots:								
Midwest Standard	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Distance from Major Population Center	1.00	1.00	1.00	1.00	9.00	9.00	9.00	9.00
Temporary Facility (if applicable)	(5.00)							
Bricks & Mortar $ / Gaming Position (in $100ks)	0.94	1.15	1.13	1.13	0.93	0.83	0.92	1.00
Casino Square Footage / Gaming Position (x .02)	0.59	0.54	0.55	0.55	0.99	0.86	0.89	0.92
Hotel Rooms / Gaming Position (x 2)		0.17	0.26	0.26	0.11	0.09	0.08	0.18
	----------	----------	----------	----------	----------	----------	----------	----------
Total Power Rating	**97.52**	**102.86**	**102.94**	**102.94**	**111.02**	**110.78**	**110.89**	**111.10**
"Reach" (miles before extra decline with distance)	120	200	200	200	200	200	200	200
Compare: Last year at this location				**102.78**				**N/C**

Note: 100 = "Midwest Standard" power rating. Latest major facilities in Iowa range from 102 to 107. Boot Hill today = 106.7.
Slot power ratings at the "Big Three" KCMO facilities currently range from 100 to 106; table ratings 100 to 105.
I have assumed 103 for tables at both facilities (the "3" reflects poker).

Exhibit 6: Gaming Revenue Projections ($mn / 2010$)
2010 As Is

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment					
Peninsula / Kansas Star					
Global Gaming / WinSpirit					
Boot Hill / Dodge City	584	106.7	$32.2	$151	$37.7
	----------		----------		----------
Subtotal Kansas Taxable	584		$32.2	$151	$37.7
KCK 7th Street	560	80.0	$23.3	$114	$23.3
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	4,437		$227.6	$141	$252.3

Aggregate Spending:	to Kansas	to Others	Total KS
from Kansas ($mn)	$183.5	$369.0	$552.5
from Others (")	$68.8		
Net Plus or Minus:		**($300.2)**	

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$0.0	0
Kansas	Locals	$0.0	0
		----------	--------
Kansas	Total	$0.0	0
Missouri	Tourists	$0.0	0
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$0.0	0
Oklahoma	Tourists	$0.0	0
Oklahoma	Locals	$0.0	0
		---------	--------
Oklahoma	Total	$0.0	0
Iowa		$0.0	0
Nebraska		$0.0	0
Other Near		$0.0	0
Frontage Traffic		$0.0	0
		----------	--------
Total All Sources		$0.0	0
total	Tourists	$0.0	0
total	locals	$0.0	0

Exhibit 7: Gaming Revenue Projections ($mn / 2012$)
Future Baseline (before new SC KS)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$166.6	$199	$190.7
Peninsula / Kansas Star					
Global Gaming / WinSpirit					
Boot Hill / Dodge City	875	112.0	$42.1	$132	$48.5
	----------		----------		----------
Subtotal Kansas Taxable	3,175		$208.7	$180	$239.1
KCK 7th Street	560	80.0	$19.6	$96	$19.6
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	7,028		$394.2	$154	$442.7

Aggregate Spending:	to Kansas	to Others	Total KS
from Kansas ($mn)	$318.6	$310.3	$628.9
from Others (")	$124.1		
Net Plus or Minus:		**($186.2)**	

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$0.0	0
Kansas	Locals	$0.0	0
		----------	--------
Kansas	Total	$0.0	0
Missouri	Tourists	$0.0	0
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$0.0	0
Oklahoma	Tourists	$0.0	0
Oklahoma	Locals	$0.0	0
		---------	--------
Oklahoma	Total	$0.0	0
Iowa		$0.0	0
Nebraska		$0.0	0
Other Near		$0.0	0
Frontage Traffic		$0.0	0
		----------	--------
Total All Sources		$0.0	0
total	Tourists	$0.0	0
total	locals	$0.0	0

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Exhibit 8B: Gaming Revenue Projections ($mn / 2012$)
Global Gaming 2012 Base (Annual Rate)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$166.3	$198	$190.0
Peninsula / Kansas Star					
Global Gaming / WinSpirit	1,300	111.0	$108.2	$228	$124.2
Boot Hill / Dodge City	875	112.0	$39.7	$124	$44.9
	----------		----------		----------
Subtotal Kansas Taxable	4,475		$314.2	$192	$359.0
KCK 7th Street	560	80.0	$19.6	$96	$19.6
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	8,328		$496.6	$163	$557.7

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$422.8	$263.1	$685.8	
from Others (")	$135.0			**impact**
Net Plus or Minus:		**($128.1)**		**$58.1**

South-Central Zone Detail:		**Total Spending**	**Total Visitors** (000)
Kansas	Tourists	$5.4	55
Kansas	Locals	$107.4	1,267
		----------	--------
Kansas	Total	$112.8	1,322
Missouri	Tourists	$1.2	12
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.2	12
Oklahoma	Tourists	$2.4	23
Oklahoma	Locals	$3.1	31
		---------	--------
Oklahoma	Total	$5.6	54
Iowa		$0.0	0
Nebraska		$0.7	7
Other Near		$0.1	1
Frontage Traffic		$3.7	34
		----------	--------
Total All Sources		$124.2	1,432
total	Tourists	$13.6	134
total	locals	$110.6	1,298

Exhibit 9B: Gaming Revenue Projections ($mn / 2014$)
Global Gaming 2014 Base

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$176.3	$210	$201.4
Peninsula / Kansas Star					
Global Gaming / WinSpirit	1,550	110.8	$122.9	$217	$141.2
Boot Hill / Dodge City	875	112.0	$41.7	$131	$47.0
	----------		----------		----------
Subtotal Kansas Taxable	4,725		$340.9	$198	$389.7
KCK 7th Street	560	80.0	$20.8	$102	$20.8
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	8,578		$533.8	$170	$599.7

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$452.6	$275.1	$727.7	
from Others (")	$147.2			impact
Net Plus or Minus:		**($127.9)**		**$69.5**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$6.6	64
Kansas	Locals	$118.5	1,371
		----------	--------
Kansas	Total	$125.1	1,435
Missouri	Tourists	$1.5	15
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.5	15
Oklahoma	Tourists	$3.1	28
Oklahoma	Locals	$3.9	38
		---------	--------
Oklahoma	Total	$7.0	66
Iowa		$0.0	0
Nebraska		$0.8	8
Other Near		$0.2	1
Frontage Traffic		$6.6	57
		----------	--------
Total All Sources		$141.2	1,583
total	Tourists	$18.7	173
total	locals	$122.4	1,410

Exhibit 10B: Gaming Revenue Projections ($mn / 2016$)
Global Gaming 2016 Base

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$187.0	$223	$213.6
Peninsula / Kansas Star					
Global Gaming / WinSpirit	1,800	110.9	$136.4	$208	$155.8
Boot Hill / Dodge City	875	112.0	$43.8	$137	$49.5
	----------		----------		----------
Subtotal Kansas Taxable	4,975		$367.2	$202	$418.9
KCK 7th Street	560	80.0	$22.1	$108	$22.1
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	8,828		$571.2	$177	$641.2

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$484.1	$288.4	$772.5	
from Others (")	$157.1			impact
Net Plus or Minus:		**($131.3)**		**$78.2**

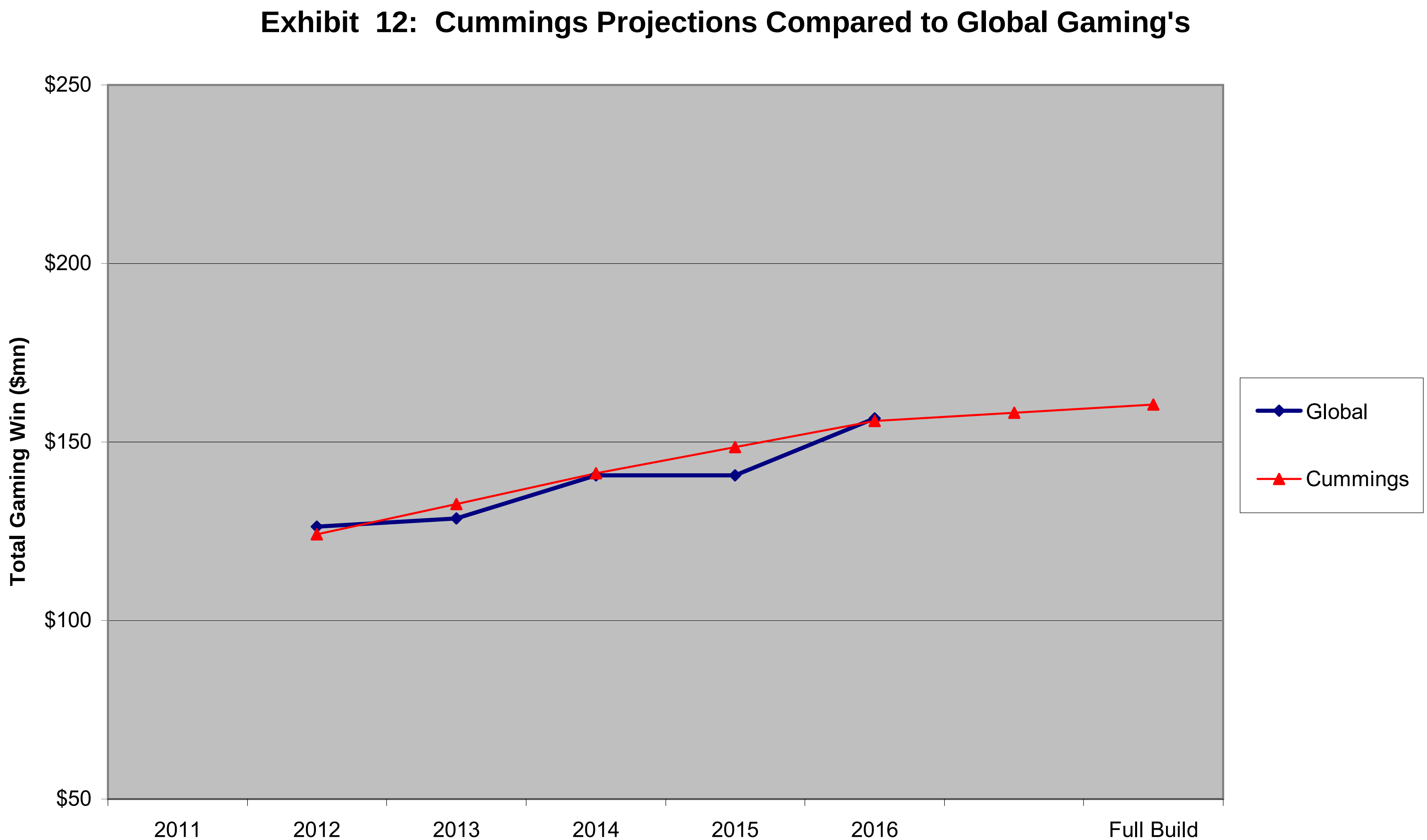
South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$7.8	71
Kansas	Locals	$129.9	1,454
		----------	--------
Kansas	Total	$137.7	1,525
Missouri	Tourists	$1.8	16
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.8	16
Oklahoma	Tourists	$3.6	31
Oklahoma	Locals	$4.5	43
		---------	--------
Oklahoma	Total	$8.1	74
Iowa		$0.1	1
Nebraska		$1.0	9
Other Near		$0.2	2
Frontage Traffic		$7.0	57
		----------	--------
Total All Sources		$155.8	1,684
total	Tourists	$21.4	187
total	locals	$134.5	1,498

Exhibit 11B: Gaming Revenue Projections ($mn / 2016$)
Global Gaming Full Build Base

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$186.9	$223	$213.6
Peninsula / Kansas Star					
Global Gaming / WinSpirit	2,000	111.1	$141.1	$193	$160.5
Boot Hill / Dodge City	875	112.0	$43.5	$136	$49.1
	----------		----------		----------
Subtotal Kansas Taxable	5,175		$371.5	$197	$423.2
KCK 7th Street	560	80.0	$22.1	$108	$22.1
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	9,028		$575.1	$175	$645.0

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$487.1	$285.9	$773.0	
from Others (")	$157.9			**impact**
Net Plus or Minus:		**($127.9)**		**$81.6**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$8.4	77
Kansas	Locals	$133.1	1,515
		----------	--------
Kansas	Total	$141.5	1,592
Missouri	Tourists	$1.9	18
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.9	18
Oklahoma	Tourists	$3.9	33
Oklahoma	Locals	$4.8	47
		---------	--------
Oklahoma	Total	$8.7	81
Iowa		$0.1	1
Nebraska		$1.1	10
Other Near		$0.2	2
Frontage Traffic		$7.0	57
		----------	--------
Total All Sources		$160.5	1,760
total	Tourists	$22.6	198
total	locals	$137.9	1,562



Note: Cummings projections are for "stabilized operations"

Exhibit 8C: Gaming Revenue Projections ($mn / 2012$)
Global Gaming 2012 with Competition (Annual Rate)

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$166.2	$198	$189.9
Peninsula / Kansas Star					
Global Gaming / WinSpirit	1,300	111.0	$81.6	$172	$93.7
Boot Hill / Dodge City	875	112.0	$39.1	$122	$44.1
	----------		----------		----------
Subtotal Kansas Taxable	4,475		$286.8	$176	$327.7
KCK 7th Street	560	80.0	$19.6	$96	$19.6
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	9,328		$583.8	$171	$645.4

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$510.5	$254.7	$765.2	
from Others (")	$134.9			impact
Net Plus or Minus:		**($119.8)**		**$37.8**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$5.5	57
Kansas	Locals	$76.8	987
		----------	--------
Kansas	Total	$82.3	1,044
Missouri	Tourists	$1.2	12
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.2	12
Oklahoma	Tourists	$2.4	23
Oklahoma	Locals	$3.1	34
		---------	--------
Oklahoma	Total	$5.6	57
Iowa		$0.0	0
Nebraska		$0.7	7
Other Near		$0.1	1
Frontage Traffic		$3.7	34
		----------	--------
Total All Sources		$93.7	1,157
total	Tourists	$13.7	136
total	locals	$80.0	1,021

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Exhibit 9C: Gaming Revenue Projections ($mn / 2014$)
Global Gaming 2014 with Competition

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$176.2	$210	$201.4
Peninsula / Kansas Star					
Global Gaming / WinSpirit	1,550	110.8	$96.9	$171	$111.7
Boot Hill / Dodge City	875	112.0	$41.2	$129	$46.4
	----------		----------		----------
Subtotal Kansas Taxable	4,725		$314.3	$182	$359.5
KCK 7th Street	560	80.0	$20.8	$102	$20.8
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	9,578		$625.3	$179	$692.0

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$544.9	$268.3	$813.1	
from Others (")	$147.1			**impact**
Net Plus or Minus:		**($121.2)**		**$46.1**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$6.7	65
Kansas	Locals	$88.9	1,100
		----------	--------
Kansas	Total	$95.6	1,166
Missouri	Tourists	$1.5	15
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.5	15
Oklahoma	Tourists	$3.1	28
Oklahoma	Locals	$3.9	41
		---------	--------
Oklahoma	Total	$7.0	69
Iowa		$0.0	0
Nebraska		$0.8	8
Other Near		$0.2	1
Frontage Traffic		$6.6	57
		----------	--------
Total All Sources		$111.7	1,316
total	Tourists	$18.9	175
total	locals	$92.8	1,141

Exhibit 10C: Gaming Revenue Projections ($mn / 2016$)
Global Gaming 2016 with Competition

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$186.9	$223	$213.6
Peninsula / Kansas Star					
Global Gaming / WinSpirit	1,800	110.9	$111.6	$170	$127.3
Boot Hill / Dodge City	875	112.0	$43.3	$136	$48.9
	----------		----------		----------
Subtotal Kansas Taxable	4,975		$341.8	$188	$389.8
KCK 7th Street	560	80.0	$22.1	$108	$22.1
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	9,828		$667.6	$186	$738.3

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$581.2	$282.8	$864.0	
from Others (")	$157.0			**impact**
Net Plus or Minus:		**($125.8)**		**$51.7**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$8.0	73
Kansas	Locals	$101.2	1,200
		----------	--------
Kansas	Total	$109.2	1,273
Missouri	Tourists	$1.8	16
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.8	16
Oklahoma	Tourists	$3.6	31
Oklahoma	Locals	$4.5	46
		---------	--------
Oklahoma	Total	$8.1	77
Iowa		$0.1	1
Nebraska		$1.0	9
Other Near		$0.2	2
Frontage Traffic		$7.0	57
		----------	--------
Total All Sources		$127.3	1,434
total	Tourists	$21.6	189
total	locals	$105.7	1,246

Exhibit 11C: Gaming Revenue Projections ($mn / 2016$)
Global Gaming Full Build with (Greater) Competition

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$186.7	$222	$213.3
Peninsula / Kansas Star					
Global Gaming / WinSpirit	2,000	111.1	$96.0	$132	$109.1
Boot Hill / Dodge City	875	112.0	$42.4	$133	$47.9
	----------		----------		----------
Subtotal Kansas Taxable	5,175		$325.1	$172	$370.2
KCK 7th Street	560	80.0	$22.1	$108	$22.1
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	11,028		$671.3	$167	$741.0

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$583.2	$274.5	$857.7	
from Others (")	$157.8			**impact**
Net Plus or Minus:		**($116.8)**		**$42.9**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$8.3	76
Kansas	Locals	$81.8	1,028
		----------	--------
Kansas	Total	$90.1	1,104
Missouri	Tourists	$1.9	18
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.9	18
Oklahoma	Tourists	$3.9	33
Oklahoma	Locals	$4.8	53
		---------	--------
Oklahoma	Total	$8.6	86
Iowa		$0.1	1
Nebraska		$1.1	10
Other Near		$0.2	2
Frontage Traffic		$7.0	57
		----------	--------
Total All Sources		$109.1	1,278
total	Tourists	$22.5	197
total	locals	$86.6	1,081

Exhibit 13B: Gaming Revenue Projections ($mn / 2012$)
Peninsula 2012 Base

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$166.5	$198	$190.2
Peninsula / Kansas Star	1,310	97.5	$138.9	$291	$159.1
Global Gaming / WinSpirit					
Boot Hill / Dodge City	875	112.0	$40.9	$128	$46.1
	----------		----------		----------
Subtotal Kansas Taxable	4,485		$346.3	$212	$395.4
KCK 7th Street	560	80.0	$19.6	$96	$19.6
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	8,338		$529.9	$174	$595.3

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$466.1	$266.1	$732.2	
from Others (")	$129.2			impact
Net Plus or Minus:		**($136.9)**		**$49.2**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$2.3	26
Kansas	Locals	$151.7	1,665
		----------	--------
Kansas	Total	$153.9	1,690
Missouri	Tourists	$0.1	2
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$0.1	2
Oklahoma	Tourists	$1.0	11
Oklahoma	Locals	$0.8	7
		---------	--------
Oklahoma	Total	$1.8	17
Iowa		$0.0	0
Nebraska		$0.1	1
Other Near		$0.0	0
Frontage Traffic		$3.1	31
		----------	--------
Total All Sources		$159.1	1,741
total	Tourists	$6.6	70
total	locals	$152.4	1,671

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Exhibit 14B: Gaming Revenue Projections ($mn / 2014$)
Peninsula 2014 Base

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$176.4	$210	$201.5
Peninsula / Kansas Star	1,500	102.9	$168.2	$307	$192.1
Global Gaming / WinSpirit					
Boot Hill / Dodge City	875	112.0	$42.1	$132	$47.5
	----------		----------		----------
Subtotal Kansas Taxable	4,675		$386.7	$227	$441.0
KCK 7th Street	560	80.0	$20.8	$102	$20.8
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	8,528		$579.9	$186	$651.3

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$511.6	$274.0	$785.6	
from Others (")	$139.7			**impact**
Net Plus or Minus:		**($134.3)**		**$63.2**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$4.8	51
Kansas	Locals	$178.9	1,866
		----------	--------
Kansas	Total	$183.7	1,916
Missouri	Tourists	$0.8	9
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$0.8	9
Oklahoma	Tourists	$2.3	23
Oklahoma	Locals	$1.2	10
		---------	--------
Oklahoma	Total	$3.6	33
Iowa		$0.0	0
Nebraska		$0.6	7
Other Near		$0.1	1
Frontage Traffic		$3.3	31
		----------	--------
Total All Sources		$192.1	1,997
total	Tourists	$12.0	121
total	locals	$180.1	1,876

Exhibit 15B: Gaming Revenue Projections ($mn / 2016$)
Peninsula 2016 Base

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$187.0	$223	$213.6
Peninsula / Kansas Star	2,000	102.9	$187.4	$257	$213.4
Global Gaming / WinSpirit					
Boot Hill / Dodge City	875	112.0	$44.0	$138	$49.6
	----------		----------		----------
Subtotal Kansas Taxable	5,175		$418.4	$221	$476.5
KCK 7th Street	560	80.0	$22.1	$108	$22.1
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	9,028		$622.2	$189	$698.4

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$548.9	$284.6	$833.6	
from Others (")	$149.5			**impact**
Net Plus or Minus:		**($135.2)**		**$74.3**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$6.3	63
Kansas	Locals	$196.8	2,090
		----------	--------
Kansas	Total	$203.1	2,154
Missouri	Tourists	$1.1	11
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.1	11
Oklahoma	Tourists	$3.1	29
Oklahoma	Locals	$1.6	14
		---------	--------
Oklahoma	Total	$4.7	42
Iowa		$0.0	0
Nebraska		$0.8	8
Other Near		$0.1	1
Frontage Traffic		$3.5	31
		----------	--------
Total All Sources		$213.4	2,248
total	Tourists	$15.0	144
total	locals	$198.4	2,104

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Exhibit 16B: Gaming Revenue Projections ($mn / 2016$)
Peninsula Full Build Base

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$187.0	$223	$213.6
Peninsula / Kansas Star	2,000	102.9	$187.4	$257	$213.4
Global Gaming / WinSpirit					
Boot Hill / Dodge City	875	112.0	$44.0	$138	$49.6
	----------		----------		----------
Subtotal Kansas Taxable	5,175		$418.4	$221	$476.5
KCK 7th Street	560	80.0	$22.1	$108	$22.1
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	9,028		$622.2	$189	$698.4

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$548.9	$284.6	$833.6	
from Others (")	$149.5			**impact**
Net Plus or Minus:		**($135.2)**		**$74.3**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$6.3	63
Kansas	Locals	$196.8	2,090
		----------	--------
Kansas	Total	$203.1	2,154
Missouri	Tourists	$1.1	11
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.1	11
Oklahoma	Tourists	$3.1	29
Oklahoma	Locals	$1.6	14
		---------	--------
Oklahoma	Total	$4.7	42
Iowa		$0.0	0
Nebraska		$0.8	8
Other Near		$0.1	1
Frontage Traffic		$3.5	31
		----------	--------
Total All Sources		$213.4	2,248
total	Tourists	$15.0	144
total	locals	$198.4	2,104

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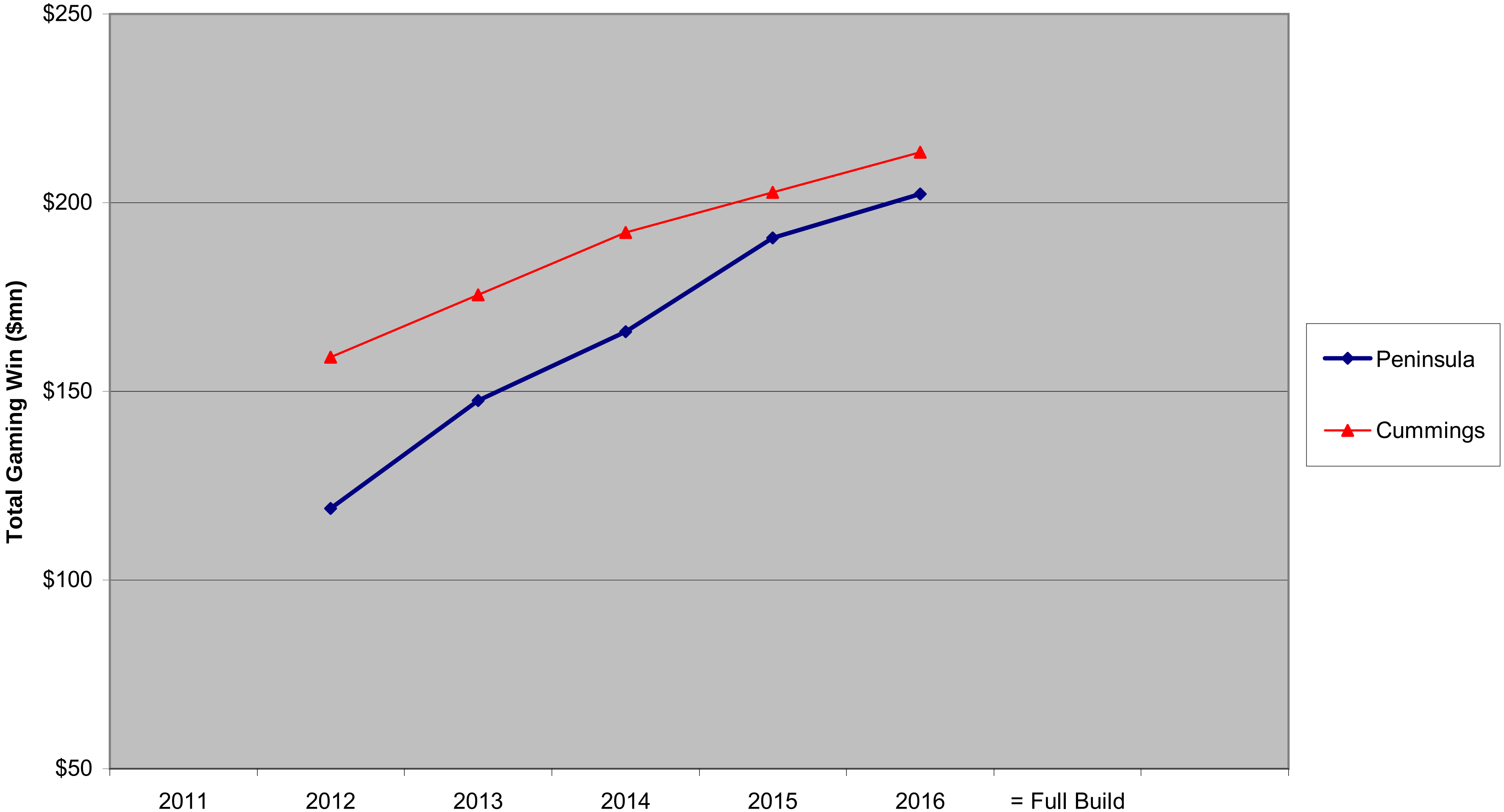
Exhibit 17: Cummings Projections Compared to Peninsula's



Note: Cummings projections are for "stabilized operations"

Exhibit 13C: Gaming Revenue Projections ($mn / 2012$)
Peninsula 2012 with Competition

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$166.3	$198	$190.0
Peninsula / Kansas Star	1,310	97.5	$93.3	$195	$109.3
Global Gaming / WinSpirit					
Boot Hill / Dodge City	875	112.0	$40.0	$125	$45.1
	----------		----------		----------
Subtotal Kansas Taxable	4,485		$299.6	$183	$344.4
KCK 7th Street	560	80.0	$19.6	$96	$19.6
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	9,338		$583.2	$171	$647.7

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$518.5	$255.5	$774.0	
from Others (")	$129.1			**impact**
Net Plus or Minus:		**($126.3)**		**$31.3**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$2.3	26
Kansas	Locals	$101.9	1,252
		----------	--------
Kansas	Total	$104.2	1,277
Missouri	Tourists	$0.1	2
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$0.1	2
Oklahoma	Tourists	$1.0	11
Oklahoma	Locals	$0.8	7
		---------	--------
Oklahoma	Total	$1.8	18
Iowa		$0.0	0
Nebraska		$0.1	1
Other Near		$0.0	0
Frontage Traffic		$3.1	31
		----------	--------
Total All Sources		$109.3	1,329
total	Tourists	$6.7	70
total	locals	$102.7	1,259

Exhibit 14C: Gaming Revenue Projections ($mn / 2014$)
Peninsula 2014 with Competition

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$176.3	$210	$201.4
Peninsula / Kansas Star	1,500	102.9	$123.4	$225	$143.7
Global Gaming / WinSpirit					
Boot Hill / Dodge City	875	112.0	$41.4	$130	$46.7
	----------		----------		----------
Subtotal Kansas Taxable	4,675		$341.1	$200	$391.8
KCK 7th Street	560	80.0	$20.8	$102	$20.8
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	9,528		$631.6	$182	$702.2

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$562.6	$266.7	$829.3	
from Others (")	$139.6			impact
Net Plus or Minus:		**($127.1)**		**$40.2**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$4.8	51
Kansas	Locals	$130.5	1,487
		----------	--------
Kansas	Total	$135.3	1,538
Missouri	Tourists	$0.8	9
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$0.8	9
Oklahoma	Tourists	$2.3	23
Oklahoma	Locals	$1.2	11
		---------	--------
Oklahoma	Total	$3.6	34
Iowa		$0.0	0
Nebraska		$0.6	7
Other Near		$0.1	1
Frontage Traffic		$3.3	31
		----------	--------
Total All Sources		$143.7	1,620
total	Tourists	$12.0	122
total	locals	$131.7	1,498

Exhibit 15C: Gaming Revenue Projections ($mn / 2016$)
Peninsula 2016 with Competition

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$186.9	$223	$213.5
Peninsula / Kansas Star	2,000	102.9	$146.9	$201	$169.4
Global Gaming / WinSpirit					
Boot Hill / Dodge City	875	112.0	$43.4	$136	$49.0
	----------		----------		----------
Subtotal Kansas Taxable	5,175		$377.2	$200	$431.8
KCK 7th Street	560	80.0	$22.1	$108	$22.1
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	10,028		$676.1	$185	$751.6

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$602.2	$279.5	$881.7	
from Others (")	$149.4			impact
Net Plus or Minus:		**($130.1)**		**$47.3**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$6.3	64
Kansas	Locals	$152.7	1,726
		----------	--------
Kansas	Total	$159.1	1,790
Missouri	Tourists	$1.1	11
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.1	11
Oklahoma	Tourists	$3.1	28
Oklahoma	Locals	$1.6	14
		---------	--------
Oklahoma	Total	$4.6	43
Iowa		$0.0	0
Nebraska		$0.8	8
Other Near		$0.1	1
Frontage Traffic		$3.5	31
		----------	--------
Total All Sources		$169.4	1,886
total	Tourists	$15.0	145
total	locals	$154.3	1,741

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Exhibit 16C: Gaming Revenue Projections ($mn / 2016$)
Peninsula Full Build with (Greater) Competition

Gaming Facility / Location:	# Slots	Power Rating	Slot Win ($mn)	$/slot/day	Total Win ($mn)
Kansas Entertainment	2,300	103.1	$186.7	$222	$213.3
Peninsula / Kansas Star	2,000	102.9	$122.0	$167	$141.0
Global Gaming / WinSpirit					
Boot Hill / Dodge City	875	112.0	$42.8	$134	$48.3
	----------		----------		----------
Subtotal Kansas Taxable	5,175		$351.5	$186	$402.6
KCK 7th Street	560	80.0	$22.1	$108	$22.1
(& other KS)	:		:	:	:
	----------		----------		----------
Total Kansas	11,028		$676.0	$168	$750.1

Aggregate Spending:	to Kansas	to Others	Total KS	
from Kansas ($mn)	$600.8	$274.5	$875.3	
from Others (")	$149.3			impact
Net Plus or Minus:		**($125.2)**		**$34.2**

South-Central Zone Detail:		Total Spending	Total Visitors (000)
Kansas	Tourists	$6.1	61
Kansas	Locals	$124.6	1,477
		----------	--------
Kansas	Total	$130.7	1,538
Missouri	Tourists	$1.1	11
Missouri	Locals	$0.0	0
		---------	--------
Missouri	Total	$1.1	11
Oklahoma	Tourists	$3.0	28
Oklahoma	Locals	$1.6	15
		---------	--------
Oklahoma	Total	$4.6	44
Iowa		$0.0	0
Nebraska		$0.8	8
Other Near		$0.1	1
Frontage Traffic		$3.5	31
		----------	--------
Total All Sources		$141.0	1,634
total	Tourists	$14.8	142
total	locals	$126.2	1,492

Exhibit 18: Summary of Projections

(all in then-year $)

	Peninsula / Kansas Star				Global / WinSpirit			
	2012	**2014**	**2016**	**Full Build**	**2012**	**2014**	**2016**	**Full Build**
Slot Machines	1,310	1,500	2,000	2,000	1,300	1,550	1,800	2,000
Table Games (not inc. poker)	32	42	50	50	30	40	40	40
Total Gaming Positions (" ")	1,502	1,752	2,300	2,300	1,480	1,790	2,040	2,240
Slot Power Rating	97.5	102.9	102.9	102.9	111.0	110.8	110.9	111.1
Total Gaming Revenues ($million):					(6 mos)			
With no Local Competition	$159.1	$192.1	$213.4	$213.4	$62.1	$141.2	$155.8	$160.5
With Competitor in Park City	$109.3	$143.7	$169.4	$141.0	$46.8	$111.7	$127.3	$109.1
Total Annual Visitation (000):					(6 mos)			
With no Local Competition	1,741	1,997	2,248	2,248	716	1,583	1,684	1,760
With Competitor in Park City	1,329	1,620	1,886	1,634	578	1,316	1,434	1,278
Annual "Tourist" Visitation (000):					(6 mos)			
With no Local Competition	70	121	144	144	67	173	187	198
With Competitor in Park City *	70	122	145	142	68	175	189	197

* Visitor Numbers sometimes go up with competition because Visitor $ change little, but per capita spending goes down.

Note: 100 = "Midwest Standard" power rating. Latest major facilities in Iowa range from 102 to 107. Boot Hill today = 106.7.
Slot power ratings at the "Big Three" KCMO facilities currently range from 100 to 106; table ratings 100 to 105.
I have assumed 103 for tables at both facilities (the "3" reflects poker).

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Projections for the Performance

of New Gaming Facilities in

South-Central Kansas

Appendix:

Details of the Gravity-Model Methodology

November 23, 2010

135 Jason Street, Arlington, Massachusetts 02476
Telephone: 781.641.1215 - Fax: 641.0954 - e-mail: cummingsw@aol.com

Appendix

Details of the Gravity-Model Methodology

My projections for the likely performance of new gaming facilities are based upon analyses of the experience of the most comparable operations elsewhere in the region and more broadly all across the United States. I use "gravity models" as a key element of this process. This methodology has been refined over the years as others and I have applied it to assessing the performance of many gaming facilities, both existing and proposed. It is based essentially on the demographics of the areas surrounding each facility, in particular the number of adults residing at various distances, and the ratio of actual revenues obtained to such adult populations at existing facilities. *Access time*, not mileage per se, and population density are the most critical variables. (A bibliography is attached.)

To illustrate the relationships among casino revenues, population, and distance, **Exhibit A-1** presents a graph which compares rates of visitation versus distance for the casinos of Mississippi, based upon statewide survey data from 2003. There is clearly a relationship between patronage and distance: the greater the distance the customer has to travel, the lower the number of visits. Fewer patrons are willing to travel longer distances, and when they do, they usually visit less often. (Offsetting this slightly, when distant patrons *do* visit, they typically spend more on each occasion than nearby customers who visit more frequently – distance acts as a filter to deter the more casual fans.) In addition, the further you get from *these* casinos, the closer you get to competing casinos in other states, further reducing your rate of visiting Mississippi.

Because rates of visitation appear to decline so dramatically as distance increases, and because the scale is so large when looking at statewide data such as these from Mississippi, it is useful to transform this data by taking logarithms ("log-transforming the data," as economists say). **Exhibit A-2** presents the Mississippi data in such fashion, and, to my eyes, at least, the pattern looks more meaningful. When we exclude the most distant data (beyond 250 miles, where competition, as well as distance, usually becomes a critical factor), regression analysis indicates a relationship that is indeed fairly robust (**Exhibit A-3**).

I have analyzed such data from a wide variety of markets, other examples being presented in **Exhibits A-4** through **A-11**. Based on this type of data, I estimate that in general, over a reasonable range of distances the aggregate "elasticity" of spending with respect to distance is roughly -0.7, that is, consumers' total spending declines in somewhat less than direct proportion to the distance to be traveled.[1] When, however, several facilities compete within the same (or closely connected) market(s), the customer overwhelmingly prefers the closest. It appears that in this respect slot machines (and VLTs) behave in a fashion very similar to many other retail markets, in which the relative "attraction" of each facility is roughly inversely proportional to the distance *squared*.[2]

Using these parameters to account for the relationships with distance and demographic data for each county in gaming markets across the United States (and in some cases, such as Kansas, Iowa, Indiana, and much of the Northeast for each zip code), I have calculated the "distance-

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[1] This is a relatively "long-distance" attraction; if you double the distance, revenues decline by about 38%. For comparison, pari-mutuel betting at race tracks generally exhibits a distance coefficient of about -1 to -1.2: if you double the distance, spending declines by 50% or more. Generically, this type of relationship is called a "gravity model," because it is similar to Newton's law of gravitation (for which the "distance factor" would be -2.0: if you double the distance, the attraction declines by a factor of 2^2, or four).

[2] A relationship sometimes called Reilly's Law of Retail Gravitation, based upon its mathematical identity with Newton's Law, above. Huff and others have extended these models further with many retail applications, so they are generally known today as Huff models.

A point of terminology: Huff describes the "general" decline with distance (as opposed to the "competitive" decline) as "friction." I think this is a very useful way to look at this process, particularly with respect to the traffic-congested markets of the Northeast as opposed to the more rural Midwest.

adjusted" adult population surrounding each slot or VLT facility or close group of such facilities in each market. (A portion of my model for Kansas is presented in **Exhibit A-12**.) Dividing the total revenues, or spending, in each existing market by these population figures results in ratios measuring revenues, or consumer spending, per "distance-adjusted" adult. The gravity model, based upon "Reilly's Law" noted above, then distributes these adults (and so, by proxy, their spending) across the different gaming facilities, or closely-situated groups of gaming facilities, to which they have access. By summing across geographic areas, we can then estimate the sources of revenues (again, consumer spending) for each such group of facilities.

These models can also be used to compare different markets and facilities against one another. Statistics of this type are presented for the major regional gaming markets of the U.S. in **Exhibit A-13**, listed in order of estimated slot (or VLT) spending per person.[3] Again, the gravity-model procedure simply puts the different markets onto a common footing in terms of performance, abstracting out differences due to the varying distributions of population around each facility. The figure for each market represents the amount that the "average" adult who lives within ten miles of (legal) gaming devices spends on them each year.[4]

Note that this exhibit extends over two pages. As benchmarks, I have inserted three horizontal yellow bars, which represent what I call "Midwest Standard" performance ($700 per distance-adjusted adult per year), plus ten percent, and minus ten percent. (In the Midwest, modern casino facilities in populous markets that are more or less typical consistently cluster around the $700

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3 These figures do not include relatively modest amounts spent at casinos in Las Vegas, the Caribbean, and other remote "destinations" in the U.S. and abroad.

4 There is nothing special about the ten-mile figure; it is simply a benchmark to represent convenient access.

benchmark. In other parts of the country, as indicated in the columns to the left and to the right, the dispersion is somewhat greater.)

In an attempt to simplify comparisons among markets, and to clarify discussion of the principles involved, I have converted these dollar figures into what I call "power ratings" in **Exhibit A-14** (pardon the small print, but I also think it useful to see all these data points on one page.) "Midwest Standard" spending of $700 per year translates into a power rating of 100; ten percent higher ($770) translates into 110, and ten percent less into 90. I think these ratings are intuitively more comprehensible than large dollar figures that have not been normalized according to some standard for comparison.

It may be helpful to consider these power ratings as a kind of extension of the "fair share" concept that is often used to compare different facilities in the gaming industry. If, for example, all the slot machines in a given market average $200 in win per day as a group, a facility at which the machines win $240 per day is said to do 120% of its "fair share." One that does $180/day/machine, on the other hand, wins just 90% of its fair share.

My extension to power ratings adds analysis of the surrounding demographics. If there are many people and few machines (in and around Chicago, for instance), high wins per machine per day should be expected. Harrah's Joliet, as an extreme example, wins roughly $530/machine/day. In Iowa, on the other hand, there are many more machines and many fewer people. The new Wild Rose casino at Clinton, for instance, wins just $171/machine/day. After my gravity-model analysis, however, I find that the power ratings for the two facilities are almost identical, at 95.0 and 95.4, respectively. Despite its much lower win/slot/day, the Wild Rose at Clinton actually does slightly *better* in drawing from the surrounding population – that population is simply much smaller at

Clinton than at Joliet. And some other casinos in Iowa actually do even better, such as the casino at Riverside, Iowa, the Dubuque Diamond Jo, and the Mystique (formerly Dubuque Greyhound Park). My analyses indicate that these all have power ratings around 106, while their wins/slot/day are all in the same ballpark as the Wild Rose ($165-$175/day).[5]

When analyzed in this way, the range of experience across the diverse spectrum of markets depicted in Exhibits A-13 and A-14 is, in my opinion, not all that wide. Hardly a factor of two separates the best markets (South Dakota, Upstate Michigan, Kansas, Mississippi, and Louisiana) from the worst (Tri-State near Charleston, West Virginia, and several of the new facilities in Pennsylvania). Almost *all* of these markets fall into the range of $550 to $750 in annual spending per distance-adjusted adult – or in terms of power ratings, from 80 to 110.

As indicated by the columns in these exhibits, I have divided the broad universe of markets into three groups: Northeastern U.S. in the first column, medium to large markets largely in the Midwest in the second column, and very rural markets in the third column. (Rural markets tend to do better than others for three reasons: (i) it is easier to get around rural areas than urban ones [the "friction" is less – a twenty-minute drive on a rural highway is generally far less challenging than one of similar duration in urban or even suburban traffic], (ii) there is less competition from other commercial entertainment alternatives, and (iii) there is likely some "survival bias" in the data – rural

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[5] To press my point further, the Horseshoe Casino at the Bluffs Run greyhound track has a power rating that is very similar to these (107), but because it serves a more densely-populated market (Omaha), its win per slot per day is significantly higher ($247).

I should perhaps explain at this point that because of all the ways in which I use power ratings in my models, the difference between 95 and 106 or 107 (for example) ultimately results in much more than a ten percent difference in performance. I use the power ratings to modulate (i) average spending per person in the market, (ii) market share for each facility, and (iii) the "reach" of each facility at greater distances (the competitive interactions of the Reilly and Huff models). Other things being equal (i.e., the surrounding demographics), one point of power rating typically translates into 3-4% change in performance.

facilities often serve such small markets that only the best survive. Thus, all the "best" facilities in the top right corner of Exhibits A-13 and A-14 are very rural – including the new Boot Hill casino at Dodge City, which I have highlighted in green.)[6]

More competitive markets also appear to attract higher rates of spending. This is true even for the Northeastern U.S. and rural areas, but I have placed all of the markets in each area into their respective geographic zones for ease of comparison.

Outside of the rural markets, Mississippi casinos (combined here with Louisiana's because their markets overlap) attract some of the highest rates of spending. Despite low personal incomes in these areas, tax rates are low, and there are no statutory limits on the numbers of casinos or gaming devices. They are therefore highly competitive. There is also no competition from a state lottery in Mississippi. The Colorado casinos, too, while restricted to three somewhat remote locations and (until recently) to $5 bets, are also highly competitive, as are the major markets of Iowa and all the best rural markets in the top right corner.

As we move down the middle column, however, we generally find less competitive conditions, with areas such as Chicago, Detroit, and Milwaukee, where the number of facilities and/or gaming devices is nowhere near sufficient to meet the demand for them, and/or the markets are constrained by cramped conditions, on riverboats or ashore. As a result of these capacity-constrained conditions, spending per (distance-adjusted) adult is relatively low in these areas. (Conversely, spending *per machine* is typically [but not always] very high, as people are figuratively

---

[6] The situation is somewhat different with respect to table games, for which the comparable data are presented in **Exhibits A-14** and **A-15**. Here large urban markets (the left-hand column) do much better. Markets in Mississippi, Nevada and the East Coast are in fact off this scale.

lined up at the machines to play them.)[7] Even in these markets, however, slot spending per "distance-adjusted" adult generally ranges from $550 to $600 per year, not all that far below the $700± that most competitive casino markets demonstrate and even some less-competitive markets achieve.

It is the left-hand column, however, that we find most skewed toward the worst performers: almost all are "VLT" facilities in New York State, Rhode Island, West Virginia and Pennsylvania. The facts that these are "video lottery terminals," and located mostly at race tracks, are in my opinion of little import. In most cases (aside from New York), these VLTs are identical to the slot machines found in casinos elsewhere. It is, however, surely no coincidence that these four jurisdictions have some of the highest tax rates on gaming devices found anywhere in the U.S. With high tax rates, only modest investments in new and improved facilities can earn a reasonable return. As a result, most of these facilities have been very modest indeed. High tax rates also limit the tracks' ability to spend effectively on promoting their gaming product, including in particular player rewards programs. In highly competitive jurisdictions such as Iowa and New Jersey, casinos spend *more than twenty percent* of their gaming revenues on such promotion. With less than fifty percent of the gross retained by the tracks in New York (and even less in Rhode Island), spending any significant fraction of that amount is impossible.

In today's competitive environment, attractive facilities and intensive promotion are essential to obtaining high volumes of revenue. In the 1990s, when casinos first began to spread widely across the U.S., it was often sufficient to put slots in a barn and attract large numbers of customers. That is

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[7] Markets can effectively be capacity-constrained even when, as at the Grand Victoria and Belterra casinos in Indiana southwest of Cincinnati today, and some of the New York VLT facilities, win/machine/day is not at astronomical levels. If the major issues are accessibility and attractiveness (simply in terms of spaciousness, amenities, and/or quality of machines, not necessarily "glitz"), players

not the case today. If facilities do not meet competitive standards of attractiveness and marketing, they will see many fewer customers than those that do.

The strong correlation of performance with tax rate is in my opinion clear-cut:

State	**Effective tax rate** (through FY09)[8]	**Average Power Rating**
Delaware	43%	89.5
Pennsylvania	48%	83.1
West Virginia	50%	82.0
Upstate NY	54%	76.2
Rhode Island	72%	73.9

With Kansas's tax rate (on casinos) far below these states', its new facilities should perform well above the top of this range, comparable to those at and above "Midwest Standard" in the preceding exhibits.

Projections for new gaming facilities based on similar gravity models have proved reasonably accurate in the past, in my opinion, and more often conservative than aggressive. **Exhibit A-17** presents a tabulation of actual results versus my projections for facilities that have actually been built over the past ten years.

may indeed not be lined up to play as they are in other jurisdictions where the unsatisfied demand is far more obvious.

8 I make this comparison as of FY09 because Delaware raised its tax rate at the end of that year. For comparability among the different states, this average "tax" rate also includes payments for the machines. In some states, these are paid by the State Lottery, in others by the tracks. Indiana's effective tax rate is lower than any of these, but I have not included it on this list because its facilities are handicapped by high payments for purses and breeding funds (15%) and by amortization of their enormous up-front license fees. Their performance to date has nevertheless been in the mid-eighties.

Projections for South-Central Kansas

With respect to the new casinos proposed for Sumner County, I have assumed:

- Operation under the terms of Kansas's Expanded Lottery Act.
- "Bricks and mortar" as specified by the applicants.
- Management skill and promotional efforts comparable to those of the facilities that I have identified as the most comparable in states nearby, resulting in slot power ratings around 103 for Peninsula in Mulvane and 111 for Global Gaming (higher because more rural) near Wellington. (Details in main body.)
- Two sets of scenarios regarding competition:
  - i. No other new casinos nearby ("Base"); and
  - ii. A Class II casino at Park City, just north of Wichita ("With Competition").
- A propensity to gamble on the part of local residents (and tourists) similar to that elsewhere in the Midwest.

To develop projections based on these assumptions, I took the detailed model illustrated (in part) in Exhibit A-12, calculated the numbers of "distance-adjusted" adults likely to patronize the new facilities, and applied the appropriate average rates of spending to each. The results are described in the main body of this report.

All my analyses and projections were initially developed in terms of 2010 dollars, then extrapolated to future years assuming inflation at three percent per annum. My projections also assume "stabilized operations." There may, however, be initial transients on the order of ten to twenty percent as, with any new facility, the new casino works out kinks. In particular, it may take some time for the casino operator to develop the players’ list upon which its targeted marketing efforts will depend. After this period, assuming recovery to “normal” economic conditions, I would expect outyear win to grow by two to three percent per year.

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Cummings Associates

Projections for the Performance

of New Gaming Facilities in

South-Central Kansas

Appendix:

Details of the Gravity-Model Methodology

Exhibits

November 23, 2010

135 Jason Street, Arlington, Massachusetts 02476
Telephone: 781.641.1215 - Fax: 641.0954 - e-mail: cummingsw@aol.com

List of Exhibits

Exhibit

Exhibit A-1: Illustrative Distance Relationships (Mississippi)

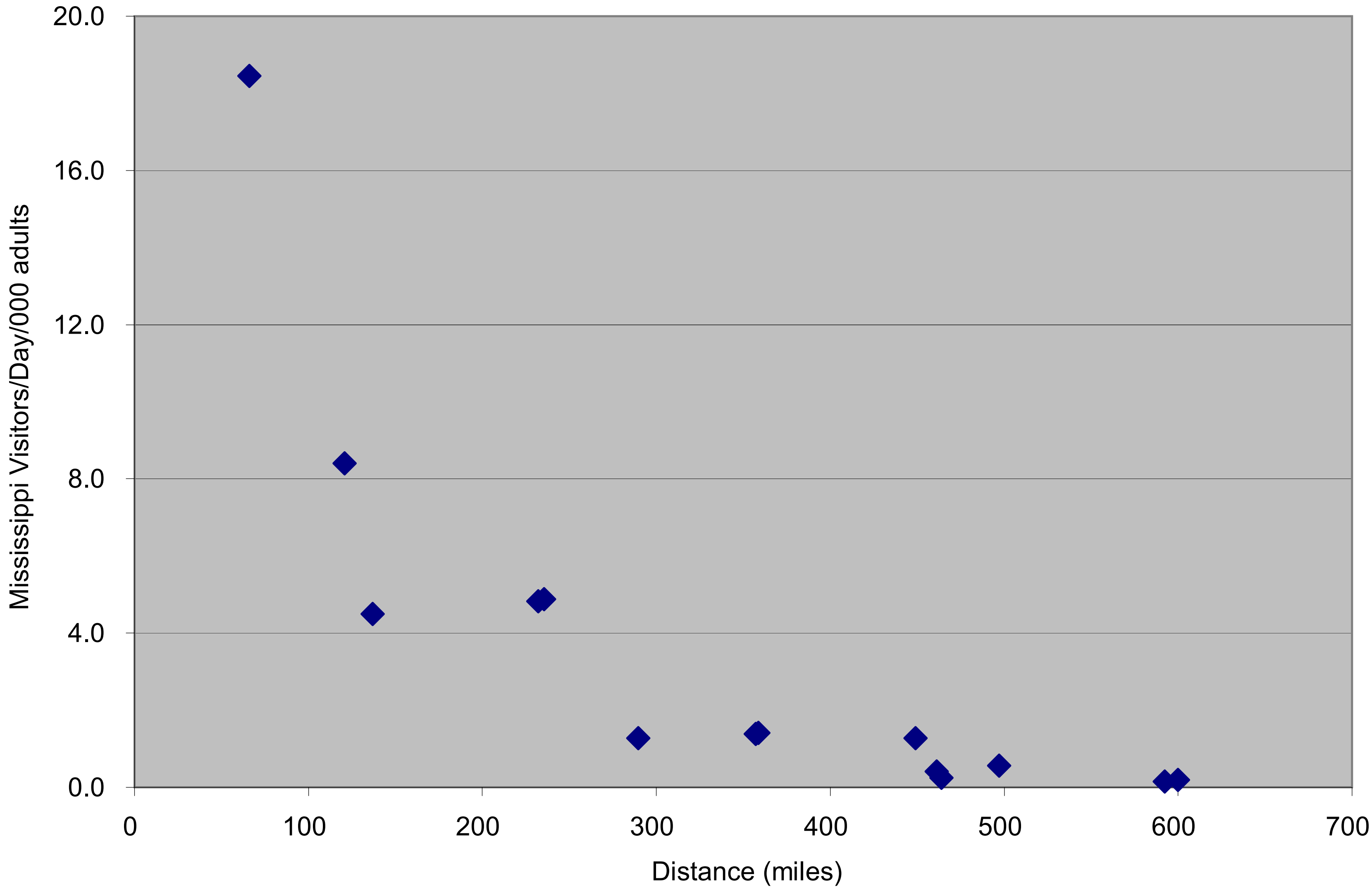


Exhibit A-2: Distance Relationships II (log-log scale)

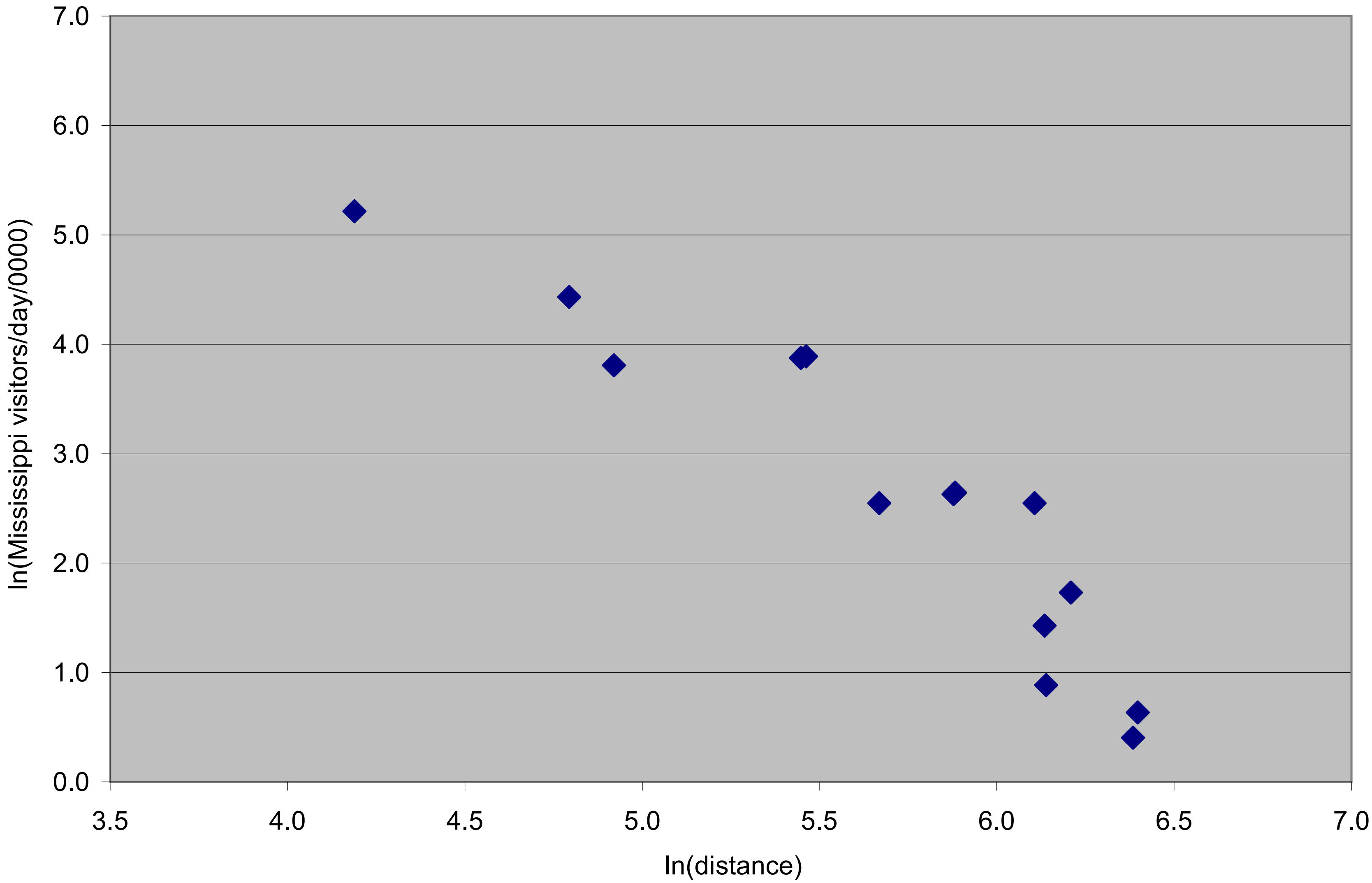


Exhibit A-3: Distance Relationships III

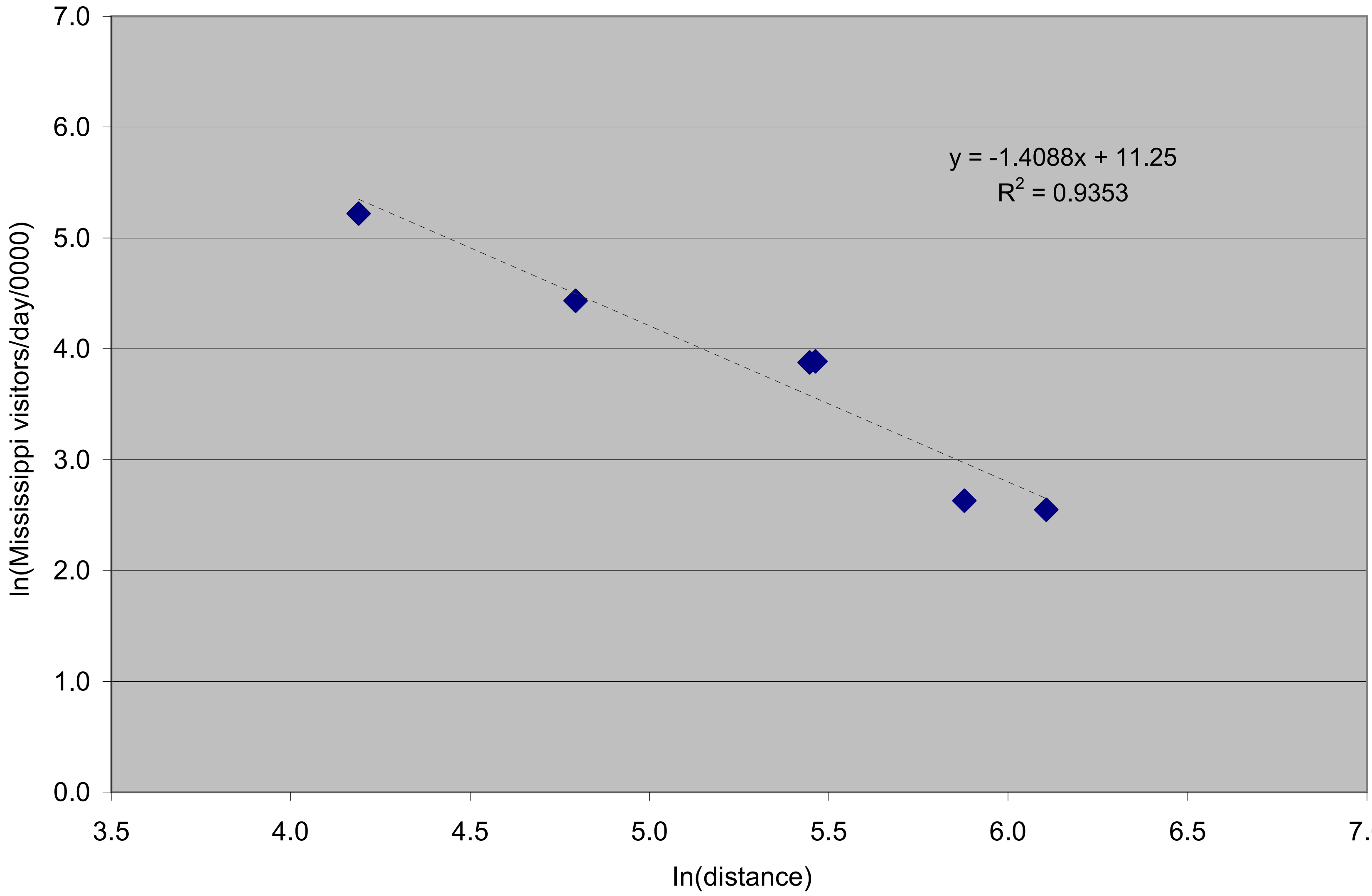


Exhibit A-4: Las Vegas Visitation vs. Distance

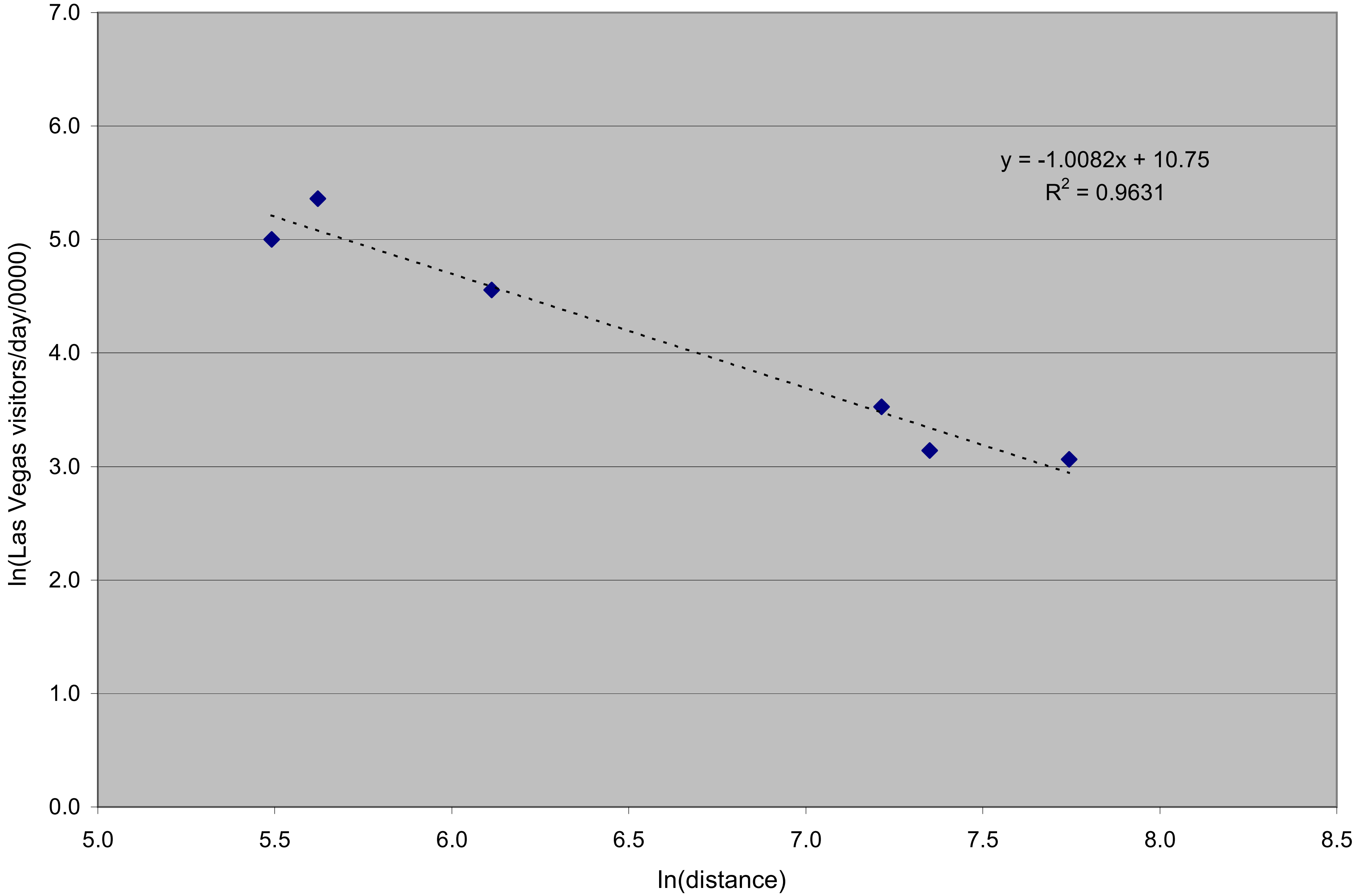


Exhibit A-5: Laughlin Visitation vs. Distance

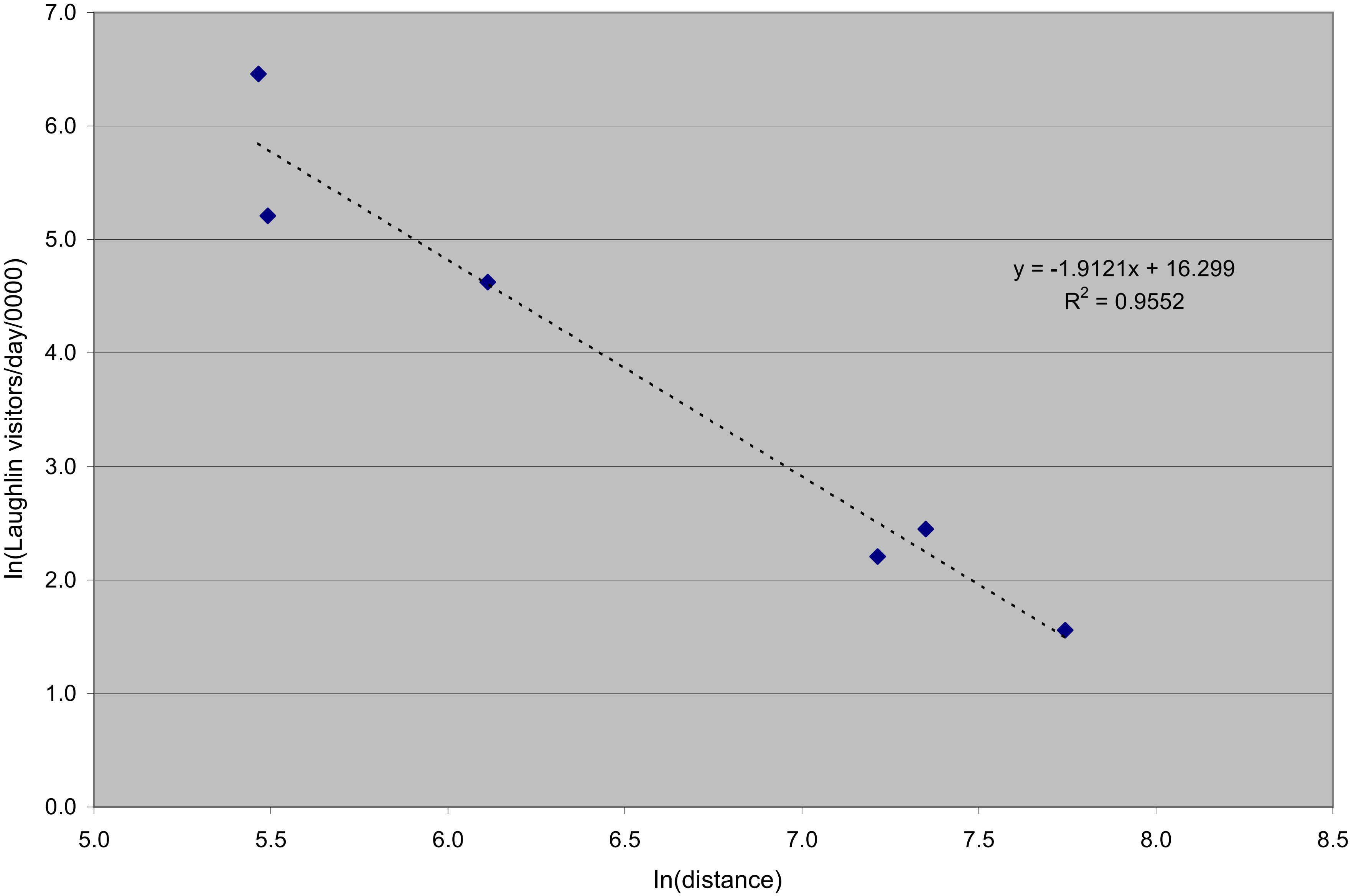


Exhibit A-6: Spending vs. Distance at Casino X (remote location)

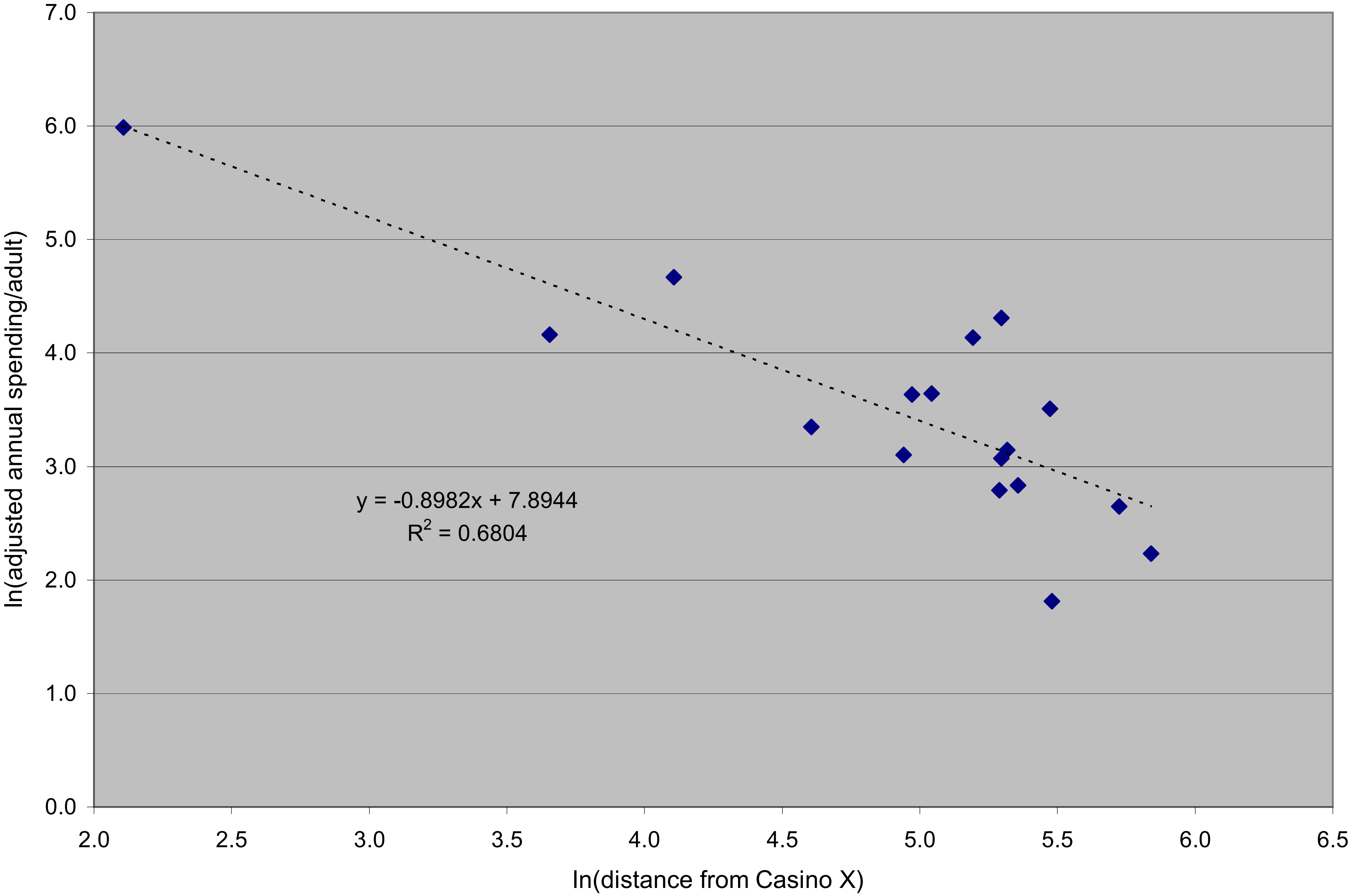


Exhibit A-7: Spending vs. Distance at Casino Y (competitors afar)

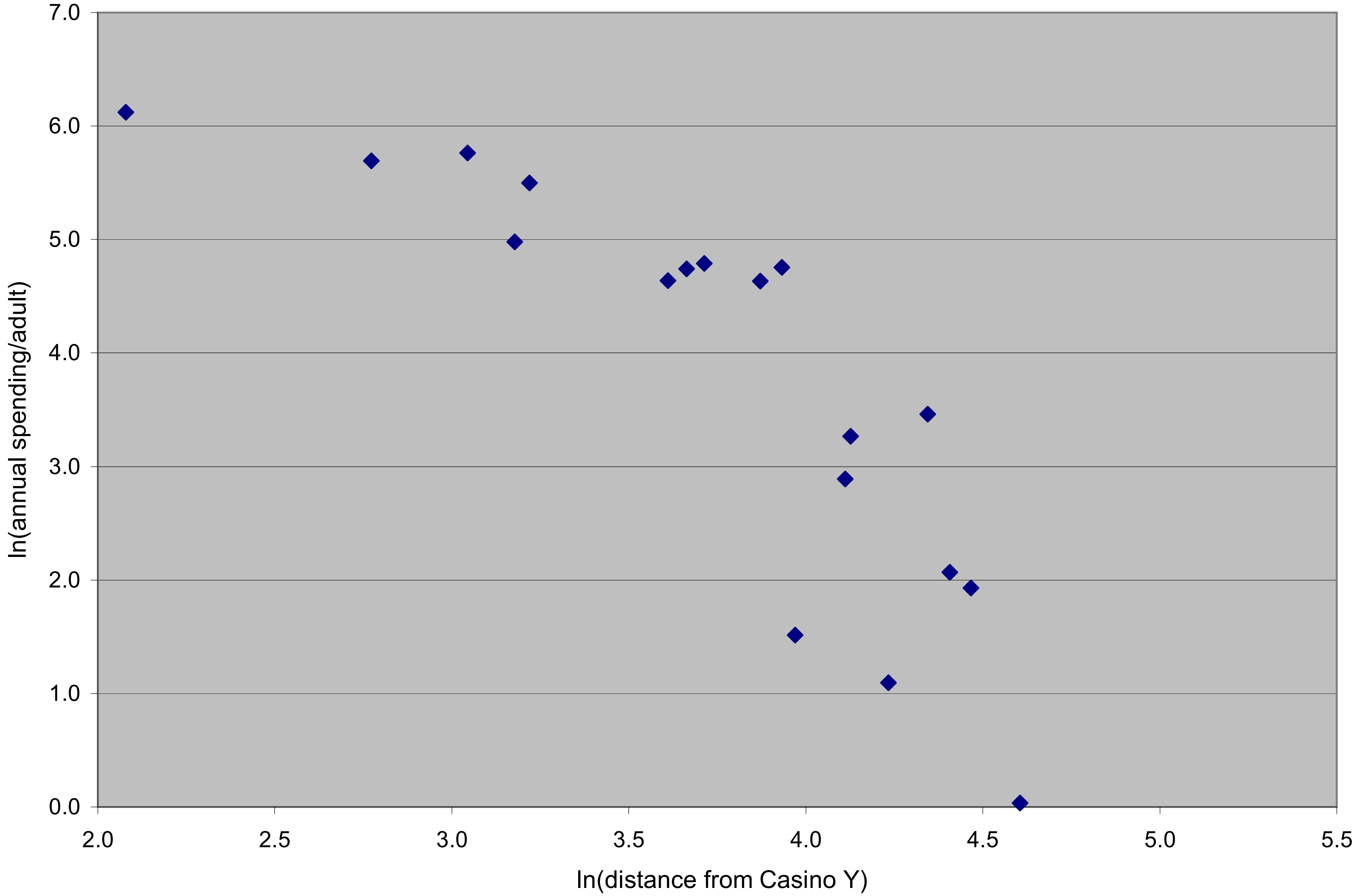


Exhibit A-8: Spending vs. Distance at Casino Y (less competition close)

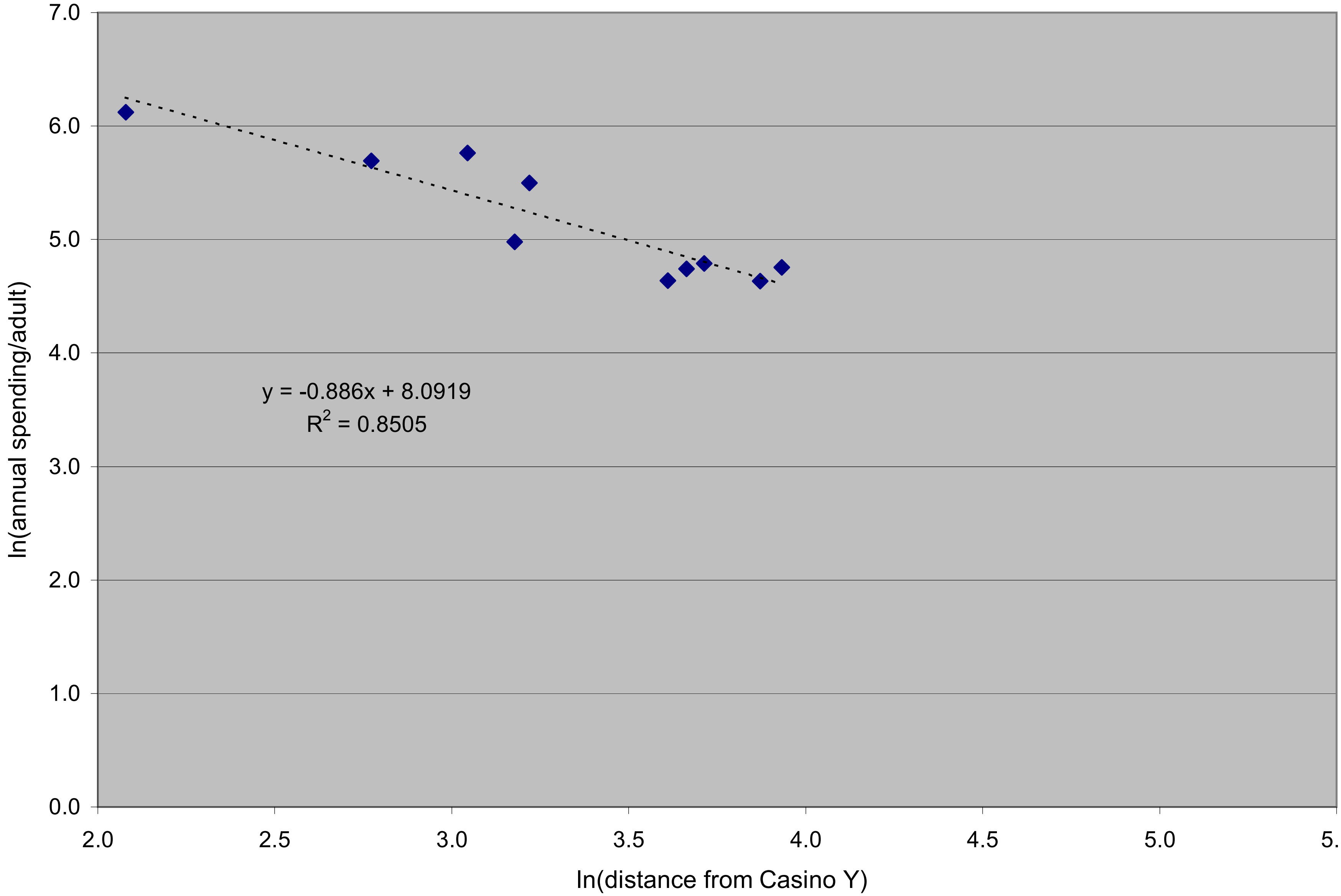
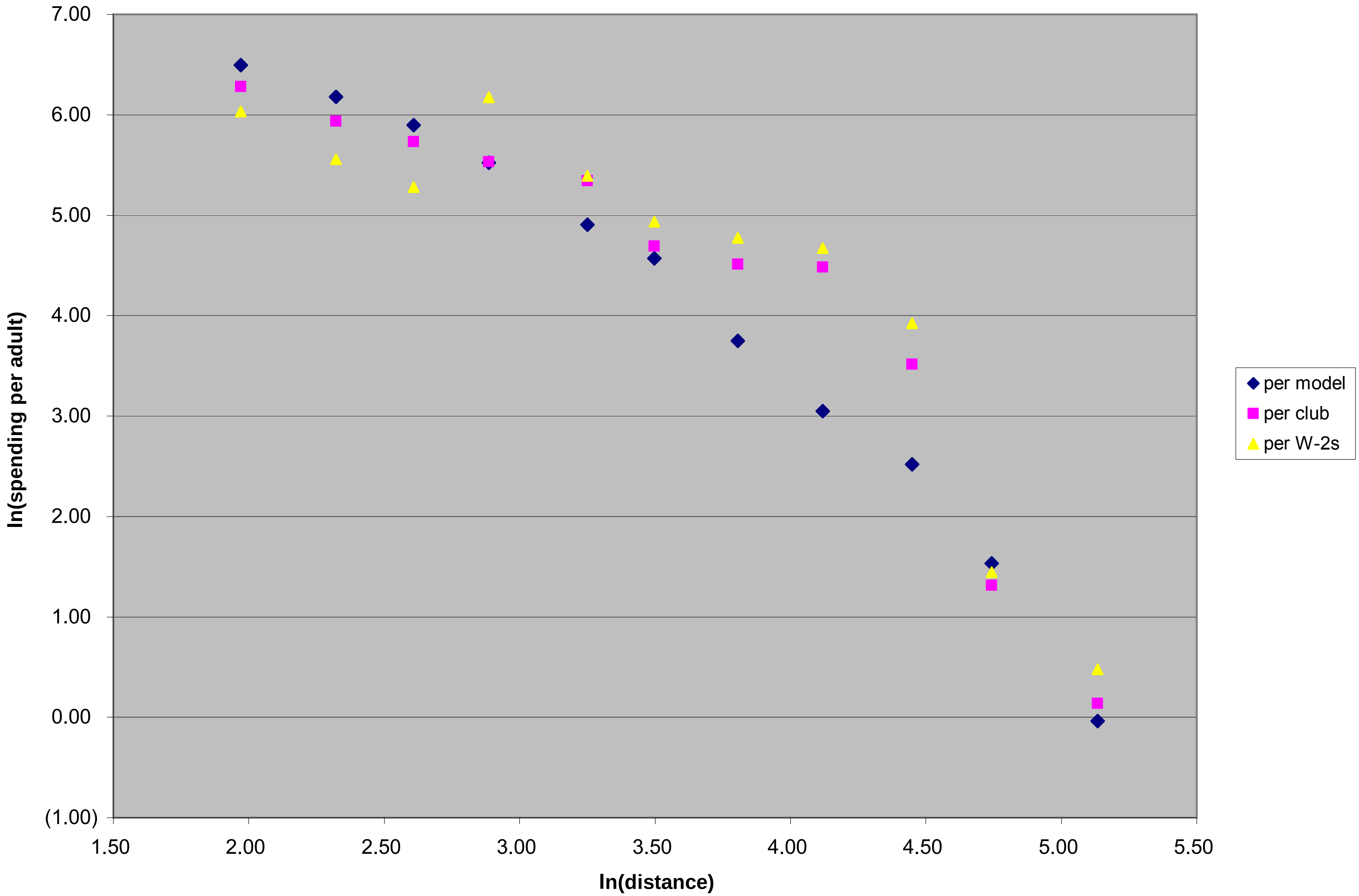


Exhibit A-9: Slot Spending Declines With Distance at Casino Z



Cummings Associates

Exhibit A-10: Slot Spending Declines With Travel Time at Casino Z

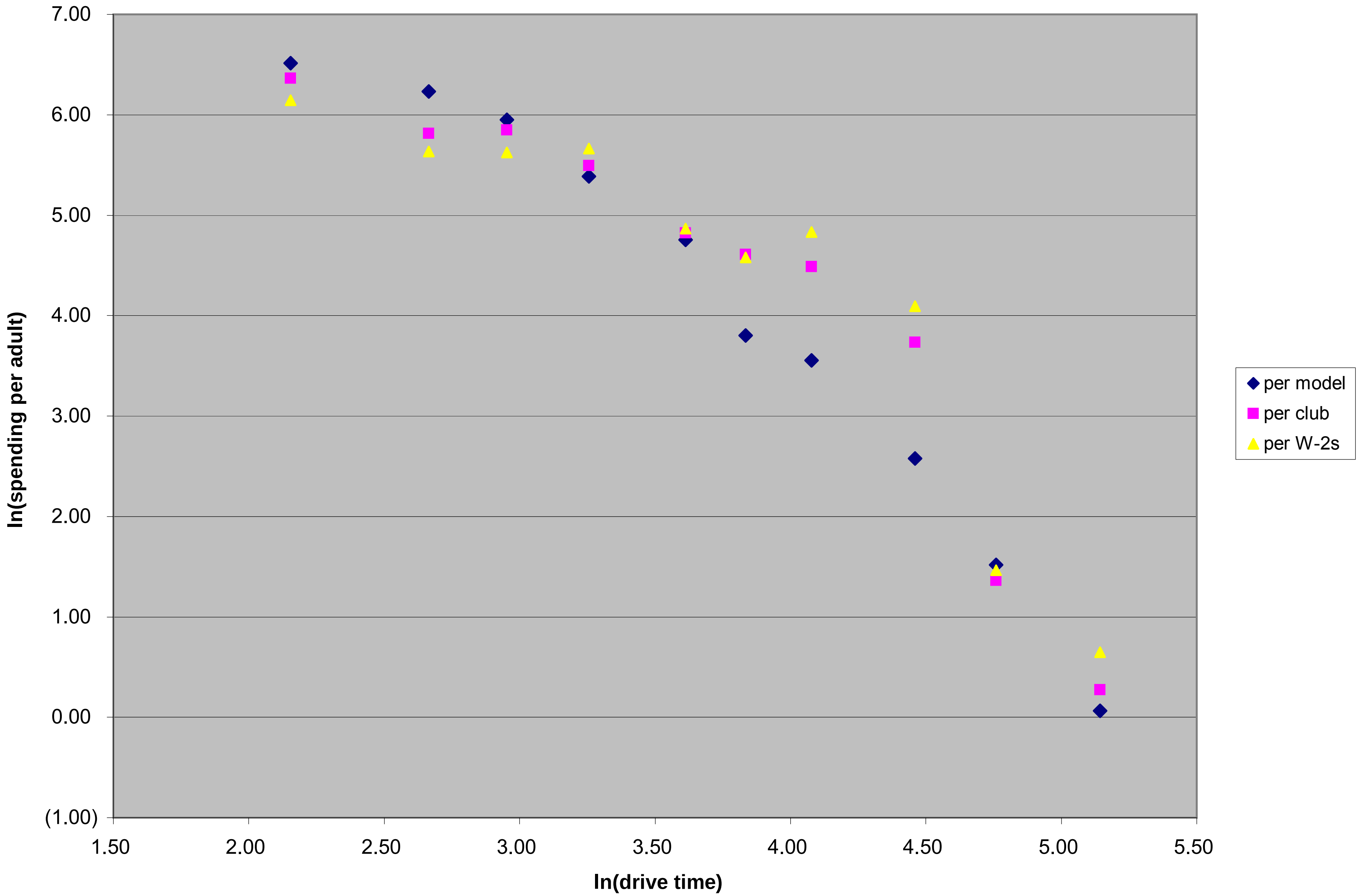


Exhibit A-11: Rates of Visitation (and Win) vs. Distance at Casino Z

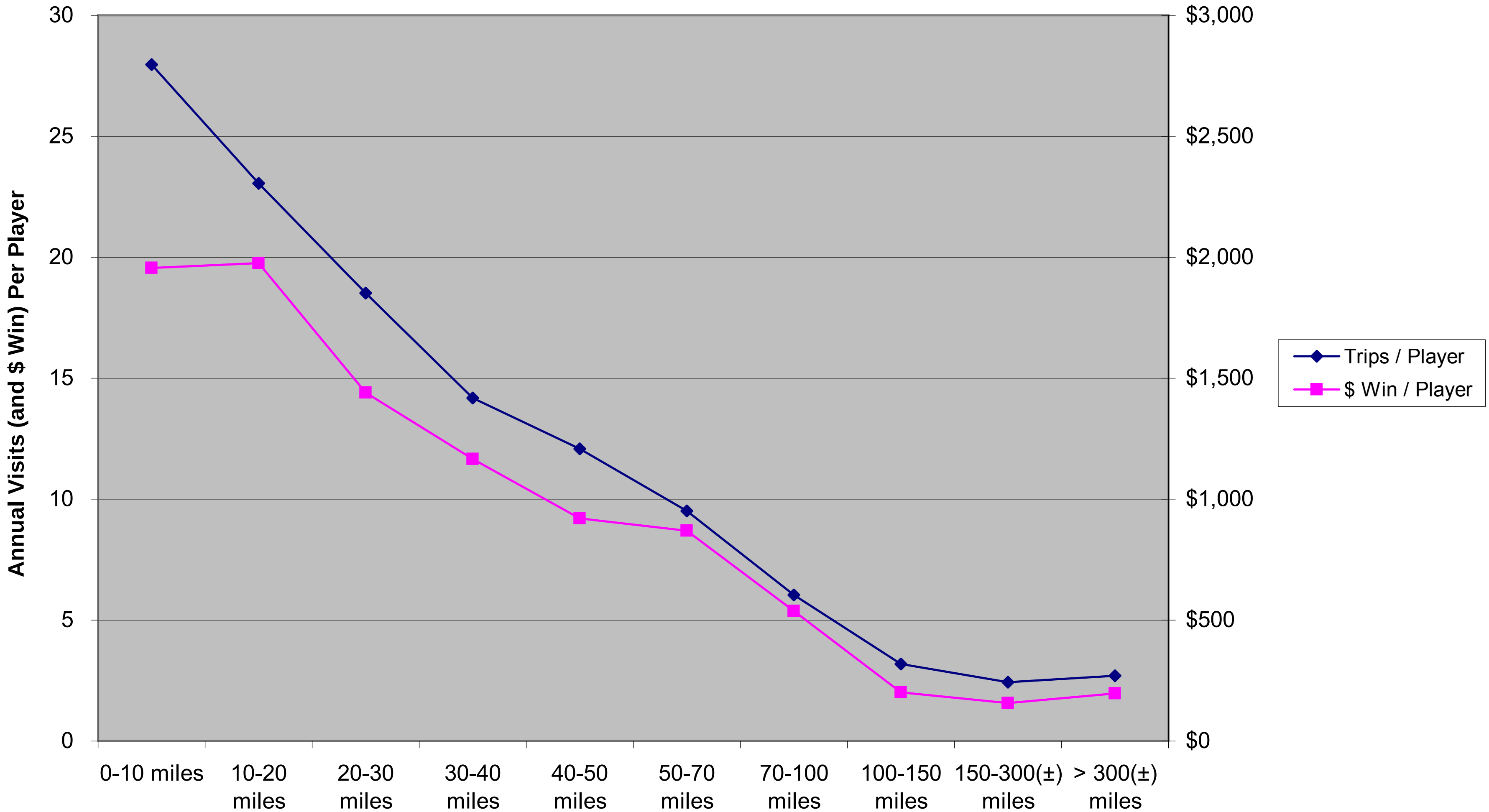


Exhibit A-12: Portion of Model Inputs

Midwest Market Projections

Average Distances:

State	County	ZIP	Spdway	KStar	WinSpir	Park C	DodgeC	KC7thS	Wh Cl	Horton	Mayetta	Powhat	Argosy	IOC	Harrahs
KS	ALLEN	66732	99	128	138	117	266	106	155	142	122	147	110	109	111
KS	ALLEN	66748	109	114	124	102	251	117	154	134	113	139	120	120	122
KS	ALLEN	66749	100	121	131	106	255	108	146	127	106	132	112	111	113
KS	ALLEN	66751	98	125	136	111	260	105	145	130	110	135	109	108	110
KS	ALLEN	66755	90	135	145	120	269	97	146	134	114	139	101	100	102
KS	ALLEN	66772	103	126	135	118	265	110	159	146	126	151	114	113	115
KS	ANDERSON	66014	67	156	167	140	287	73	132	121	102	127	77	76	78
KS	ANDERSON	66015	89	130	141	114	262	97	135	118	97	123	101	101	103
KS	ANDERSON	66032	71	147	158	129	276	79	121	107	88	113	82	82	84
KS	ANDERSON	66033	61	157	169	139	285	69	117	106	87	111	72	72	74
KS	ANDERSON	66039	79	143	154	127	275	86	136	123	104	129	89	89	91
KS	ANDERSON	66091	80	138	150	121	269	88	128	113	93	118	92	91	93
KS	ANDERSON	66093	87	129	141	112	260	96	131	110	89	114	99	99	101
KS	ATCHISON	66002	42	226	240	205	341	50	35	31	44	37	47	52	52
KS	ATCHISON	66016	44	214	227	193	329	53	36	27	32	33	51	56	55
KS	ATCHISON	66023	52	207	221	186	321	61	39	20	24	26	59	64	63
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:	:		:	:	:	:	:	:	:	:	:	:	:	:	:
KS	WYANDOTTE	66106	9	216	228	196	337	7	84	79	65	85	10	11	13
KS	WYANDOTTE	66109	7	216	229	196	337	10	76	70	57	76	10	13	14
KS	WYANDOTTE	66111	7	216	228	196	337	7	82	76	63	82	10	11	13
KS	WYANDOTTE	66112	7	216	229	196	337	7	79	73	60	79	10	11	13
KS	WYANDOTTE	66118	13	223	235	203	344	7	86	81	69	87	7	7	7

Total KS

Exhibit A-12: Portion of Model Inputs

Midwest Market Projections

State	County	ZIP	A'star		St Jo	Closest Effective	2010 Adult Population	2000 PCI	Impacts: Facility etc	Dstnce	Urban?	Income	Dist-Adj Adults
KS	ALLEN	66732	114	. . .	144	71	229	$15,160	100%	20%	100%	87%	39
KS	ALLEN	66748	125	. . .	152	81	1,991	$15,160	100%	18%	100%	87%	310
KS	ALLEN	66749	116	. . .	143	88	6,015	$15,160	100%	17%	100%	87%	889
KS	ALLEN	66751	113	. . .	141	83	719	$15,160	100%	18%	100%	87%	110
KS	ALLEN	66755	105	. . .	135	80	862	$15,160	100%	18%	100%	87%	136
KS	ALLEN	66772	118	. . .	148	67	210	$15,160	100%	21%	100%	87%	37
KS	ANDERSON	66014	81	. . .	112	67	231	$15,033	100%	21%	100%	86%	41
KS	ANDERSON	66015	106	. . .	132	89	549	$15,033	100%	17%	100%	86%	80
KS	ANDERSON	66032	87	. . .	114	71	3,396	$15,033	100%	20%	100%	86%	581
KS	ANDERSON	66033	77	. . .	104	61	513	$15,033	100%	22%	100%	86%	97
KS	ANDERSON	66039	94	. . .	123	79	464	$15,033	100%	18%	100%	86%	74
KS	ANDERSON	66091	97	. . .	123	80	227	$15,033	100%	18%	100%	86%	35
KS	ANDERSON	66093	104	. . .	130	87	445	$15,033	100%	17%	100%	86%	66
KS	ATCHISON	66002	54	. . .	25	25	9,532	$16,400	100%	42%	100%	90%	3,570
KS	ATCHISON	66016	58	. . .	37	27	418	$16,400	100%	39%	100%	90%	146
KS	ATCHISON	66023	66	. . .	44	20	888	$16,400	100%	49%	100%	90%	389
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:	:		:		:	:	:	:	:	:	:	:	:
KS	WYANDOTTE	66106	16	. . .	54	9	15,781	$15,966	100%	85%	100%	89%	11,861
KS	WYANDOTTE	66109	17	. . .	46	7	10,305	$15,966	100%	100%	100%	89%	9,160
KS	WYANDOTTE	66111	16	. . .	51	7	7,037	$15,966	100%	100%	100%	89%	6,255
KS	WYANDOTTE	66112	16	. . .	49	7	7,773	$15,966	100%	100%	100%	89%	6,909
KS	WYANDOTTE	66118	9	. . .	55	7	1	$15,966	100%	100%	100%	89%	1
	Total KS						1,943,042						730,317

Exhibit A-13: Gaming-Device Spending Ratios in Major US Markets

(Total Annual Spending on Slots and/or VLTs Per "Distance-Adjusted" Adult in FY2010)

Northeastern US Markets		Medium to Large Midwest (+/-) Markets		Rural Markets West & Midwest	
				Deadwood, SD	$909 e
				S Dakota Indian avg. (8)	$873 e
				Upstate Michigan avg.	$840 e
				Kansas Natives avg.	$818 e
		Mississippi / Louisiana (average of MANY facilities)	$809 e		
				Diamond Jo N'wood, IA	$793
				Iowa Natives average	$784 e
				Terribles Lakeside. IA	$773
Midwest Standard +10%				Upstate Wisconsin avg.	$770 e
				Emmetsburg, IA	$765
				Colorado (2)	$762
		Horseshoe / Bluffs Run, IA	$749	Dodge City, KS	$747
		Dubuque Mystique, IA	$743		
		Dubuque Diamond Jo, IA	$741		
		Riverside, IA	$740		
		Harrahs NKCMO	$734	IOC Boonville, MO	$735 o
Niagara (NY) casino	$729 e	Albuquerque, NM avg.	$729 e	IOC Marquette, IA	$730 o
		Ameristar Council Bluffs, IA	$727		
				Other New Mexico avg.	$718 e
Atlantic City, NJ avg.	$719			Mt. Pleasant, MI	$718 e
		IOC Waterloo, IA	$715	Wisconsin Dells	$715 e
		Argosy Riverside, MO	$707		
"Midwest Standard"					
		Ameristar KCMO	$698		
		Michigan City, IN	$694		
		Harrahs W St Louis	$690		
		Harrahs Council Bluffs, IA	$689		
		Prairie Meadows, IA	$685		
Mohegan Sun, CT	$670 o	Ameristar St Chas, MO	$668		
		Jumers Rock Island, IL	$668		
		Clinton, IA	$668		
		Harrahs Joliet, IL	$665 o		
		Belterra, Florence, IN	$665		
		Argosy Sioux City, IA	$664 o		
		St Jo MO	$662 o	Metropolis, IL/KY	$663 o
		Catfish Bend Burlington, IA	$660		
Salamanca, NY casino	$656 e			Mark Twain, MO	$655 o
Foxwoods, CT	$649 o	East St Louis, IL (2 boats)	$651 o		
Dover Downs, DE	$640	IOC Bettendorf, IA	$640 o		
Charles Town, WV	$638				
Tioga Downs, NY	$636	Ameristar, E Chicago IN	$631 o		
Midwest Standard -10%					

Exhibit A-13: Gaming-Device Spending Ratios in Major US Markets

(Total Annual Spending on Slots and/or VLTs Per "Distance-Adjusted" Adult in FY2010)

Northeastern US Markets		Medium to Large Midwest (+/-) Markets		Rural Markets West & Midwest	
Midwest Standard -10%					
Harrington Raceway, DE	$626	Green Bay, WI	$627 e		
		Indiana Live	$623		
		Rhythm City, IA	$621 o		
Wheeling, WV	$618	Hammond, IN	$618		
Delaware Park	$612			Caruthersville, MO	$615 o
		Grand Vic, Rising Sun, IN	$610 o		
		Hollywood, Lawr'burg, IN	$609 o		
Erie, PA	$598	Hoosier Park, IN	$602		
Finger Lakes, NY	$598				
Vernon Downs, NY	$595	Lumiere, St Louis	$595	French Lick, IN	$596
Hollywood @ Bangor, ME	$588	IOC KCMO	$593 o		
Batavia, NY	$588				
The Meadows / Pittsburgh	$586	Majestic Star, Gary IN	$585 o		
Saratoga, NY	$581	Elgin (Chicago) IL	$581 o		
		Joliet Empress, IL	$578 o		
		Detroit (avg / 3 facils)	$578 o		
		Louisville, KY/IN	$575 o		
		Aurora (Chicago), IL	$574 o		
(Buffalo) Fairgrounds, NY	$568				
Penn National / Harrisburg	$567	Milwaukee, WI	$567 e o		
Mountaineer Park, WV	$567				
Mohegan @ Pocono Downs	$560	KCKS 7th St Casino	$560 e		
Newport Grand, RI	$548				
Parx / Philadelphia	$540	South Dakota VLTs	$541		
Monticello, NY	$528				
		Peoria, IL	$512 o		
Empire City @ Yonkers, NY	$505 o				
Twin River @ Lincoln, RI	$505 o				
Bethworks / PA	$496	Montana VLTs (2)	$497		
Harrahs @ Chester, PA	$490	Evansville, IN	$491 o		
Mount Airy / Pocono, PA	$487				
The Rivers / Pittsburgh	$478				
Tri-State, WV	$428				

e = estimated
o = old boat or capacity-constrained market

(1) Nevada local markets would be off this scale, somewhere north of $1000/adult.
(2) Colorado and Montana statistics do not include the Indian casinos in those states.

Exhibit A-14: Gaming-Device "Power Ratings"

(Total Annual Spending versus benchmark of $700)

Northeastern US Markets		Medium to Large Midwest (+/-) Markets		Rural Markets West & Midwest	
				Deadwood, SD	129.9
				S Dakota Indian avg. (8)	124.7 e
				Upstate Michigan avg.	120.0 e
				Kansas Natives avg.	116.9 e
		Mississippi / Louisiana	115.5		
		(average of MANY facilities)		Diamond Jo Northwood, IA	113.3
				Iowa Natives average	112.0 e
				Terribles Lakeside. IA	110.4
Midwest Standard +10%				Upstate Wisconsin avg.	110.0 e
				Emmetsburg, IA	109.3
				Colorado (2)	108.9
		Horseshoe / Bluffs Run, IA	107.0	Dodge City, KS	106.7
		Dubuque Mystique, IA	106.1		
		Dubuque Diamond Jo, IA	105.9		
		Riverside, IA	105.7		
		Harrahs NKCMO	104.9	IOC Boonville, MO	105.0 o
Niagara (NY) casino	104.1 e	Albuquerque, NM avg.	104.2 e	IOC Marquette, IA	104.3 o
		Ameristar Council Bluffs, IA	103.9		
				Mt. Pleasant, MI	102.6 e
Atlantic City, NJ avg.	102.7			Other New Mexico avg.	102.5 e
		IOC Waterloo, IA	102.1	Wisconsin Dells	102.1 e
		Argosy Riverside, MO	101.0		
"Midwest Standard"					
		Ameristar KCMO	99.7		
		Michigan City, IN	99.1		
		Harrahs W St Louis	98.6		
		Harrahs Council Bluffs, IA	98.4		
		Prairie Meadows, IA	97.9		
Mohegan Sun, CT	95.7 o	Ameristar St Chas, MO	95.4		
		Jumers Rock Island, IL	95.4		
		Clinton, IA	95.4		
		Harrahs Joliet, IL	95.0 o		
		Belterra, Florence, IN	95.0		
		Argosy Sioux City, IA	94.9 o		
		St Jo MO	94.6 o	Metropolis, IL/KY	94.7 o
		Catfish Bend Burlington, IA	94.3		
Salamanca, NY	93.7 e			Mark Twain, MO	93.6 o
Foxwoods, CT	92.7 o	East St Louis, IL (2 facils)	93.0 o		
Dover Downs, DE	91.4	IOC Bettendorf, IA	91.4 o		
Charles Town, WV	91.1				
Tioga Downs, NY	90.9	Ameristar, E Chicago IN	90.1 o		
Midwest Standard -10%					
Harrington Raceway, DE	89.4	Green Bay, WI	89.6 e		
		Indiana Live	89.0		
		Rhythm City, IA	88.7 o		
Wheeling, WV	88.3	Hammond, IN	88.3	Caruthersville, MO	87.9 o
Delaware Park	87.4				
		Grand Vic, Rising Sun, IN	87.1 o		
		Hollywood, Lawr'burg, IN	87.0 o		
Erie, PA	85.4	Hoosier Park, IN	86.0		
Finger Lakes, NY	85.4				
Vernon Downs, NY	85.0	Lumiere, St Louis	85.0	French Lick, IN	85.1
Hollywood @ Bangor, ME	84.0	IOC KCMO	84.7 o		
Batavia, NY	84.0				
The Meadows / Pittsburgh	83.7	Majestic Star, Gary IN	83.6 o		
Saratoga, NY	83.0	Elgin (Chicago) IL	83.0 o		
		Detroit (avg / 3 facils)	82.6 o		
		Joliet Empress, IL	82.6 o		
		Louisville, KY/IN	82.1 o		
		Aurora (Chicago), IL	82.0 o		
(Buffalo) Fairgrounds, NY	81.1				
Penn National / Harrisburg	81.0	Milwaukee, WI	81.0 e o		
Mountaineer Park, WV	81.0				
Mohegan @ Pocono Downs	80.0	KCKS 7th St Casino	80.0 e		
Newport Grand, RI	78.3				
Parx / Philadelphia	77.1	South Dakota VLTs	77.3		
Monticello, NY	75.4				
		Peoria, IL	73.1 o		
Empire City @ Yonkers, NY	72.1 o				
Twin River @ Lincoln, RI	72.1 o				
Bethworks / PA	70.9	Montana VLTs	71.0		
Harrahs @ Chester, PA	70.0	Evansville, IN	70.1 o		
Mount Airy (Pocono), PA	69.6				
The Rivers / Pittsburgh	68.3				
Tri-State, WV	61.1				

e = estimated
o = old boat or capacity-constrained market

(one of two pages)

Exhibit A-15: Table-Game Spending Ratios in Midwest Markets

(Total Annual Spending on Table Games Per "Distance-Adjusted" Adult in FY2010)

Large Urban Markets		Smaller Cities & Misc. Markets		Rural Markets	
Albuquerque, NM avg.	$97 ±				
				S Dakota Indian avg. (8)	$96 e
Hammond, IN	$95 o	Metropolis, IL/KY	$95 o	Iowa Natives average	$95 e
Ameristar, E Chicago IN	$90 o				
Harrahs Joliet, IL	$89 o			Dodge City, KS	$89
Michigan City, IN	$88	Upstate Wisconsin avg.	$88 e	Kansas Natives avg.	$88 e
Midwest Standard +10%					
				Diamond Jo Northwood, IA	$87
Harrahs W St Louis	$87				
Majestic Star, Gary IN	$86 o				
Elgin (Chicago) IL	$84 o				
Harrahs NKCMO	$84	Other New Mexico avg.	$84 ±	Wisconsin Dells	$84 e
Louisville, KY/IN	$84 o				
Aurora (Chicago), IL	$82 o				
Ameristar KCMO	$82			Emmetsburg, IA	$82
Horseshoe / Bluffs Run, IA	$81			Terribles Lakeside. IA	$81
Detroit (avg / 3 facils)	$80 e o			Caruthersville, MO	$81
Ameristar St Chas, MO	$80			French Lick, IN	$80
"Midwest Standard"					
Argosy Riverside, MO	$80	Dubuque Diamond Jo, IA	$79		
		Riverside, IA	$79		
East St Louis, IL	$78 o				
Ameristar Council Bluffs, IA	$78				
Cincinnnati (avg), OH/IN	$77 o	Argosy Sioux City, IA	$77 o		
		Mystique, Dubuque, IA	$76		
		IOC Boonville, MO	$76 o		
Lumiere, St Louis MO	$75				
Joliet Empress, IL	$74 o				
		IOC Waterloo, IA	$73		
Midwest Standard -10%					

Exhibit A-15: Table-Game Spending Ratios in Midwest Markets

(Total Annual Spending on Table Games Per "Distance-Adjusted" Adult in FY2010)

Large Urban Markets		Smaller Cities & Misc. Markets		Rural Markets	
Midwest Standard -10%					
		Green Bay, WI	$72 e		
		Catfish Bend, Burlington, IA	$71		
		Prairie Meadows, IA	$69		
				Colorado (2)	$68
		Evansville, IN	$67 o	IOC Marquette, IA	$67 o
IOC KCMO	$65 o				
Harrahs Council Bluffs, IA	$65				
Milwaukee, WI	$64 e o				
		St Jo MO	$63 o		
		Peoria, IL	$62 o		
		Mark Twain, MO	$61 o	Deadwood, SD	$61 b
		Clinton, IA	$60		
		Jumers Rock Island, IL	$59		
		IOC Bettendorf, IA	$54 o		
		Rhythm City, IA	$49 o		

e = estimated
o = old boat or capacity-constrained market
b = betting limits

(1) Mississippi ($150±), East Coast ($200+) and Nevada markets are off this scale.
(2) Colorado statistics do not include Native American facilities. Note that Colorado also recently relieved its casinos from $5 betting limits.

Exhibit A-16: Table-Game "Power Ratings"

(Total Annual Spending versus benchmark of $80)

Large Urban Markets		Smaller Cities & Misc. Markets		Rural Markets	
Albuquerque, NM avg.	121.3 ±				
				S Dakota Indian avg. (8)	120.0 e
Hammond, IN	119.1 o	Metropolis, IL/KY	119.2 o	Iowa Natives average	119.0 e
Ameristar, E Chicago IN	112.9 o				
Harrahs Joliet, IL	111.1 o			Dodge City, KS	111.3
Michigan City, IN	110.4	Upstate Wisconsin avg.	110.0 e	Kansas Natives avg.	110.6 e
Midwest Standard +10%					
				Diamond Jo Northwood, IA	109.2
Harrahs W St Louis	108.2				
Majestic Star, Gary IN	106.9 o				
Elgin (Chicago) IL	105.5 o				
Harrahs NKCMO	105.4	Other New Mexico avg.	105.0 ±	Wisconsin Dells	105.0 e
Louisville, KY/IN	104.6 o				
Aurora (Chicago), IL	103.1 o				
Ameristar KCMO	102.9			Emmetsburg, IA	101.9
Horseshoe / Bluffs Run, IA	101.2			Terribles Lakeside. IA	101.4
Detroit (avg / 3 facils)	100.0 e o			Caruthersville, MO	100.7
Ameristar St Chas, MO	100.0			French Lick, IN	100.5
"Midwest Standard"					
Argosy Riverside, MO	99.7	Dubuque Diamond Jo, IA	99.4		
		Riverside, IA	98.5		
East St Louis, IL	98.1 o				
Ameristar Council Bluffs, IA	97.0				
Cincinnnati (avg), OH/IN	96.9 o	Argosy Sioux City, IA	96.8 o		
		Mystique, Dubuque, IA	95.4		
		IOC Boonville, MO	94.6 o		
Lumiere, St Louis MO	94.1				
Joliet Empress, IL	92.5 o				
		IOC Waterloo, IA	91.7		
Midwest Standard -10%					
		Green Bay, WI	90.0 e		
		Catfish Bend, Burlington, IA	88.6		
		Prairie Meadows, IA	86.4		
				Colorado (2)	84.7
		Evansville, IN	83.9 o	IOC Marquette, IA	84.3 o
IOC KCMO	81.7 o				
Harrahs Council Bluffs, IA	80.7				
Milwaukee, WI	80.0 e o				
		St Jo MO	79.0 o		
		Peoria, IL	77.6 o		
		Mark Twain, MO	76.2 o	Deadwood, SD	76.3 b
		Clinton, IA	74.6		
		Jumers Rock Island, IL	73.9		
		IOC Bettendorf, IA	67.3 o		
		Rhythm City, IA	60.9 o		

e = estimated
o = old boat or capacity-constrained market
b = betting limits

Exhibit A-17: Recent Projections Compared to Actual Results

(Total Annual Gaming Win / $million)

Facility / Market:	Projection	Source	Actual	Source
Zia Park / Hobbs, NM	$53.7	(1)	$68.9	(2)
Emmetsburg / Iowa	$23.4	(3)	$26.4	(4)
Northwood / Iowa	$34.2	(3)	$67.5	(4)
Riverside / Iowa	$82.0	(3)	$85.8	(4)
IOC Waterloo / Iowa	$96.8	(3)	$76.9	(4)
Tioga Downs / NY	$30.2 $49.9	(5)	$42.2	(6)
Hoosier Park / Indiana	$275	(7)	$201	(8)
Indiana Live / Shelbyville	$261	(7)	$228	(8)
Wild Rose Clinton / Iowa	$48.2	(9)	$39.2	(10)
DBQ Diamond Jo / Iowa	$61.9	(9)	$68.4	(10)
Jumers Rock Island / Illinois	$89.7	(9)	$75.2	(11)
Dodge City / Kansas	$40.7	(12)	$37.7	(13)

(Sources cited in footnotes on next page)

Exhibit A-17: Recent Projections

Footnotes / Sources

(1) *The Projected Performance of a New Race Track / Slot Facility at Hobbs, New Mexico (etc.)* February 15, 2002.

(2) Penn National Gaming Press Release, 4/17/07 stated total revenue was $76.6 million in 2006. I assume that 90% was gaming. (Revenues have since increased).

(3) *Analysis of Current Markets for Casino Gaming in Iowa, with Projections for the Revenues and Impacts of Potential New Facilities -- Update*, April 18, 2005.

(4) Iowa Racing and Gaming Commission, FY2007 for Emmetsburg and Worth County, FY2008 for Riverside and Waterloo (first full fiscal years of operation for each).

(5) *Projections for the Performance of a New Race Track and Video Lottery Facility at Tioga Park*, September 14, 2004. Higher projection is without competition from Pocono Downs; lower figure is with such competition.

(6) New York State Lottery, FY2008. Pocono Downs's temporary slot facility was open throughout.

(7) *Projections for the Performance of Slot Machines at the Race Tracks of Central Indiana*, September 8, 2007.

(8) Indiana Gaming Commission, July 2009 - June 2010 monthly revenue reports.

(9) *Assessment of the Value of a License for a New Casino in Davenport, Iowa,* July 21, 2008.

(10) Iowa Racing and Gaming Commission, FY2010.

(11) Illinois Gaming Board, monthly reports July 2009 through June 2010.

(12) *Projections for the Likely Gaming Revenues of New Casinos in the Northeast and Southwest Gaming Zones* [of Kansas], September 12, 2008.

(13) Extrapolated for Calendar 2010 from Kansas Racing and Gaming Commission Lottery Gaming Facility Revenue Reports January-October, 2010.

South Central Gaming Zone of Kansas

Projections of Casino Visits and Gaming Revenues

Prepared For:

Kansas Lottery Gaming Facility Review Board

November 2010

Prepared by:

Wells Gaming Research

6900 South McCarran Blvd. Suite 3030 - Reno, NV 89509

775-826-3232 - http://www.wellsgaming.com

South Central Gaming Zone of Kansas 2010
Projections of Gaming Revenues and Casino Visits

Table of Contents

Wells Gaming Research
November 2010

Section 1

Introduction

Introduction

Background

The State of Kansas legalized casino gaming in April 2007 when it passed and signed into law Senate Bill 66, the Kansas Expanded Lottery Act. Key gaming provisions of Senate Bill 66 are as follows:

- Established four gaming zones
- Stipulated that one state owned lottery gaming facility would be allowed in each of the four gaming zones.
- Permitted an aggregate of 2,800 slot machines to be installed at 3 existing racetracks.
- Created the Lottery Gaming Facility Review Board to evaluate applicants for gaming facility managers.
- Required applicants to pay minimum capital investment and privilege fees.
- Outlined tax structure for the contract managers of Kansas' Lottery gaming facilities.

In 2008, Round 1 of the bidding process, Kansas Lottery received four bids in the $300 to $500 million range to build and manage a gaming facility in the South Central gaming zone. Harrah's Entertainment was ultimately selected, but then withdrew in November 2008 citing the economic downturn. In 2009, Round 2, Kansas Lottery received three considerably lower bids. The bidding pool was reduced to one after gaming companies either dropped out or combined forces. In April 2010, Chisholm Creek, the last remaining bidder, dropped out due to potential competition from a tribal casino in Park City, Kansas and uncertainty regarding potential changes in state legislation that might give Wichita Greyhound Park another chance to install slot machines.

Round 3: Current Status

Application Process:

Shortly after Chisholm Creek withdrew its plans for a casino located at the Mulvane exit in Sumner County, the Kansas Lottery opened up the application process for a third time. Three proposals were presented to the Sumner County Board of County Commissioners on August 10, 2010. On September 8, 2010, the day that the Kansas Lottery Commission met to hear presentations from the applicants, Harrah's Sumner Investment Company pulled its plans for a casino project.

The Kansas Lottery Commission voted to approve contracts with Global Gaming Partners of Ada, Oklahoma and Peninsula Gaming Partners of Dubuque, Iowa for proposed casino projects to be located in Sumner County. Contracts were forwarded to the seven-member Lottery Review Board for their consideration and to select a winner. The review board has 60 days to review submitted casino plans, hear presentations from the applicants, consider public comments, and seek guidance from their selected consulting group. After this process is complete, the review board is expected to select a winner.

Gaming in Kansas:
There have been several significant events that have occurred since Round 2 of the application process:

- The Kansas Lottery opened their first casino in Dodge City on Tuesday, December 15, 2009.
- The Kansas Lottery broke ground on its second casino in Kansas City on April 30, 2010.
- To date, there have been no viable applicants in the southeast gaming zone of Kansas.
- In May 2010, the Senate rejected a bill that would have reduced the mandatory investment from $250 million to $100 million and the required privilege fee from $25 million to $11 million for the southeast zone.
- Slot machines in three racetracks have not materialized due to the high tax rate and a negative referendum vote in one county.
- In May 2010, the Senate rejected a bill that would have allowed for racetracks to keep up to 58% (currently 25%) with expenses included, and the state could collect a minimum of 22%, plus 3% would go to the local government and 2% to gambling treatment programs.
- In September 2010, the Wyandotte Nation purchased a commercial lot adjoining Wild West World along I-35 in Park City, Kansas. This is the first portion of 6 acres that the tribe has earmarked to purchase for its casino project. The Wyandotte Nation had already purchased 10.5 acres near the theme park in 1992. Their hope is to break ground on a Class II casino by the end of 2010, provided approval is received from the Department of the Interior on their application to use the land for casino gaming.

<u>Differences in Economic and Competitive Climate Round 3 vs. Round 2</u>
Although the recession is technically over, the economy continues to be beset with unknown risk. Slow, anemic growth is expected to continue and some economists are predicting a possible double-dip recession. The consumer segment is under great pressure. Excessive borrowing and debt, exacerbated by high unemployment, continue to be a heavy constraint on consumer spending. Borrowing money continues to be very difficult for most consumers and businesses.

Availability of capital continues to be restricted for casino projects. The ground rules have completely changed: developers are required to have a much higher percentage of equity capital and they cannot finance nearly as much as they could prior to the current recession. Green-field financing is all but non-existent.

Expansions and new casino projects in Oklahoma have successfully continued throughout the current recession. Due to the nature of the market, lower capital

costs are required for gaming facility projects in Oklahoma, which has contributed to the ability of tribes to complete expansion and new casino projects.
Following are significant casino projects that have been completed/or are in process in Oklahoma:

- The Cherokee Nation opened the Hard Rock Hotel and Casino in August 2009. This was a major, $155 million expansion in Tulsa, Oklahoma.
- The Creek Nation opened the River Spirit Casino in May 2009, a state-of-the-art, $195 million expansion in Tulsa, Oklahoma. They added an events center and parking garage in 2010.
- The Cherokee Casino in West Siloam Springs underwent a $108 million expansion in 2009 and also added a hotel in June 2010.
- The Cherokee Nation opened Cherokee Casino Ramona in July 2010.
- The Choctaw Nation opened the Choctaw Casino Resort in February 2010 in Durant, Oklahoma for $300 million.
- The Chickasaw Nation opened the WinStar World Casino on New Years' Eve 2008. At the time it opened, it was in the top five largest casinos in the world and the largest casino in Oklahoma. The WinStar added a hotel in August 2009 and a restaurant in February 2010.
- The Riverwind Casino opened a 100-room hotel in February 2009.
- Lucky Star Concho has added 600 slots.
- The Chickasaw Nation/Global Gaming Solutions (GGS) bought Remington Park (racetrack and casino) in Oklahoma City, Oklahoma from bankrupt Magna Entertainment Corporation for $80.25 million on December 31, 2009. In 2010, GGS spent an additional $7 million on updated slot machines and other improvements to refurbish Remington Park.

In summary, gaming expansion has decelerated, but not ceased in Oklahoma during the current economic downturn. Oklahoma is second only to Nevada in the number of casinos statewide. Currently, there are approximately 61,875 slot machines at 108 casinos in Oklahoma; however, there are signs that the Oklahoma market is becoming saturated. Despite all of this, there are still planned gaming projects in Oklahoma at the present time.

Project Objectives

The Kansas Lottery Gaming Facility Review Board (Board) engaged WGR to conduct an independent study of each applicant in the South Central Gaming Zone of Kansas. WGR's first objective is to provide the Board with gross gaming revenue and casino visit projections for each applicant so that they can assess which applicant would have the greatest ability to generate revenue for the State of Kansas. The second objective is to compare the revenue and casino visit projections submitted from the applicants for their projects to WGR's independent projections. The third objective is to assess the potential impact that a Tribal casino in Park City, Kansas could have on each of the proposed casino projects.

NOTE: For purposes of this report, applicants/casino names are presented in alphabetical order, which is in no way associated with preference.

Scope of Work

WGR's *scope of work* included:

- Reviewing applications, templates, and contracts for Global Gaming KS, LLC. (GG) and Peninsula Gaming, LLC. (PG) in order to extract all relevant data needed to accurately model each proposed project.

- Obtaining the size, scope and time table data for each proposed gaming facility from the applications, templates, and presentations made by the applicants.

- Visiting each of the applicants' proposed gaming facility sites.

- Compiling demographic and Median Household Income statistics for the Kansas South Central Gaming Zone trade area.

- Reviewing and modifying, if necessary, the parameters of the trade area used for the South Central Gaming Zone.

- Reviewing existing and proposed competition for the proposed gaming facilities. This includes all expansions that have occurred at existing casinos.

- Visiting the appropriate casinos to update assumptions used in WGR's gravity models.

- Coordinating with the consulting group to determine the capacity assumptions for both applicants' gaming facility projects and the potential Wyandotte Tribal casino.

- Developing gravity models for the applicants' projects: The Kansas Star (PG) and the WinSpirit (GG).

- Forecasting gross gaming revenues and casino visits for each applicant.

- Reviewing and analyzing the potential impact of the proposed Wyandotte Tribal casino in Park City, Kansas.

- Developing the flow of revenues and visitors' data tables for the Board's consultants who were conducting the fiscal and economic impact analyses.

- Attending meetings scheduled by the Board to hear applicants' presentations, present consultant reports, respond to applicants' rebuttals, and answer questions from the Board.

Competition & Applicant Site Visits

During the period October 25 through October 29, 2010, Richard H. Wells (President) and Susan T. Gossi (Operations & Marketing Manager) of WGR visited eighteen existing tribal casinos, one racetrack, and one planned casino site located in Oklahoma, as well as one existing state-owned casino in Kansas (Boot Hill Casino) and three proposed sites near Mulvane and Wellington, Kansas.

The purpose of the trip was to gain "boots on the ground" knowledge and understanding of the nature of the competition in the subject trade area, as well as in the surrounding regions. A total of 1,100 miles were traveled through the Kansas South Central Gaming Zone and Oklahoma during October 25 through 29, 2010. Eighteen casinos were visited in the Oklahoma City, Tulsa, Ponca City and Kansas/Oklahoma border area, along with one tribal proposed casino site. Gaming facility sites for Global Gaming and Peninsula Gaming were visited on Wednesday, October 27th. On Thursday, October 28, 2010 at 8:30 pm, our staff visited the Boot Hill Casino and conducted player counts. On Friday, October 29th Richard Wells and Susan Gossi interviewed the General Manager of Boot Hill and discussed the gaming facility, convention/events center, as well as the casino market, customer profile, and trade area. While making our casino and site visits, detailed market research notes were compiled to be utilized in the project analyses and report. Photographs were taken and casino player counts were conducted at all of the gaming facilities visited.

Gravity Model

Background on Methodology

In 2005, WGR 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, as well as other forms of gaming, could affect future gaming revenues at a client's gaming facilities.

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.

Dr. David L. Huff pioneered further development of gravity models (spatial analysis techniques), most notably the Huff Model, which was introduced in 1963 in an article in Land Economics entitled “A Probabilistic Analysis of Shopping Center Trade Areas.” The model has been used for tasks such as predicting consumer spatial behavior, delineating trade areas, locating retail and service facilities, analyzing market performance, simulating different market scenarios, and forecasting sales. The Huff Model has endured the test of time – 47 years, and has experienced widespread use by business and government analysts, as well as academics throughout the world.

Customization of the Gravity Model

WGR customized the Kansas South Central Gaming Zone gravity model in two important ways:

1. **Definition of the Trade Area:** The trade area for the Sumner County proposed casino sites is approximately a 100-mile radius. WGR extended the trade area in a southern direction to include the Oklahoma City Metro area, which extended it to approximately 150 miles from the proposed sites to include that area. WGR also extended the trade area in a southeastern direction to include the Tulsa Metro area, which extends the trade area to approximately 140 miles to include that area. The reason for this extension is that there are two large metro areas at the south and southeastern boundaries of the trade area. These cities are large enough to present potential markets for the Kansas South Central Gaming Zone trade area.

2. **Accurate calibration of Gravity Model:** Gravity model accuracy is highly dependent on the gravity model being calibrated to either actual revenues or accurate estimates of revenues. WGR ran a number of gravity models on existing casinos in the region where actual gaming revenue data was available. Actual revenue data was available for the casinos located in the Kansas City, Missouri, the Boot Hill Casino in Dodge City, Kansas, and Remington Park in Oklahoma City, Oklahoma. WGR also ran several gravity models on casinos in Oklahoma where highly reliable estimates of revenue were available.

Confidence Intervals

Forecasting casino revenues is far from an exact science. As a result, WGR prefers not to develop single point projections because many factors, both known and unknown, can cause actual performance to vary significantly from the forecasts. WGR addresses this issue by estimating the range of variance that can be expected at various confidence intervals. As a result, WGR developed a custom gravity model for each of the two proposed gaming facilities, the Kansas Star and the WinSpirit, designed to project gaming revenues for each of the proposed casino projects. Gaming revenue and casino visits will only be reported for the mid case (mean). Footnotes will be included that identify the low and high percentage variances at a 68% confidence interval. In this way, the reader will know the statistical percentage variances in the casino revenues and visits that can be expected within one standard deviation of the mean, i.e. within a 68% confidence interval.

Scenario Assumptions

Gravity model scenario assumptions for each of the two proposed gaming facility sites, Global Gaming's WinSpirit and Peninsula Gaming's Kansas Star, are detailed in Sections 4 and 5 of this report.

Research Methodology

WGR's systematic approach to this study included, but was not limited to, the following:

- Reviewed and confirmed definition of the South Central Gaming Zone trade area (remained the same as 2009 application process). Please see Map 1 in Section 2: Executive Summary of this report for trade area map.

- Obtained updated population data at the census tract level of detail (850 census tracts), as well as Median Household Income (MHI), for 2000 and 2009 through 2017 from the Bureau of Business & Economic Research, University of Nevada, Reno.

- Researched and compiled data on all 63 existing casinos (competition) within the South Central Gaming Zone. This included expansions of existing casinos and proposed new casinos.

- Visited seventeen tribal casinos, one racetrack (Remington Park), and one proposed tribal site (Pawnee) in Oklahoma to observe scope of facilities and services. WGR also toured Kansas' Boot Hill Casino in Dodge City. Access, visibility, quality of facilities and service, and levels of customer activity were noted. Player counts were conducted at all casinos.

- Visited the Boot Hill Casino and met with the general manager to review current operations, level of performance, and customer sources/trade area.

- Visited three proposed gaming facility sites: two sites for Kansas Star (Peninsula) and one site for WinSpirit (Global).

- Reviewed all materials provided by applicants via Kansas Racing and Gaming Commission.

- Developed assumptions for gaming facilities and amenities. Coordinated with the Board's consulting group to establish common assumptions to use in gravity modeling. These assumptions were refined several times as additional information from the applicants was received.

- Developed assumptions for the potential Wyandotte Tribe Casino (WTC) in Park City, Kansas using recent news releases in Kansas newspapers, as well as discussion with the Board's consulting group regarding the most likely size and scope of the WTC based upon lot size and available information. The consulting group decided to utilize assumptions that include 1,000 slots in phase 1 and mirror each applicant's Full Build Out (FBO) capacity for the WTC's FBO scenario. While this level of development may not occur at the WTC, it would nonetheless represent a worse case scenario for comparison.

- To fully address the timing of Global's building phases and the potential impacts of a tribal casino, WGR developed and defined seven scenarios for Global's proposed gaming facility, the WinSpirit (refer to Section 4 for details that include a description of the scenarios).

  WGR developed six scenarios for Peninsula's proposed gaming site(s) for the Kansas Star (refer to Section 5 for details that include a description of the scenarios).

- Developed custom, proprietary gravity models for each of the two proposed South Central Gaming Zone gaming facility projects.

- Prepared mid-case gaming revenue and casino visits projections for 2012 through 2016 for each of the proposed gaming facility projects. Statistical variance of one standard deviation was footnoted for each set of projections to indicate the potential variance up or down from the mid-case projections.

- Conducted vehicle traffic volume analysis on I-35 for purposes of estimating incremental gaming revenues resulting from the Global Gaming travel plaza and truck stop.

  While the gravity modeling process takes into account all potential gaming activity within the defined project trade area, there is an additional component of gaming revenue generated from individuals outside this trade area. Specifically, in the case of the proposed WinSpirit travel plaza and truck stop, a certain percentage of passenger vehicles and trucks will stop at the travel plaza, resulting in an increased amount of casino patrons not quantified by the gravity model. WGR used actual traffic data near the proposed casino site to create an estimate of the incremental gaming revenue the travel plaza would generate.

- Reviewed the Crossroads Consulting Services study, "Market and Economic/Fiscal Analysis for the Proposed New Equine/Rodeo Complex in Sumner County, Kansas", prepared for Peninsula Gaming, LLC. WGR developed assumptions for use in estimating incremental gaming revenues generated by the equestrian event center at the Kansas Star that originated beyond the boundaries of the defined 100-mile trade area.

- Developed data tables comprised of gaming revenue and casino visit results for the Board's consultants who were conducting the fiscal and economic impact analyses. Tables detail flows coming from and going to both the State of Kansas and outside the State of Kansas.

Limiting Conditions

Wells Gaming Research, subject to the following conditions, presents the results of the ***South Central Gaming Zone of Kansas 2010 – Projections of Gaming Revenues and Casino Visits****,* for the Kansas Lottery Gaming Facility Review Board, hereinafter referred to as the Client.

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In the event that Wells Gaming Research (WGR), Richard H. Wells, or any WGR staff members are named as parties to a law suit or are compelled by a court to provide testimony and documents relating to WGR's work for the above named Client, said Client agrees to reimburse WGR for all out-of-pocket expenses including attorney fees, deposition expenses, travel, and document production expenses required to comply with a court order or other litigation requirements. If WGR is compelled to be a witness in litigation arising from this project assignment, the Client will reimburse WGR at WGR's customary billing rate for staff time required to comply with the court order(s).

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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.

Limitations of Analyses

The scope of the project did not include conducting consumer-marketing research in the trade area to determine gambling tastes and preferences, or the potential utilization of casinos located in the identified trade area.

According to the National Bureau of Economic Research, America's longest recession since the Great Depression ended in June 2009. Nonetheless, economic malaise continues. WGR has not attempted to estimate the impact of continuing economic problems in the United States.

Inflation rate assumptions used by the applicants of 3% per annum were also used by the consultants to the Client, including Wells Gaming Research.

There was scant information available on plans for a Wyandotte Tribal Casino at Park City, Kansas. Thus, the consultant group developed is own set of assumptions regarding the size and scope of a potential Tribal casino for purposes of estimating the possible impact on a Kansas Lottery gaming facility in the South Central Gaming Zone.

SB 66 authorized slot machines at Wichita Greyhound Park (WGP). WGR assumed for political and economic reasons that slots will not be installed at WGP.

WGR estimated incremental gaming revenue that would be generated from beyond the trade area covered by the gravity model for Global Gaming's travel plaza and Peninsula Gaming's equestrian event center. In both cases, WGR's used a blend of assumptions from the applicants' proposals and other sources.

While WGR's study was prepared with great care and diligence, the scope and time of the study are limited. Studies of this nature are subject to many risks and variables, some known and some unknown. The actual gaming revenues and casino visits may vary significantly from any estimates contained in this report.

ACCEPTANCE AND/OR USE OF THE RESULTS AND ANALYSES CONTAINED IN THIS REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS. WGR'S LIABILITY EXTENDS ONLY TO THE STATED CLIENT AND NOT TO SUBSEQUENT PARTIES OR USERS. THESE STUDY RESULTS AND ANALYSES ARE NOT REPRESENTATIONS OR GUARANTEES OF ANY SPECIFIC LEVEL OF PERFORMANCE THAT MIGHT RESULT FROM THE ADDITION OF A CASINO LOCATED IN THE SOUTH CENTRAL GAMING ZONE OF KANSAS.

Section 2

Executive Summary

Executive Summary

Global Gaming KS, LLC and Peninsula Gaming Partners, LLC submitted applications to the Kansas Lottery Commission seeking the opportunity to build a casino entertainment facility in the South Central Gaming Zone of Kansas. The applications were forwarded to the Kansas Lottery Gaming Facility Review Board for evaluation. Wells Gaming Research was engaged by the Board to:

1. Conduct independent projections of the applicants' proposed gaming facility projects
2. Compare the applications submitted by the competing developers, Global and Peninsula
3. Analyze and forecast the potential impact that the proposed Wyandotte Casino would have on each of the projects

WGR's independent study included:

- Establishing the trade area
- Studying demographic trends (population and median household incomes)
- Inventorying casino capacity
- Researching casino expansions
- Identifying and researching potential new casinos that are being considered
- Forecasting gaming revenues and casino visits for the applicants' projects
- Comparing WGR's revenue and visit projections with those developed by the applicants

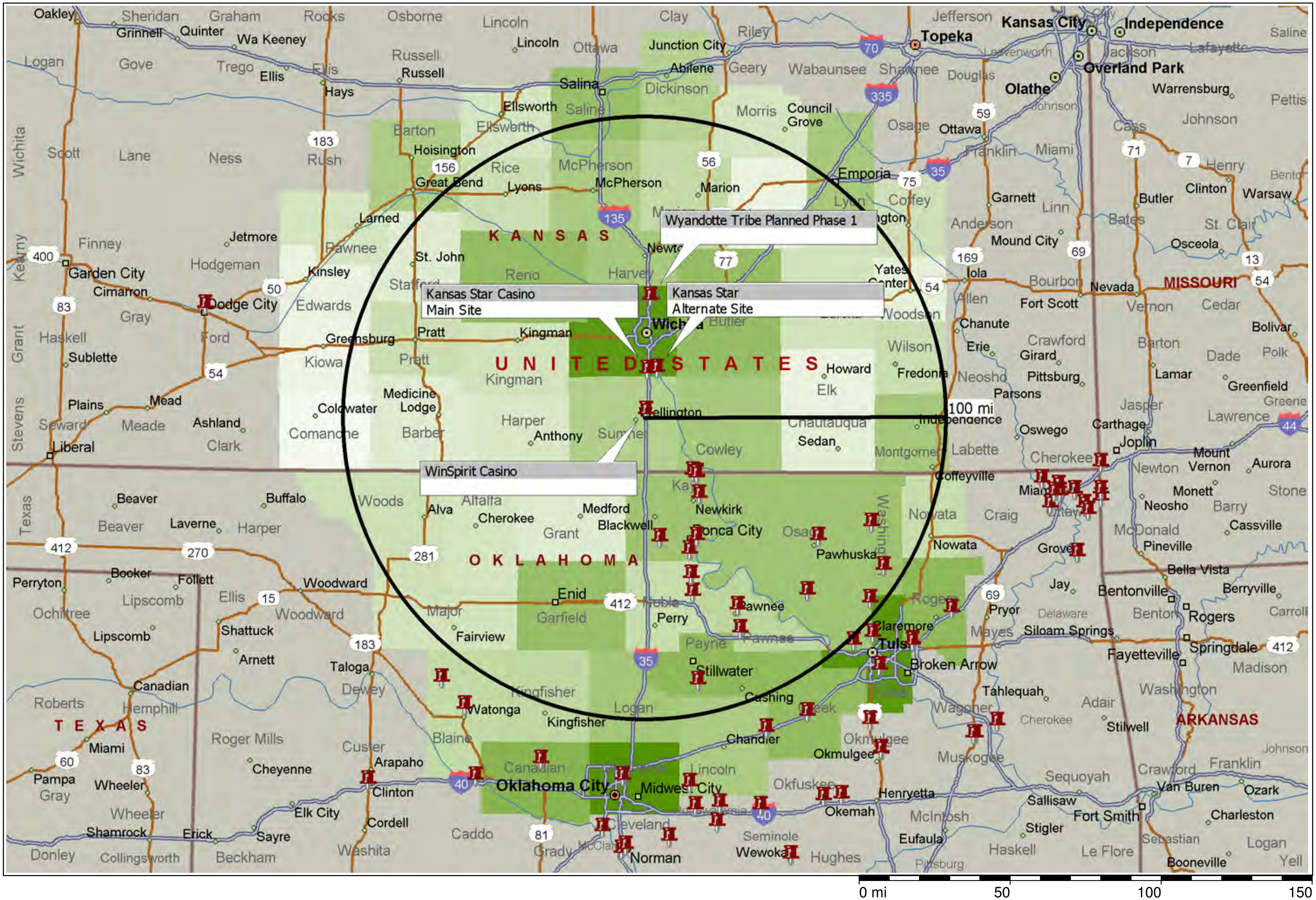
A summary of WGR's findings are highlighted below. Refer to Sections 2 through 5 of this study for details.

Highlights of WGR's Research & Analyses

Trade Area

The trade area essentially includes the 100-mile radius surrounding the casino development sites proposed by Global Gaming and Peninsula Gaming (these sites are less than 15 miles apart and hence share the same trade area). However, the north-south boundaries extend from Saline and Dickinson Counties, Kansas on the north, to Oklahoma County (Oklahoma City-150 miles from sites) on the south. The eastern boundaries extend to Wilson County, Kansas on the east and Tulsa County, Oklahoma (Tulsa – 140 miles from sites) on the southeast. The western boundaries extend to Kiowa and Comanche Counties, Kansas (refer to trade area map shown on page 2-2).

Map 1 - South Central Gaming Zone Trade Area



Demographic Highlights

The demographic data for the south central trade area are summarized in Figure 2-1 for 2010, 2012, and 2016 (refer to Section 3 for year-to-year details). The total population for 2010 is estimated at 3.05 million with a corresponding adult population of 2.11 million (adults represent 69.2% of the total population). Forecasts show that the adult population should increase to 2.17 million by 2016. This increase reflects an average compound growth rate of 0.52% for the Kansas portion of the trade area, and a corresponding 0.58% growth rate for the Oklahoma segment. MHI for the trade area is projected to increase from $50,170 to $57,772 between 2010 and 2016, reflecting a 2.38% compound growth rate.

Figure 2-1

State	*2010* Total Pop	Adult Pop	% Adult	MHI	*2012* Total Pop	Adult Pop	% Adult	MHI	*2016* Total Pop	Adult Pop	% Adult	MHI
KS	1,022,221	702,176	68.7%	$50,465	1,027,089	705,403	68.7%	$52,299	1,035,282	710,774	68.7%	$57,139
OK	2,024,112	1,405,887	69.5%	$50,023	2,047,230	1,421,889	69.5%	$52,476	2,096,850	1,456,218	69.4%	$58,081
Total	**3,046,333**	**2,108,063**	**69.2%**	**$50,170**	**3,074,319**	**2,127,292**	**69.2%**	**$52,583**	**3,132,132**	**2,166,992**	**69.2%**	**$57,772**

Data Sources: Center for Regional Studies, University of Nevada, Reno and Wells Gaming Research. November 2010.

As a point of reference, the US Census Bureau reported 2009 MHI statistics (the most current year available) for the US at $50,221. This represents a decline of 2.9% when compared with the 2008 MHI statistic of $51,726. The US Census Bureau also reported declines for the State of Kansas ($49,686 for 2008 versus $47,817 for 2009, a 3.8% decrease) and for Oklahoma ($42,642 in 2008 versus $41,664 in 2008, a decrease of 2.3%). Due to these downward trends, there could be adjustments in the MHI estimates and projections once the 2010 Census results are released.

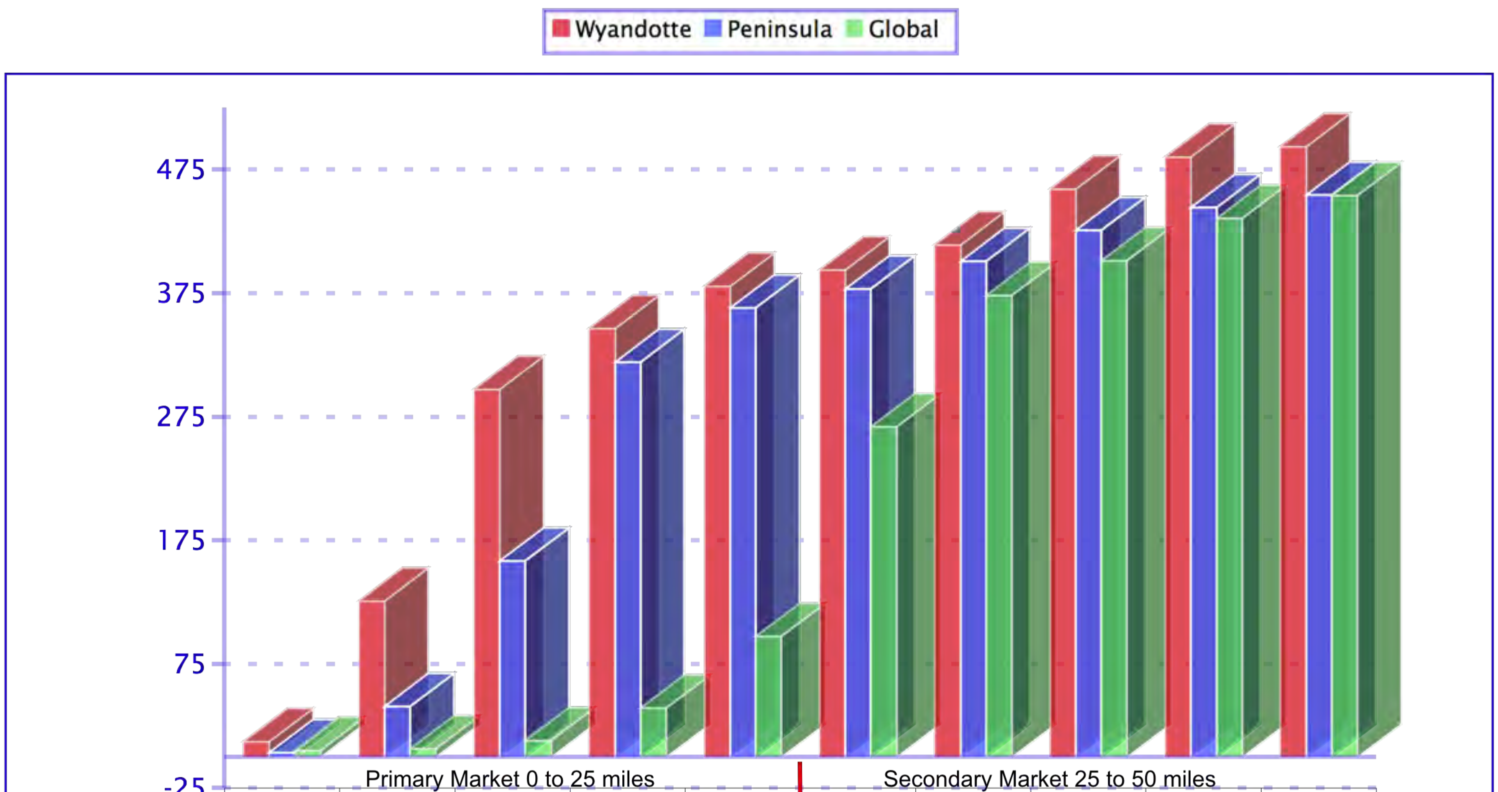
Cumulative Adult Population by Distance

Figure 2-2, page 2-4, graphically illustrates the relationship between distance and the concentration of population located within the defined trade area. The primary market typically includes the trade area population located within a 25-mile radius of a project's development site. In this case, both the Wyandotte and Peninsula sites enjoy a major advantage over Global in terms of population proximity. The Wyandotte site has approximately 381 thousand adults residing within a 25-mile radius, and the Peninsula site has over 363 thousand adults (refer to the population statistics printed at the bottom of Figure 2-2). Global, on the other hand, has approximately 98 thousand adults living within the primary trade area boundaries. The secondary market area, 25-to-50 mile radius of the development site, shows that the population distribution does not begin to equalize among the three casino sites until the 40-to-50 mile radius is reached.

South Central Gaming Zone of Kansas 2010
Projections of Gaming Revenues and Casino Visits

Figure 2-2
(Population Numbers Stated in Thousands)

KS SC Gaming Zone Cumulative Adult Population by Distance from Each Casino Site



	> 0 to 5mi	> 5 to 10mi	>10 to 15mi	>15 to 20mi	>20 to 25mi	>25 to 30mi	>30 to 35mi	>35 to 40mi	>40 to 45mi	>45 to 50mi
Wyandotte	12.8	126.4	297.7	346.7	381.2	394.2	414.6	459.8	485.4	493.8
Peninsula	3.9	41.1	159.1	319.5	363.3	378.8	401.2	426.4	444.7	454.8
Global	5.6	7.2	13.8	40	97.8	267.2	373.6	401.5	435.9	454.3

Data Source: Wells Gaming Research, November 2010.

Summary of Current Casino Gaming Capacity before Global or Peninsula is Added

Figure 2-3 shows that there are 63 casinos located within the subject trade area. Combined, they are equipped with a total of 37,237 slots and 508 table games. Two new casinos, one at Chilocco, Oklahoma and one at Park City, Kansas (Wyandotte Tribe), are proposed that would add 2,300 slot machines and 60 table games (the Wyandotte's gaming would be Class-2). In addition, expansions are planned at three casinos (Boot Hill, First Council, and the Lucky Star). The net result would boost trade area capacity to 40,428 slots and 571 table games. On a percentage basis, the trade area's slot inventory would increase by 8.6% while table games would go up by 12.4%.

Figure 2-3

Trade Area Capacity	# of Casinos	# of Slots	# of Tables	# of Poker Tables	Total Tables
Existing					
Total for Kansas	1	*584*	*12*	*0*	*12*
Total of Oklahoma	62	36,653	326	170	496
Total Existing	**63**	**37,237**	**338**	**170**	**508**
New					
New Casino in Chilocco	1	300	0	0	0
Wyandotte Tribe Full Build Out	1	2,000	40	20	60
Total Existing and New Casinos	65	39,537	378	190	568
Expansions					
Boot Hill Casino and Resort	NA	291	3	0	3
First Council Casino	NA	0	0	0	0
Lucky Star Casino - Concho	NA	600	0	0	0
Total Expansions	NA	891	3	0	3
Total for the Trade Area	**64**	**40,428**	**381**	**190**	**571**
Percent Increase	**1.6%**	**8.6%**	**12.7%**	**11.8%**	**12.4%**

Data Source: Wells Gaming Research, November 2010.

OK Casinos Located within 100 Miles of the Trade Area

Figure 2-4 Illustrates the 15 OK casinos that are located within 100 miles of the south central trade area. Of the 15, five are located within 50 miles. These five have 49% of the slots, and 68% of the table games.

Figure 2-4

	Distances between OK Casinos & Trade Area Center	# of Slots	# of Tables	# of Poker Tables	Total Tables	# of Bingo Seats	Casino S.F.	Conven-tion S.F.	# of Hotel RM	Restau-rants	Enter-tain-ment	RV Park-ing	Park-ing
	Located within 50 Miles												
1	Kaw Southwind Casino	800	6	10	16	700	55,000	0	0	2	0	0	1,000
2	First Council Casino	700	8	10	18	0	0	0	0	2	1	0	950
3	Native Lights Casino	652	6	0	6	0	22,500	0	0	1	0	0	0
4	Tonkawa Casino	388	3	0	3	0	14,437	0	0	1	0	0	0
5	Lil' Bit of Paradise Casino 1	306	0	0	0	0	0	0	0	0	0	0	0
	Subtotal Capacity within 50 miles	**2,846**	**23**	**20**	**43**	**700**	**91,937**	**0**	**0**	**6**	**1**	**0**	**1,950**
	Percent of Total Capacity	**49%**	**66%**	**71%**	**68%**	**100%**	**46%**	**0%**	**0%**	**38%**	**100%**	**0%**	**54%**
	Located > 50 Miles < 75 Miles												
1	7 Clans Paradise Casino	711	6	6	12	0	30,000	0	0	2	0	0	500
2	Osage Million $ Elm - Ponca City	223	0	0	0	0	7,700	0	0	0	0	0	
3	Osage Million $ Elm - Pawhuska	180	0	0	0	0	0	0	0	1	0	0	50
4	Lil' Bit of Paradise Casino 2	96	0	0	0	0	0	0	0	0	0	0	0
	Subtotal Capacity within 75 miles	**1,210**	**6**	**6**	**12**	**0**	**37,700**	**0**	**0**	**3**	**0**	**0**	**550**
	Percent of Total Capacity 49%	**21.0%**	**17.1%**	**21.4%**	**19.0%**	**0.0%**	**18.9%**	**0.0%**	**0.0%**	**18.8%**	**0.0%**	**0.0%**	**15.3%**
	Located > 75 Miles < 100 Miles												
3	Osage Million $ Elm - Bartlesville	600	6	2	8	0	42,000	0	0	3	0	0	700
2	Cimarron Casino	369	0	0	0	0	9,600	0	0	1	0	0	400
4	Osage Million Dollar Elm Casino - Hominy	225	0	0	0	0	0	0	0	1	0	0	0
5	StoneWolf Casino & Grill	214	0	0	0	0	10,000	0	0	1	0	0	0
1	Cherokee Casino - Ramona	208	0	0	0	0	4,500	0	0	1	0	0	0
6	Trading Post Casino	98	0	0	0	0	3,500	0	0	0	0	0	0
	Subtotal Capacity within 100 miles	**1,714**	**6**	**2**	**8**	**0**	**69,600**	**0**	**0**	**7**	**0**	**0**	**1,100**
	Percent of Total Capacity 49%	**29.7%**	**17.1%**	**7.1%**	**12.7%**	**0.0%**	**34.9%**	**0.0%**	**0.0%**	**43.8%**	**0.0%**	**0.0%**	**30.6%**
15	**Total Capacity**	**5,770**	**35**	**28**	**63**	**700**	**199,237**	**0**	**0**	**16**	**1**	**0**	**3,600**

Data Source: Wells Gaming Research. November 2010.

An additional four casinos are located within approximately 50-to-75 miles of the south central trade area. This group has 21% of the slots and 19% of the table games. The remaining six casinos are located within 75-to-100 miles of the trade area. Combined, they have approximately 30% of the slots and 12.7% of the table games.

Project Names Applicants	WinSpirit (Global Gaming)			Kansas Star (Peninsula Gaming)	
	Phase 1a 2012	Phase 1c 2016	Full Build Out 2024	Phase 1a 2012	Full Build Out 2016
Casino:					
Square Footage	72,979	72,979	72,979	44,100	63,700
Gaming Capacity					
Slot Machines	1,300	1,800	2,000	1,310	2,000
Table Games	30	40	40	32	50
Poker Tables	20	20	20	0	10
Restaurants / Food & Beverage:					
Kiosks	0	0	0	1	0
Deli	0	0	0	1	1
Buffet - # of Seats	225	225	225	0	250
Steakhouse - # of Seats	0	0	100	0	140
Liberty Deli - # of Seats	0	0	135	0	0
Food Court - # of Seats	100	100	100	0	40
Bars:					
Bar/ Lounge w/ Stage - # of Seats	90	90	90	35	35
Center Bar - # of Seats	50	50	50	0	0
Sports Bar w/ Food Service - # of Seats	140	140	140	0	150
Events / Entertainment Centers:					
Events[1] / Equine Center[2] # of Seats	1,400	1,400	1,400	0	3,000
Hotel:					
# of Rooms	80	80	200	0	300
Travel Plaza					
# of Fueling Positions	0	12	12	0	0
Parking:					
# of Vehicle Spaces	2,357	2,357	3,323	1,820	3,965
RV Park:					
# of Spaces	0	0	90	0	100
FTE's:					
# of Full Time Equivalents	1,016	1,103	1,103	481	870

Summary Comparison of the Applicants' Proposals

Figure 2-5 (left) illustrates both the similarities and the differences in the gaming capacities and amenities proposed for the WinSpirit and the Kansas Star.

The projections for the WinSpirit for Phase 1c 2016 include scheduled project completions per the applicants by the year 2016. FBO for the WinSpirit is not scheduled until 2024. FBO for the Kansas Star is scheduled for 2016.

Casino Size

Casino square footage varies significantly in Phase 1a (approximately 73 thousand square feet for the WinSpirit versus 44 thousand for the Kansas Star). In the full build out, casino square footage runs 73 thousand square feet versus approximately 64 thousand, respectively.

Gaming Capacity

The differences in gaming capacity are small. Approximately 13 hundred slots for each applicant with 50 table games for WinSpirit and 32 for the Kansas Star in Phase 1a. For the full build out, both applicants have 2 thousand slots with 60 table games apiece (40 non-poker and 10 poker for the WinSpirit and 50 non-poker and 10 poker for the Kansas Star).

Data Sources: Wells Gaming Research. Global Gaming Kansas, LLC, & Peninsula Gaming Partners, LLC, November 2010.

Footnotes:

1. The WinSpirit's plans include an event center to be used for entertainment, conventions, and meetings.
2. The Kansas Star's plans include an equine center for equestrian functions that could also be used for entertainment and other types of special events.

Restaurants

The WinSpirit plans a buffet and a food court in Phase 1a while the Kansas Star will have a deli and food and beverage kiosks. For the full build out, both applicants will have a buffet, a steakhouse, and a food court.

Bars & Lounges

The WinSpirit's plans include three bars/lounges (one with stage and seating for 90, a casino center bar with 50 seats, and a sports bar with food service and 140 seats). The Kansas Star plans to start with a small 35-seat bar in Phase 1a. A 150-seat sports bar with food service would be added and is included in the full build out.

Special Event & Entertainment Centers

The WinSpirit's plans include an event center to be used for entertainment, conventions, and meetings.

The Kansas Star's plans include an equine center for equestrian functions that could also be used for entertainment and other types of special events.

Hotel

The WinSpirit's plans include an 80-room hotel in Phase 1a expanding to 200 rooms for the full build out. The Kansas Star would not have a hotel in Phase 1a, but plans to add a 300-room hotel for the full build out.

Travel Plaza

The WinSpirit plans to develop a travel plaza with 12 fueling stations. Other types of amenities to be offered are yet to be determined.

Parking

As proposed, the WinSpirit would provide 2,367 parking spaces in Phase 1a while the Kansas Star would provide 1,820. Parking would be expanded in the full build out to accommodate 3,323 vehicles at the WinSpirit and 3,965 at the Kansas Star.

RV Park

Neither applicant plans RV accommodations for Phase 1a; however, both would offer it in the full build out (90 spots for the WinSpirit and 100 spots for the Kansas Star).

FTEs (Full Time Equivalents)

FTE projections include 1,018 for the WinSpirit in Phase 1a versus 481 for the Kansas Star's temporary facility. FTE projections increase to 1,103 and 870, respectively in the full build out.

Highlights of the Gaming Revenue Projections

WGR's gaming revenue forecasts together with the gaming revenue projections submitted by the applicants, Global Gaming Kansas, LLC and Peninsula Gaming Partners, LLC are summarized in Figure 2-6. The assumptions include 2012 (targeted opening date), 2014 (stabilized casino operations with slot capacity increasing from 1,300 to 1,550 machines at the WinSpirit and from 1,310 to 1,500 at the Kansas Star), 2016 (slot capacity increases from 1,550 to 1,800 at the WinSpirit and from 1,500 to 2,000 at the Kansas Star). Full build out (FBO) slot capacity increases to 2,000 between 2016 and 2024 for the WinSpirit).

Figure 2-6
Gaming Revenue Projections

Revenue Projections	2012			2014			2016 [4]		
	WinSpirit [3] Phase 1a	Kansas Star Phase 1a	Difference	WinSpirit Phase 1b	Kansas Star Phase 1b	Difference	WinSpirit Phase 1C	Kansas Star FBO	Difference
Applicants [1 & 2]	$63,261,400	$118,907,923	$55,646,523	$140,438,700	$165,812,555	$25,373,855	$155,694,600	$202,342,739	$46,648,139
Wells Gaming Research	$45,102,500	$132,614,000	$87,511,500	$108,685,160	$178,683,731	$69,998,571	$120,499,558	$209,183,759	$88,684,201
Dif - Applicants vs. WGR	**$18,158,900**	**-$13,706,077**	**-$31,864,977**	**$31,753,540**	**-$12,871,176**	**-$44,624,716**	**$35,195,042**	**-$6,841,020**	**-$42,036,062**
% Difference	28.7%	-11.5%	-57.3%	22.6%	-7.8%	-175.9%	22.6%	-3.4%	-90.1%
Net Revenue with Wyandotte (WGR's Projections)	**$34,908,000**	**$92,030,000**	**$57,122,000**	**$86,705,160**	**$138,977,731**	**$52,272,571**	**$71,094,558**	**$123,326,759**	**$52,232,201**
Impact of the Wyandotte Casino	-$10,194,500	-$40,584,000	-$30,389,500	-$21,980,000	-$39,706,000	-$17,726,000	-$49,405,000	-$85,857,000	-$36,452,000
% Impact	-23%	-31%	-35%	-20%	-22%	-25%	*-41%*	-41%	-41%

Data Sources: Wells Gaming Research, Global Gaming KS, LLC and Peninsula Gaming Partners, LLC.

Footnotes:
1. At a 68% confidence interval, total trade area gaming revenues for the proposed Global gaming facility can be expected to vary +12% and -14%.
2. At a 68% confidence interval, total trade area gaming revenues for the proposed Peninsula gaming facility can be expected to vary +6% and -8%.
3. The 2012 projections for Global Gaming represent approximately one half of the year 2012.
4. The projections for 2016 include scheduled project completions as per the applicants for the year 2016.

Gaming Revenue Projections for 2012

The length of the forecast period shown in Figure 2-6 for 2012 represents a key distinction between the WinSpirit and the Kansas Star. The WinSpirit's 2012 gaming revenue projection reflects six months of casino operations as opposed to 12 months for the Kansas Star. If the WinSpirit's revenue forecast of $63 million were annualized, it would be higher than that for the Kansas Star (approximately $127 million versus $119 million). Annualized, WGR's corresponding 2012 gaming revenue projection of $45 million for the WinSpirit would increase to approximately $90 million.

WGR's projection of $133 million for Peninsula's Kansas Star is approximately $14 million higher than Peninsula's forecast of $119 million.

When the competitive impact of the Wyandotte gaming facility is factored into the equation, WGR's six-month forecast for 2012 for the WinSpirit decreases to a net of approximately $35 million (a projected decline of $10 million). The negative impact of the Wyandotte on the Kansas Star for 2012 results in net gaming revenues of $92 million, approximately $41 million less than without the Wyandotte (refer to Figure 2-6, page 2-9).

Gaming Revenue Forecasts for 2014

The 2014 forecasts represent a full 12-months of normalized casino operations for both applicants. Gaming revenue forecasts for 2014 continue to shows notable differences between the projections made by Global (WinSpirit) and by Peninsula (Kansas Star), $140 million versus $166 million, respectively, a $25 million difference. In Comparison, WGR's forecasted gaming revenue for Global's WinSpirit is $109 million, $70 million less than WGR's $179 million estimate for Peninsula's Kansas Star. There is a $32 million difference between Global's WinSpirit and WGR's forecast and a $13 million difference between Peninsula's Kansas Star and WGR's corresponding forecast, $166 million versus $179 million, (WGR's gaming revenue forecast is higher than Peninsula's by $13 million).

Factoring in the competitive impact of the Phase 1 Wyandotte Casino (1,000 slots), WGR's gaming revenue forecast for Global's WinSpirit decreases their net to approximately $87 million (a $22 million, 20%, decline with the Wyandotte). The negative impact of the Wyandotte on Peninsula's Kansas Star results in a net gaming revenue of $139 million (a decrease of approximately $40 million, 22%).

Gaming Revenue Projections for 2016

The projections for 2016 include scheduled project completions as per the applicants by the year 2016. FBO for the Kansas Star has been forecasted by the applicant for 2016. However, FBO for the WinSpirit is not scheduled until 2024. The 2016 data represents Phase 1c for the WinSpirit and FBO for the Kansas Star. For 2016, Global has forecasted $156 million in gaming revenue for the WinSpirit, while Peninsula (FBO) has projected $202 million for the Kansas Star. WGR's corresponding forecasts show $120 million in gaming revenue for Global and $209 million for Peninsula. Thus, WGR's gaming revenue forecasts are $35 million lower that those developed by Global and $7 million higher than Peninsula's projections.

To allow for the competitive impact of the Wyandotte Casino (mirrors applicant's FBO gaming capacity), WGR forecasted gaming revenues at $71 million for Global's WinSpirit (a $49 million, 41% decrease) and at $123 million for Peninsula's Kansas Star (an $86 million, 41% decrease). Thus, the addition of the Wyandotte Casino to the trade area results in a $49 million dollar decline in gaming revenues to Global's WinSpirit and an $86 million decline for Peninsula's Kansas Star.

There is a $47 million difference in the gaming revenue forecasts submitted by the two applicants for 2016 in favor of the Kansas Star (far right hand column of Figure 2-6, page 2-9). In comparison, WGR has forecasted a gaming revenue difference of $89 million between the two applicants, in favor of the Kansas Star. When the potential impacts of the Wyandotte Casino are factored in, WGR's gaming revenue forecasts show $52 million more in gaming revenue at the Kansas Star.

Peninsula – Alternative Site – Oliver Road & Hwy 53

Peninsula has presented an alternative development site for the Kansas Star Casino located at the southeast corner of the intersection of Oliver Road and Hwy 53, near Mulvane, Kansas. WGR estimates that the Kansas Star's gaming revenues and casino visits would be 2%-to-4% lower than estimates for the main site located at Exit 33 off I-35 in Sumner County, Kansas.

Section 3

Demographics

Demographic Statistics for the Trade Area

Demographic statistics for the trade area were obtained from the Center for Regional Studies, University of Nevada, Reno. The population data were compiled at the census tract level of detail for 2000 and for 2009 through 2017. The statistics listed in Figure 3-1 reflect the total population for the eight counties that are contiguous with the proposed development sites, as well as the total population of the remaining portions of Kansas and Oklahoma that falls within the trade area boundaries.

Total Population

The total population for the trade area was approximately 2.9 million in 2000 increasing to 3.0 million by 2009. Projections are for 3.1 million by 2017. The estimated CAGR between 2009 and 2017 is 0.46%.

Figure 3-1 - Total Population Statistics for the South Central Gaming Zone's Trade Area 2000 & 2009 – 2017

# of Co	County	*2000*	2009	2010	2011	2012	2013	2014	2015	2016	2017	CAGR 09_17
1	Butler County, KS	*59,482*	64,190	64,826	65,572	66,253	66,944	67,641	68,346	69,095	69,848	1.06%
2	Cowley County, KS	*36,291*	33,919	33,769	33,688	33,563	33,437	33,313	33,190	33,086	32,984	-0.35%
3	Harper County, KS	*6,536*	5,775	5,695	5,632	5,558	5,486	5,414	5,343	5,277	5,212	-1.27%
4	Kingman County, KS	*8,673*	7,629	7,543	7,477	7,398	7,320	7,242	7,165	7,095	7,026	-1.02%
5	Sedgwick County, KS	*452,869*	485,043	487,237	490,194	492,667	495,143	497,630	500,141	502,926	505,709	0.52%
6	Sumner County, KS	*25,946*	23,393	23,173	22,999	22,795	22,595	22,395	22,199	22,016	21,834	-0.86%
7	Grant County, OK	*5,144*	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,467	4,485	0.10%
8	Kay County, OK	*48,080*	45,744	45,854	46,132	46,301	46,469	46,639	46,807	46,954	47,104	0.37%
	Total Contiguous Counties	***643,021***	**670,143**	**672,547**	**676,144**	**678,985**	**681,844**	**684,724**	**687,641**	**690,916**	**694,202**	**0.44%**
	% Contiguous pop	***22%***	***22%***	***22%***	***22%***	***22%***	***22%***	***22%***	***22%***	***22%***	***22%***	
	KS Excluding Contiguous Counties	***414,275***	**401,177**	**399,978**	**399,723**	**398,855**	**398,001**	**397,163**	**396,326**	**395,787**	**395,268**	**-0.19%**
	% Total Pop	***14%***	***13%***	***13%***	***13%***	***13%***	***13%***	***13%***	***13%***	***13%***	***13%***	
	OK Excluding Contiguous Counties	***1,822,125***	**1,960,748**	**1,973,808**	**1,984,174**	**1,996,479**	**2,008,873**	**2,021,347**	**2,033,936**	**2,045,429**	**2,056,981**	**0.60%**
	% Total Pop	***63%***	***65%***	***65%***	***65%***	***65%***	***65%***	***65%***	***65%***	***65%***	***65%***	
	Total	***2,879,421***	**3,032,068**	**3,046,333**	**3,060,041**	**3,074,319**	**3,088,718**	**3,103,234**	**3,117,903**	**3,132,132**	**3,146,451**	**0.46%**

Data Sources: Center for Regional Studies, University of Nevada, Reno & Wells Gaming Research, November 2010.

The distribution of the total population among the three segments (contiguous counties, Kansas, and Oklahoma) showed that in 2000 the contiguous counties had a total population of 643 thousand (22% of the trade area total). The Kansas segment (excluding the contiguous counties) had 414 thousand (14%), and the Oklahoma portion (excluding the contiguous counties) had 1.8 million (63% of the trade area). By 2009, the respective distribution had changed a bit to 670 thousand for the contiguous counties (22%), 401 thousand for the Kansas portion (3%), and approximately 2 million (65%) for the Oklahoma segment. Projections for 2017 show 694 thousand (22%) for the contiguous counties, 395 thousand (13%) for the Kansas portions, and 2.1 million (65%) for the Oklahoma segment.

For the eight contiguous counties, 70% of their total population for 2000 (453 thousand) resided in Sedgwick County, Kansas. This compares with 72% (485 thousand) in 2009, and a projected 73% (506 thousand) by 2017.

Adult Population

Figure 3-2 illustrates that the total adult population for the trade area was approximately 2.0 million in 2000, with minor increases to 2.1 million in 2009 and projections for 2.2 million by 2017. The estimated CAGR between 2009 and 2017 is 0.46%.

Figure 3-2 - Adult Population Statistics for the Trade Area 2000 & 2009 – 2017

# of Co	County	2000	2009	2010	2011	2012	2013	2014	2015	2016	2017	CAGR 09_17
1	Butler County, KS	39,923	43,084	43,509	44,010	44,468	44,931	45,397	45,872	46,374	46,880	1.06%
2	Cowley County, KS	24,901	23,274	23,171	23,115	23,029	22,941	22,858	22,774	22,702	22,633	-0.35%
3	Harper County, KS	4,719	4,170	4,111	4,067	4,013	3,961	3,909	3,858	3,811	3,762	-1.28%
4	Kingman County, KS	6,044	5,317	5,257	5,211	5,156	5,101	5,047	4,993	4,945	4,897	-1.02%
5	Sedgwick County, KS	306,890	328,692	330,179	332,185	333,862	335,537	337,222	338,927	340,816	342,700	0.52%
6	Sumner County, KS	17,554	15,826	15,678	15,560	15,423	15,288	15,152	15,018	14,895	14,771	-0.86%
7	Grant County, OK	3,669	3,174	3,174	3,174	3,174	3,174	3,174	3,174	3,186	3,199	0.10%
8	Kay County, OK	33,194	31,582	31,658	31,849	31,964	32,081	32,200	32,315	32,418	32,521	0.37%
	Total Contiguous Counties	**436,894**	**455,119**	**456,737**	**459,171**	**461,089**	**463,014**	**464,959**	**466,931**	**469,147**	**471,363**	**0.44%**
	% Contiguous pop	**22%**	**22%**	**22%**	**22%**	**22%**	**22%**	**22%**	**22%**	**22%**	**22%**	
	KS Excluding Contiguous Counties	**290,479**	**281,119**	**280,271**	**280,076**	**279,452**	**278,827**	**278,227**	**277,623**	**277,231**	**276,845**	**-0.19%**
	% Total Pop	**15%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	
	OK Excluding Contiguous Counties	**1,266,350**	**1,362,022**	**1,371,055**	**1,378,231**	**1,386,751**	**1,395,322**	**1,403,952**	**1,412,661**	**1,420,614**	**1,428,602**	**0.60%**
	% Total Pop	**64%**	**65%**	**65%**	**65%**	**65%**	**65%**	**65%**	**65%**	**66%**	**66%**	
	Total	**1,993,723**	**2,098,260**	**2,108,063**	**2,117,478**	**2,127,292**	**2,137,163**	**2,147,138**	**2,157,215**	**2,166,992**	**2,176,810**	**0.46%**

Data Sources: Center for Regional Studies, University of Nevada, Reno & Wells Gaming Research, November 2010.

Percentage allocations for the three adult population segments (contiguous counties, Kansas excluding the contiguous counties, and Oklahoma excluding the contiguous counties) mirror the percent distribution discussed under the caption **"total population"** (pages 3-1 and 3-2) for 2000 through 2017.

The percent of adult population living in Sedgwick County, Kansas relative to the total for the eight contiguous counties mirrored that for the total population with 70% (307 thousand) in 2000, increasing to 72% (329 thousand) in 2009 and to 73% (343 thousand) for 2017.

Median Household Income (MHI)

Figure 3-3 profiles MHI statistics for the trade area. Overall, the MHI was $39.6 thousand per year in 2000 and $49.0 thousand in 2009. The MHI has been forecasted at $59.1 thousand by 2017. The CAGR between 2009 and 2017 has been forecasted at 2.38%. The MHI for the contiguous counties included in the trade area was $43.5 thousand per year in 2000 and $52.4 thousand per year for 2009. Forecasts include increases to $61.6 thousand by 2017. These increases reflect a CAGR for the trade area of 2.04% between 2009 through 2017. The Kansas portion of the trade area (excluding the contiguous counties) had a MHI of $35.9 thousand in 2000 and $43.5 thousand in 2009. Projections are for $51.7 thousand by 2017. This reflects a CAGR of 2.17%. The Oklahoma portion of the trade area (excluding the contiguous counties) had a MHI of $39.1 thousand in 2000 with increases to $49.0 thousand in 2009. Forecasts are for a MHI of $59.8 thousand by 2017. This reflects a CAGR of 2.52% between 2009 and 2017.

Figure 3-3 - Median Household Income Statistics for the Trade Area 2000 & 2009 – 2017

County	2000	2009	2010	2011	2012	2013	2014	2015	2016	2017	CAGR 09_17
Butler County, KS	$46,861	$55,799	$56,893	$58,007	$59,142	$60,302	$61,483	$62,687	$63,915	$65,167	1.96%
Cowley County, KS	$35,004	$42,243	$43,133	$44,044	$44,973	$45,923	$46,893	$47,881	$48,893	$49,923	2.11%
Harper County, KS	$29,988	$36,507	$37,312	$38,137	$38,979	$39,841	$40,722	$41,621	$42,541	$43,479	2.21%
Kingman County, KS	$38,783	$47,249	$48,298	$49,369	$50,465	$51,583	$52,729	$53,900	$55,094	$56,317	2.22%
Sedgwick County, KS	$45,705	$54,423	$55,489	$56,575	$57,684	$58,814	$59,967	$61,140	$62,338	$63,559	1.96%
Sumner County, KS	$39,314	$48,103	$49,193	$50,308	$51,448	$52,615	$53,808	$55,027	$56,275	$57,551	2.27%
Grant County, OK	$28,957	$36,530	$37,485	$38,465	$39,471	$40,503	$41,562	$42,649	$43,765	$44,910	2.62%
Kay County, OK	$32,434	$41,002	$42,084	$43,195	$44,336	$45,505	$46,706	$47,939	$49,203	$50,503	2.64%
Total Contiguous Counties	**$43,529**	**$52,406**	**$53,479**	**$54,571**	**$55,687**	**$56,825**	**$57,987**	**$59,171**	**$60,380**	**$61,613**	**2.04%**
KS Excluding Contiguous Counties	**$35,872**	**$43,515**	**$44,459**	**$45,424**	**$46,410**	**$47,418**	**$48,447**	**$49,499**	**$50,574**	**$51,673**	**2.17%**
OK Excluding Contiguous Counties	**$39,106**	**$49,002**	**$50,235**	**$51,499**	**$52,795**	**$54,124**	**$55,487**	**$56,883**	**$58,315**	**$59,784**	**2.52%**
Total	**$39,604**	**$49,005**	**$50,170**	**$51,362**	**$52,583**	**$53,834**	**$55,116**	**$56,428**	**$57,772**	**$59,149**	**2.38%**

Data Sources: Center for Regional Studies, University of Nevada, Reno & Wells Gaming Research, November 2010.

US Census Statistics for MHI

The US Census Bureau's reported that the median household income for the US for 2009 (the most current year available) was $50,221. This compares with $51,726 for 2008, and represents a 2.9% decline. The US Census Bureau also reported declines for the state of Kansas ($49,686 for 2008 and $47,817 for 2009, a 3.8% decrease) and for Oklahoma ($42,642 in 2008 versus $41,664 in 2008, a decrease of 2.3%).

Due to the downward trends that occurred between 2008 and 2009, there could be adjustments in the MHI estimates and projections once the 2010 Census results are released.

Existing Gaming Capacity for the South Central Gaming Zone's Trade Area

Figure 3-4 illustrates the existing gaming capacity for the trade area. Currently, there is one casino in Kansas (Boot Hill) and 62 casinos in Oklahoma (the listing for Oklahoma casinos continues on page 3-7).

Figure 3-4

	Casinos	# of Slots	# of Tables	# of Poker Tables	Total Tables	# of Bingo Seats	Casino S.F.	Conven-tion S.F.	# of Hotel RM	Restau-rants	Entetain-ment	RV Parking	Parking
	Kansas:												
1	*Boot Hill Casino and Resort*	*584*	*12*	*0*	*12*	*0*	*20,000*	*0*	*0*	*2*	*0*	*0*	*1,575*
	Subtotal of Kansas	**584**	**12**	**0**	**12**	**0**	**20,000**	**0**	**0**	**2**	**0**	**0**	**1,575**
	Oklahoma:												
2	7 Clans Paradise Casino	711	6	6	12	0	30,000	0	0	1	0	0	500
3	Bordertown Bingo & Casino	1,300	10	10	20	650	73,000	0	0	1	0	30	400
4	Bordertown Outpost Casino	283	0	0	0	0	3,000	0	0	0	0	0	0
5	Buffalo Run Casino	903	13	4	17	0	70,000	10,000	101	2	1	0	1,300
6	Cherokee Casino - Fort Gibson	271	0	0	0	0	7,430	0	0	1	0	0	182
7	Cherokee Casino - Ramona	208	0	0	0	0	4,500	0	0	1	0	0	0
8	Cherokee Casino - Will Rogers Downs	250	0	0	0	0	27,126	41,000	0	1	1	400	728
9	Cherokee Nation Outpost Tobacco Shop	81	0	0	0	0	1,728	0	0	0	0	0	42
10	Cimarron Casino	369	0	0	0	0	9,600	0	0	1	0	0	400
11	Creek Nation Casino Bristow	219	0	0	0	0	8,500	0	0	1	0	0	0
12	Creek Nation Casino Muscogee	459	7	10	17	300	30,000	0	0	1	0	0	0
13	Creek Nation Casino Okemah	380	0	0	0	110	1,800	0	0	0	0	0	0
14	Creek Nation Casino Okmulgee	345	2	3	5	0	11,000	0	0	1	0	0	600
15	Downstream Casino Resort	2,000	32	14	46	0	70,000	10,000	222	5	3	22	3,000
16	Duck Creek Casino	265	0	0	0	0	5,000	0	0	1	0	0	300
17	Feather Warrior Casino - Canton	145	0	0	0	0	0	0	0	0	0	0	0
18	Feather Warrior Casino - Watonga	175	0	0	0	0	2,200	0	0	0	0	0	0
19	FireLake Casino	800	13	8	21	500	50,000	5,000	0	1	0	0	800
20	FireLake Grand Casino	1,800	23	20	43	0	125,000	13,000	0	3	2	90	4,000
21	First Council Casino	*700*	*8*	*10*	*18*	*0*	*0*	*0*	*0*	*2*	*1*	*0*	*950*
22	Golden Pony Casino	426	0	0	0	0	10,000	0	0	1	0	0	500
23	Goldsby Gaming Center	290	0	0	0	370	15,462	0	0	0	0	0	0
24	Grand Lake Casino	961	10	0	10	0	45,000	0	0	1	1	0	1,000
25	Hard Rock Hotel & Casino Tulsa	2,129	34	18	52	0	125,000	35,000	366	7	5	0	2,415
26	High Winds Casino	480	6	0	6	0	35,000	0	0	1	0	0	0
27	Kaw Southwind Casino	800	6	10	16	700	55,000	0	0	2	0	0	1,000
28	Kickapoo Casino	600	8	0	8	0	18,000	0	0	1	1	0	700
29	Lil' Bit of Paradise Casino 1	306	0	0	0	0	0	0	0	0	0	0	0
30	Lil' Bit of Paradise Casino 2	96	0	0	0	0	0	0	0	0	0	0	0
31	Lucky Star Casino - Clinton	744	8	4	12	0	13,000	0	0	1	0	0	0

Figure 3-4 – Existing Gaming Capacity for the South Central Trade Area (con't)

	Casinos	# of Slots	# of Tables	# of Poker Tables	Total Tables	# of Bingo Seats	Casino S.F.	Conven-tion S.F.	# of Hotel RM	Restau-rants	Entetain-ment	RV Parking	Parking
32	*Lucky Star Casino - Concho*	*901*	*11*	*6*	*17*	*0*	*40,000*	*0*	*0*	*1*	*0*	*10*	*1,000*
33	Lucky Turtle Casino	113	0	0	0	0	3,000	0	0	1	0	0	0
34	Miami Tribe Entertainment	95	0	0	0	0	0	0	0	0	0	0	0
35	Muscogee Travel Plaza	129	0	0	0	0	3,000	0	0	0	0	0	0
36	Native Lights Casino	652	6	0	6	0	22,500	0	0	1	0	0	0
37	Newcastle Gaming Center I & II	1,831	14	0	14	0	21,073	0	0	2	0	0	0
38	Okmulgee Travel Plaza	43	0	0	0	0	920	0	0	0	0	0	50
39	Osage Million $ Elm - Bartlesville	600	6	2	8	0	42,000	0	0	3	0	0	700
40	Osage Million $ Elm - Hominy	225	0	0	0	0	0	0	0	1	0	0	0
41	Osage Million $ Elm - Pawhuska	180	0	0	0	0	0	0	0	1	0	0	50
42	Osage Million $ Elm - Ponca City	223	0	0	0	0	7,700	0	0	0	0	0	0
43	Osage Million $ Elm - Sand Springs	600	6	0	6	0	25,000	0	0	1	0	0	0
44	Osage Million $ Elm - Skiatook	199	0	0	0	0	0	0	28	1	0	0	0
45	Osage Million $ Elm - Tulsa	1,300	11	8	19	600	47,000	1,600	0	1	2	0	800
46	Peoria Gaming Center	155	0	0	0	0	4,200	0	0	1	0	0	250
47	Quapaw Casino	498	8	0	8	0	27,000	0	0	1	1	15	0
48	Remington Park	750	0	0	0	0	55,000	0	0	2	0	0	6,700
49	River Spirit Casino	2,800	24	15	39	0	300,000	0	0	4	2	0	1,300
50	Riverwind Casino	2,486	35	22	57	0	219,000	14,000	100	3	2	0	0
51	Sac & Fox Nation Shawnee Casino	676	0	0	0	0	35,000	0	0	1	0	0	0
52	Sac & Fox Nation Shroud Casino	186	0	0	0	0	825	0	0	0	0	0	0
53	Sac & Fox Nation Sports Center Casino	226	0	0	0	0	0	0	0	0	0	0	0
54	Seminole Nation Casino	327	0	0	0	0	0	0	0	0	0	0	0
55	Seminole Nation Trading Post Casino	175	0	0	0	0	3,424	0	0	0	0	0	0
56	StoneWolf Casino & Grill	214	0	0	0	0	10,000	0	0	1	0	0	0
57	Sugar Creek Casino	400	0	0	0	0	0	0	0	0	0	0	0
58	The Stables Casino	546	4	0	4	0	25,000	0	0	1	0	0	260
59	Thunderbird Casino	420	6	0	6	0	40,000	8,250	0	2	0	0	600
60	Tonkawa Casino	388	3	0	3	0	14,437	0	0	1	0	0	0
61	Trading Post Casino	98	0	0	0	0	3,500	0	0	0	0	0	0
62	Two Rivers Casino	196	0	0	0	300	20,000	0	0	0	0	0	0
63	Wyandotte Nation Casino	525	6	0	6	0	50,000	0	0	2	1	0	0
	Subtotal of Oklahoma	**36,653**	**326**	**170**	**496**	**3,530**	**1,865,925**	**137,850**	**817**	**69**	**23**	**567**	**30,527**
	Total - Existing 63 Casinos	**37,237**	**338**	**170**	**508**	**3,530**	**1,885,925**	**137,850**	**817**	**71**	**23**	**567**	**32,102**

Data Source: Wells Gaming Research, November 2010.

Kansas Gaming Capacity
Casino gaming capacity in Kansas currently stands at 584 slot machines, 12 table games, 20 thousand square feet of casino space, and parking for 1,575 vehicles.

Oklahoma Gaming Capacity
Casino gaming capacity for Oklahoma currently includes 36.7 thousand slot machines, 496 table games (326 non-poker with 170 poker), 1.9 million square feet of casino space, 138 thousand square feet of convention/meeting space, 817 hotel rooms, 69 restaurants, 23 entertainment venues, parking for 567 RVs and 30.5 thousand vehicles.

Total Gaming Capacity for the Trade Area
Overall, the south central trade area of Kansas has 37.2 thousand slot machine, 508 table games, 3.5 thousand bingo seats, 1.9 million square feet of casino space, 138 thousand square feet of convention/meeting space, 817 hotel rooms, 71 restaurants, 23 entertainment venues, and parking for 567 RVs and 32 thousand vehicles.

Section 4

The WinSpirit

The WinSpirit – a Global Gaming KS, LLC Proposal

Global Gaming KS, LLC (Global) is competing for the opportunity to build the WinSpirit Casino in Wellington, Sumner County, Kansas, in the South Central gaming zone.

Highlights of Global's WinSpirit Casino

Development Site

- Global has selected an 80-acre parcel located near Exit 19 off I-35 and north of US Highway 160. The site commands convenient north-south access on I-35, as well as east-west access on US Highway 160. Global also has the ability to control an additional 420 acres of adjoining land if needed for future development. See MAP 2, page 4-2, of this report section.

Capital Investment

- The statutory minimum required investment is $225 million. The phase 1 investment through year 5 is expected to exceed $180 million, 80% of the required $225 million. The total proposed project investment would be in excess of $280 million over a twelve-year period.

Facility Size & Architectural Style

- The 260 thousand square foot gaming entertainment facility would be designed in the Craftsman style to complement the historic architectural references found in nearby main streets of Wellington and other Sumner County towns. Classic Craftsman architecture is defined by its low-pitched gabled roofs with broad eaves, large front porches, and exposed wooden structural elements. Global's WinSpirit Casino would incorporate the wide overhanging eaves, exposed beams, and natural wood and stone accents that are representative of the Craftsman design. A 3-lane porte cochere with valet service is also planned.

Targeted Construction Schedule for Casino & Hotel

- Approximately fourteen months for Phase 1 of the casino facility, subject to weather and other circumstances that may be outside the control of Global's management. The 80-key hotel would open within 18 months after commencement of the casino construction.

MAP 2
Global Gaming's Development Site

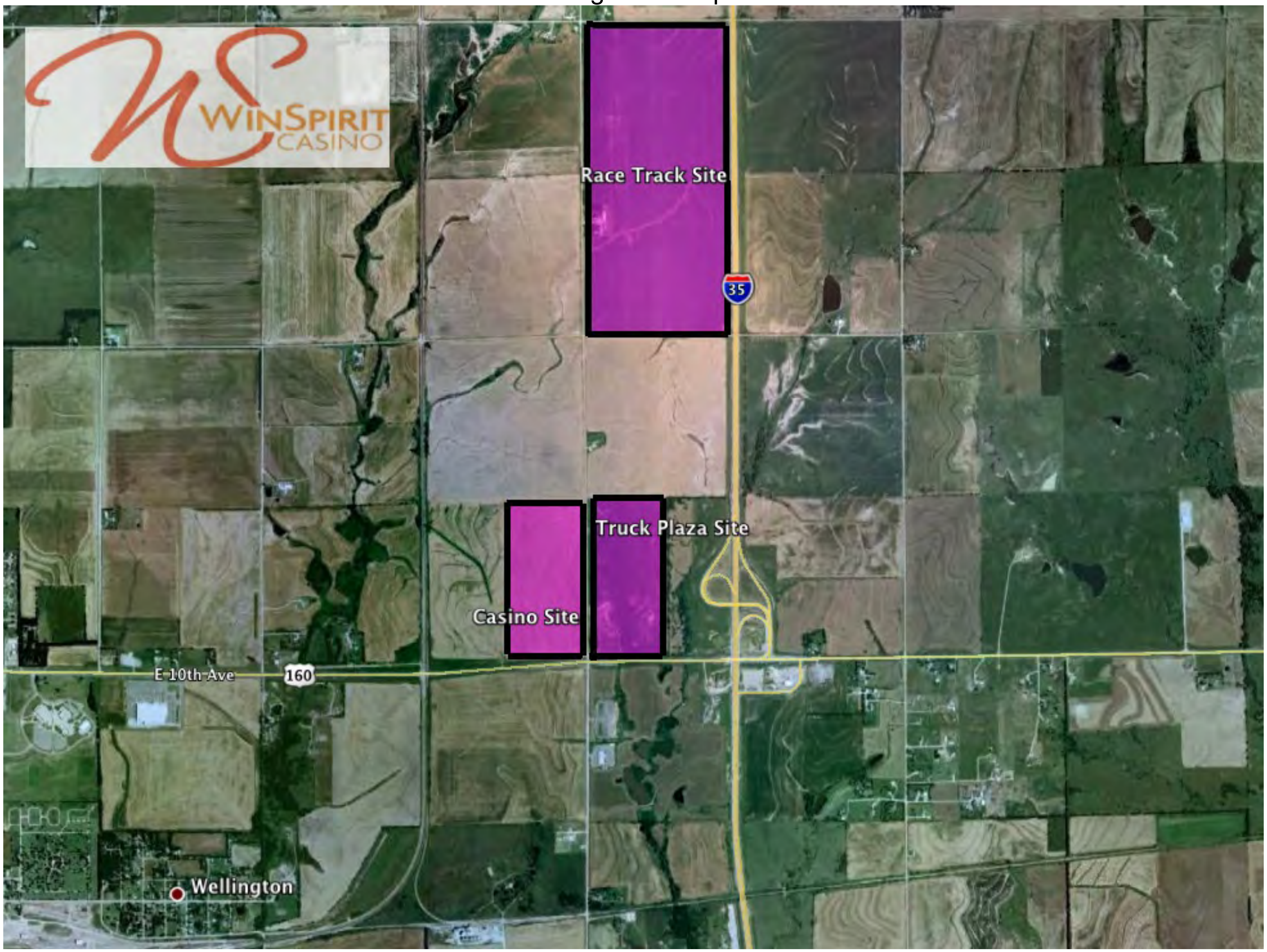


Figure 4-1

WinSpirit	Phase 1a	Phase 1b	Phase 1c	Full Build Out
Years	**2012**	**2014**	**2016**	**2024**
Casino:				
Square Fooage	72,979	72,979	72,979	72,979
Gaming Capacity:				
Slot Machines	1,300	1,550	1,800	2,000
Table Games	30	40	40	40
Poker Tables	20	20	20	20
Restaurants:				
Food/Beverage				
Buffet - # of Seats	225	225	225	225
Bellini's Steak & Seafood - # of Seats	0	0	0	100
Liberty Deli - # of Seats	0	0	0	135
Food Court - 3 of Seats	100	100	100	100
Bars & Lounges:				
Brewhouse Sports Bar - # of Seats	140	140	140	140
Roulettes Center Bar	50	50	50	50
The Bank Lounge/Bar - # of Seats	90	90	90	90
Entertainment:				
Events / Convention Center - # of Seats	1,400	1,400	1,400	1,400
Hotel:				
# of Rooms	80	80	80	200
Parking:				
# of Vehicle Spaces	2,357	2,357	2,357	3,323
RV Park:				
# of Spaces	0	0	0	90
FTE's:				
# of Full Time Equivalents	1,016	1,106	1,103	1,103

Data Sources: Wells Gaming Research & Global Gaming Kansas, LLC, November 2010.

Gaming Capacity & Amenities for the WinSpirit Casino (Data Provided by Global)

Casino

Figure 4-1 (left) summarizes the capacity and amenities for the WinSpirit Casino:

Phase 1a
- 72,979 square feet of gaming space
- 1,300 slots
- 50 table games (30 non-poker and 20 poker)

Phase 1b (capacity changes include)
- 1,550 slots
- 60 table games (40 table games (including a combination of Blackjack, Craps, Roulette, and Baccarat), plus a 4,246 square foot dedicated poker room equipped with 20 tables.

Phase 1c (slot capacity increase)
- 1,800 slots

Full Build Out (slot capacity increase)
- 2,000 slot machines

Restaurants

Phases 1a, 1b & 1c
- 225-seat, 8,177 square foot buffet/ restaurant
- 100-seat, 6,848 square foot food court with 4 venue stations

Full Build Out
- 100-seat Bellini's Steak & Seafood
- 135-seat Liberty Deli

Hotel

- 80-key, 59,158 square foot hotel with 3-star quality rooms (the addition of a second hotel would be subject to market demand) *Estimated completion: 2012*

Bars & Lounges

- Brewhouse,140-seat, 7,012 square foot sports bar
- 50-seat, 1,750 square foot center bar
- 90-seat, 3,638 square foot show lounge with stage

Entertainment Venue/ Convention Facilities

- 1,400 seat, 32,649 square foot event center

Sports & Recreation Facilities

- $3 million upgrade of the existing Wellington Municipal Golf Course (includes new resort-quality clubhouse and improvements to the greens) *Estimated completion: 2014-2015*
- Race track facility for vintage automobiles (includes purchase of 320 acres of land required to accommodate the race track facility) *Estimated completion: 2017-2024*

Retail Space

- 1,200 square feet of retail space

Parking

- Phases 1a, 1b, and 1c have 2,357 surface parking spaces, full build out includes the addition of a covered parking garage with capacity for 966 vehicles. *Estimated completion: 2017-2024*

Travel Plaza

- Truck stop/travel center offering fuel (12 fueling positions), food, and sundries would attract tractor-trailers as well as passenger vehicles traveling on I-35 (estimated size is 32,300 square feet). *Estimated completion: 2014-2015*

Bus Lobby

- 2,140 square foot bus lobby

FTEs (Full Time Equivalents)

- 1,016 FTE's after opening, 1,103 for full build out

Future Potential Development

- A parking garage and RV park would be added and a second hotel could be added (if justified by market demand). *Estimated completion: 2017 to 2024*

Existing & Proposed Competition for the WinSpirit Casino

The seven scenarios shown in **Figure 4-2**, below, illustrate the capacity increases linked to expansions and new casinos.

Casino	# of Slots	# of Tables	# of Poker Tables	Total Tables	# of Bingo Seats	Casino S.F.	Conven-tion S.F.	# of Rooms	Restau-rants	Entertain-ment	RV Parking	Parking
Current Scenario - Existing Casinos												
Existing 63 Casinos	37,237	338	170	508	3,530	1,885,925	137,850	817	71	23	567	32,102
SCENARIO 1 - EXPANSIONS (Boot Hill, First Council & Lucky Star) + NEW (Pawnee Chilocco)												
Boot Hill Casino and Resort	291	3	0	3	0	28,457	19,776	108	1	2	0	0
First Council Casino	0	0	0	0	0	0	0	88	0	1	0	0
Lucky Star Casino - Concho	600	0	0	0	0	0	0	0	0	0	0	0
Planned Casino in Chilocco [1]	300	0	0	0	0	0	0	0	1	0	0	0
Total Existing and New Casinos	**38,428**	**341**	**170**	**511**	**3,530**	**1,914,382**	**157,626**	**1,013**	**73**	**26**	**567**	**32,102**
% Change Existing vs Scenario 1	**3%**	**1%**	**0%**	**1%**	**0%**	**2%**	**14%**	**24%**	**3%**	**13%**	**0%**	**0%**
SCENARIO 2 - Global Phase 1a - 2012												
Global Gaming Planned Casino	1,300	30	20	50	0	72,979	0	80	3	2	0	2,357
Total Existing and New Casinos	**39,728**	**371**	**190**	**561**	**3,530**	**1,987,361**	**157,626**	**1,093**	**76**	**28**	**567**	**34,459**
% Change Existing vs Scenario 1 & 2	**7%**	**10%**	**12%**	**10%**	**0%**	**5%**	**14%**	**34%**	**7%**	**22%**	**0%**	**7%**
SCENARIO 3 - Global Phase 1b - 2014												
Global Gaming Planned Casino	1,550	40	20	60	0	72,979	0	80	3	3	0	2,357
Total Existing and New Casinos	**39,978**	**381**	**190**	**571**	**3,530**	**1,987,361**	**157,626**	**1,093**	**76**	**29**	**567**	**34,459**
% Change Existing vs Scenario 1, 2 & 3	**7%**	**13%**	**12%**	**12%**	**0%**	**5%**	**14%**	**34%**	**7%**	**26%**	**0%**	**7%**
SCENARIO 4 - Global Phase 1c - 2016												
Global Gaming Planned Casino	1,800	40	20	60	0	72,979	0	80	3	3	0	2,357
Total Existing and New Casinos	**40,228**	**381**	**190**	**571**	**3,530**	**1,987,361**	**157,626**	**1,093**	**76**	**29**	**567**	**34,459**
% Change Existing vs Scenario 1, 2, 3 & 4	**8%**	**13%**	**12%**	**12%**	**0%**	**5%**	**14%**	**34%**	**7%**	**26%**	**0%**	**7%**
SCENARIO 5 - Global FBO - 2016 to 2024												
Global Gaming Planned Casino	2,000	40	20	60	0	72,979	0	200	5	4	0	3,323
Total Existing and New Casinos	**40,428**	**381**	**190**	**571**	**3,530**	**1,987,361**	**157,626**	**1,213**	**78**	**30**	**567**	**35,425**
% Change Existing vs Scenario 1, 2, 3, 4 & 5	**9%**	**13%**	**12%**	**12%**	**0%**	**5%**	**14%**	**48%**	**10%**	**30%**	**0%**	**10%**
SCENARIO 6 - Wyandotte Phase 1 - 2012												
Wyandotte Tribe Planned Casino	1,000	15	10	25	0	NA	0	0	1	0	0	500
Total Existing and New Casinos	**41,428**	**396**	**200**	**596**	**3,530**	**1,987,361**	**157,626**	**1,213**	**79**	**30**	**567**	**35,925**
% Change Existing vs Scenario 1, 2, 3, 4, 5 & 6	**11%**	**17%**	**18%**	**17%**	**0%**	**5%**	**14%**	**48%**	**11%**	**30%**	**0%**	**12%**
SCENARIO 7 - Wyandotte FBO - 2016												
Wyandotte Tribe Planned Casino [2]	2,000	40	20	60	0	NA	0	200	5	4	0	3,323
Total Existing and New Casinos	**42,428**	**421**	**210**	**631**	**3,530**	**1,987,361**	**157,626**	**1,413**	**83**	**34**	**567**	**38,748**
% Change Existing vs Scenario 1, 2, 3, 4, 5, 6 & 7	**14%**	**25%**	**24%**	**24%**	**0%**	**5%**	**14%**	**73%**	**17%**	**48%**	**0%**	**21%**

Data Source: Wells Gaming Research, November 2010.

***Footnotes*:**
1. Two tribes are vying to build a casino in Chilocco (Pawnee Nation and the Ponca Tribe). A decision has yet to be made regarding which tribe will develop the casino project.
2. Assumption: Wyandotte Tribe's planned casino capacity for FBO mirrors FBO capacity for applicant, but would be Class-2 gaming rather than Class-3 gaming.

<u>Scenario 1 - Three Planned Expansions and One New Oklahoma Casino</u>

Planned Expansions

- Boot Hill expansion in Dodge City (Ford County), KS. Proposed capacity increases include 291 slots, 3 table games, 28.5 thousand square feet of additional casino space, approximately 20 thousand square feet of convention/meeting space, 108 hotel rooms. 1 restaurant, and 2 entertainment venues.
- First Council Casino expansion in Newkirk (Kay County), OK includes the addition of 88 hotel rooms and 1 large entertainment venue (Event Center).
- Lucky Star Casino expansion in Concho (Canadian County), OK includes increased capacity of 600 slots.

New Oklahoma Casino

- Pawnee Nation Chilocco Casino in Chilocco (Kay County), OK. The new facility is estimated to have 300 slots and 1 food/beverage outlet.

<u>WinSpirit Casino Scenarios</u>

Scenario 2 – Global Gaming - Phase 1a - 2012

- Phase 1a of Global Gaming's planned casino would be equipped with 1,300 slots, 50 table games (30 plus 20 poker), 73 thousand square feet of casino space, 80 hotel rooms, 2 restaurants, 3 bars/lounges, 1 large entertainment venue with 1,400 seats, and parking for 2,357 vehicles.

Scenario 3 – Global Gaming – Phase 1b - 2014

- Phase 1b of Global Gaming's plan includes 1,550 slots, 60 table games (40 plus 20 poker), 73 thousand square feet of casino space, 80 hotel rooms, 2 restaurants, 3 bars/lounges, 1 large entertainment venue with 1,400 seats, and parking for 2,357 vehicles.

Scenario 4 – Global Gaming – Phase 1c - 2016

- Phase 1c of Global Gaming's plan includes 1,800 slots, 60 table games (40 plus 20 poker), 73 thousand square feet of casino space, 80 hotel rooms, 2 restaurants, 3 bars/lounges, 1 large entertainment venue with 1,400 seats, and parking for 2,357 vehicles.

Scenario 5 – Global Gaming – Full Build Out – 2016 to 2024

- Global Gaming's full build out plan includes 2,000 slots, 60 table games (40 plus 20 poker), 73 thousand square feet of casino space, 200 hotel rooms, 5 restaurants, 3 bars/lounges, 1 large entertainment venue with 1,400 seats, and parking for 3,223 vehicles.

Wyandotte Tribal Casino Scenarios

Scenario 6 – Wyandotte Tribe's Planned Casino - Phase 1 - 2012

- Includes the Wyandotte Tribe's proposed casino that would be located in Park City (Sedgwick County), KS. Estimated capacity includes 1,000 slots, 25 table games (15 non-poker and 10 poker), 1 restaurant, and parking for 500 vehicles. An estimate of casino square footage was not available at this time this report was written.

Scenario 7 – Wyandotte Tribe's Planned Casino - Full Build Out - 2016

- The Wyandotte Tribe's full build out size and capacity mirrors the full build out for Global Gaming (Scenario 5). As proposed, the Wyandotte's full build out would be equipped with 2,000 slots, 60 table games (40 non-poker and 20 poker), unknown amount of casino square footage, 200 hotel rooms, 5 restaurants, 4 entertainment venues, and parking for 3,323 vehicles. While a casino of this size may not be built, WGR believes that this scenario represents a worse case impact, and is therefore good for comparison purposes.

Gaming Revenue Projections for the WinSpirit Casino

WGR's gaming revenue forecasts together with the gaming revenue projections submitted by Global Gaming, LLC, and the forecasted impact of the Wyandotte Casino are summarized in Figure 4-3. The assumptions include Phase 1a 2012 (targeted opening date), Phase 1b 2014 (point of stabilized casino operations), and Phase 1c 2016 (slot capacity increases from 1,550 to 1,800 machines), and the full build out (FBO) with slot capacity increases to 2,000 machines between 2016 and 2024.

Figure 4-3
Revenue Projections for Global's WinSpirit Casino

WinSpirit	Phase 1a 2012[2]	Phase 1b 2014	Phase 1c 2016	FBO 2024 2016[3]
Global Gaming Projections:				
Residential	$53,043,900	$118,328,700	$130,569,600	N/A
Tourist	$10,217,500	$22,110,000	$25,125,000	N/A
Total	**$63,261,400**	**$140,438,700**	**$155,694,600**	**N/A**
WGR Projections[1] :				
Trade Area	$45,102,500	$103,654,000	$115,162,000	$130,048,000
Incremental from Travel Plaza	$0	$5,031,160	$5,337,558	$5,337,558
Total	**$45,102,500**	**$108,685,160**	**$120,499,558**	**$135,385,558**
Difference - Global Gaming vs WGR	**$18,158,900**	**$31,753,540**	**$35,195,042**	**N/A**
% Difference	**29%**	**23%**	**23%**	**N/A**
Impact of the Wyandotte Phase 1:				
With Wyandotte Tribe Casino	$34,908,000	$86,705,160	$96,961,558	$112,832,558
Impact	**-$10,194,500**	**-$21,980,000**	**-$23,538,000**	**-$22,553,000**
% Impact	**-23%**	**-20%**	**-20%**	**-17%**
Impact of the Wyandotte FBO:[4]				
With Wyandotte Tribe Casino	$34,908,000	$86,705,160	$71,094,558	$77,063,558
Impact	**-$10,194,500**	**-$21,980,000**	**-$49,405,000**	**-$58,322,000**
% Impact	**-23%**	**-20%**	**-41%**	**-43%**

Data Source: Wells Gaming Research, November 2010.

Footnotes:
1. At a 68% confidence interval, total trade area gaming revenues for the proposed Global casino facility can be expected to vary +12% and -14%.
2. Projections for 2012 are based on one-half year of casino operations.
3. Shows the 2016 projections as if all elements of Global Gaming's FBO through 2024 are complete in 2016.
4. Assumes Phase 1 Wyandotte Casino capacity for Phase 1a (2012) and Phase 1b (2014), and Wyandotte FBO capacity for Phase 1c (2016) with FBO by 2024.

Comparison of Global's Gaming Revenue Forecasts with WGR's

Figure 4-3, page 4-8, illustrates that Global's gaming revenue projections are $63 million for Phase 1a 2012, $53 million (84%) to be generated by residential and $10 million (16%) by tourists (refer to the top section of Figure 4-3). The percentage split of 84% residential 16% tourist hold true for all periods analyzed. The $63 million reflects an estimated six months of casino operations. Annualized, Global's gaming revenue should double to approximately $127 million. WGR's 2012 gaming revenue forecast of $45 million for Phase 1a is also for six months of casino operations (refer to the second section of Figure 4-3). Annualized, WGR's 2012 projection would increase to approximately $90 million.

The net result for Phase 1a for 2012 is an $18 million, 29%, difference between Global's $63 million projection and WGR's $45 million forecast (the annualized difference would be approximately $36 million).

Global's gaming revenue trend for the WinSpirit shows increases to $140 million for Phase 1b 2014 and to $156 million for Phase 1c 2016 (Global did not submit a forecast for the FBO 2016). WGR's corresponding gaming revenue forecasts are somewhat lower, $109 million for Phase 1b 2014 and $120 million for Phase 1c 2016. The difference between Global and WGR is $32 million (23%) in Phase 1b for 2014, and $35 million (23%) in Phase 1c for 2016. WGR's forecast for FBO 2024 is $135 million.

Impact of the Wyandotte Casino on WGR's Gaming Revenue Estimates

When the competitive impacts of the Wyandotte's gaming facility are factored in, WGR's six-month forecast for 2012 for Global decreases from the initial $45 million forecast for Phase 1a to approximately $35 million, a $10 million, 23%, decrease (refer to the third section of Figure 4-3). WGR has forecasted future gaming revenue losses associated with the Wyandotte casino at $22 million (a decrease from $109 million to $87 million, 20%) for Phase 1b 2014. A $24 million decrease has been forecasted for Phase 1c 2016 (a decline from $121 million to $97 million, 20%), and approximately a $23 million decrease in the FBO case (a decrease from $135 million to $113 million, 17%).

The impacts of the Wyandotte's FBO (bottom section of Figure 4-3) on Global are not scheduled to kick in until 2016 (2012 and 2014 remain the same as in Phase 1 for the Wyandotte). In the FBO scenario for the Wyandotte, the impact on Global's gaming revenues has been projected at $49 million, 41%, for Phase 1c for 2016 thereby reducing net gaming revenue projections from $120 million (before the Wyandotte) to $71 million, a $49 million (41%) decrease. In the 2016 FBO scenario for the Wyandotte, Global's gaming revenue impact has been estimated at $58 million, 43%, which reduces Global's net gaming revenue potential from $135 million to $77 million.

Casino Visit Projections for the WinSpirit Casino

WGR's casino visit forecasts together with the casino visit projections submitted by Global Gaming, LLC, and the impact of the Wyandotte Casino are summarized in Figure 4-4. The assumptions include Phase 1a 2012 (targeted opening date), Phase 1b 2014 (stabilized casino operations), Phase 1c 2016 (slot capacity increases to 1,800 machines), and the full build out (FBO) with slot capacity increases to 2,000 machines between 2016 and 2024.

Figure 4-4
Casino Visit Projections for Global's WinSpirit Casino

WinSpirit	Phase 1a[1] 2012	Phase 1b 2014	Phase 1c 2016	FBO 2024[2] 2016
Global Gaming Projections:				
Residential	845,224	1,822,271	2,028,148	N/A
Tourist	161,572	360,567	401,304	N/A
Total	**1,006,796**	**2,182,838**	**2,429,452**	**N/A**
WGR Projections:				
Trade Area	609,194	1,318,865	1,380,775	1,558,256
Incremental from Travel Plaza	0	100,623	100,623	100,623
Total	**609,194**	**1,419,488**	**1,481,398**	**1,658,879**
Difference - Global Gaming vs WGR	**397,603**	**763,350**	**948,054**	**N/A**
% Difference	**39%**	**35%**	**39%**	**N/A**
Impact of the Wyandotte Phase 1:				
With Wyandotte Tribe Casino	493,470	1,188,578	1,251,051	1,449,656
Impact	**-115,724**	**-230,910**	**-230,347**	**-209,223**
% Impact	**-19%**	**-16%**	**-16%**	**-13%**
Impact of the Wyandotte FBO: [3]				
With Wyandotte Tribe Casino	493,470	1,188,578	922,769	996,133
Impact	**-115,724**	**-230,910**	**-558,629**	**-662,746**
% Impact	**-19%**	**-16%**	**-38%**	**-40%**

Data Source: Wells Gaming Research, November 2010.

Footnotes:
1. Projections for 2012 are based on one-half year of casino operations.
2. Shows the 2016 projections as if all elements of Global Gaming's FBO through 2014 are complete in 2016.
3. Assumes Phase 1 Wyandotte Casino capacity for Phase 1a (2012) and Phase 1b (2014), and Wyandotte FBO capacity for Phase 1c (2016) and FBO 2024.

Global's Casino Visits Projections versus WGR's

Figure 4-4, page 4-10, shows Global's casino visit projections of one million for Phase 1a 2012, which is an estimate for six months of casino operations (refer to the top section of Figure 4-4). Annualized, their casino visit statistics should double to approximately two million. The percentage split in casino visits between residential and tourist matches the revenue trends and shows 84% versus 16%, respectively, for all periods studied. WGR's casino visit forecast of 609 thousand for Global for Phase 1a 2012 would increase to approximately 1.2 million on an annualized basis (refer to the second section of Figure 4-4).

Global's casino visit trend for the WinSpirit shows increases to 2.2 million for Phase 1b 2014 and to 2.4 million for Phase 1c 2016. WGR's corresponding casino visit forecasts run somewhat lower with a total of 1.4 million for Phase 1b 2014, 1.5 million for Phase 1c 2016, and 1.7 million for the FBO 2016. The differential between Global and WGR is 398 thousand (approximately 796 million annualized) for Phase 1a for 2012, 39%. Subsequent difference are 763 thousand visits, 35%, in Phase 1b for 2014, and 948 thousand visits, 39%, in Phase 1c for 2016. WGR has forecasted 1.7 million visits for Global for FBO.

Impact of the Wyandotte Casino on WGR's Casino Visit Forecasts

When the competitive impacts of the Wyandotte's gaming facility are factored in, WGR's six-month forecast for 2012 for Global decreases to a net of approximately 493 thousand visits for Phase 1a, a projected decline of 116 thousand visits, 19%, relative to WGR's forecast of 609 thousand visits without the Wyandotte (refer to the third section of Figure 4-4). WGR's projections show future declines in the number of casino visits associated with the addition of the Wyandotte casino at 231 thousand visits (16%) in Phase 1b 2014; 230 thousand, 16%, in Phase 1c 2016; and 209 thousand visits, 13%, in the FBO 2016.

The impacts of the Wyandotte's FBO (bottom section of Figure 4-3) on Global are not scheduled to kick in until 2016 (2012 and 2014 remain the same as for the Wyandotte Phase 1). When the Wyandotte Casino reaches FBO in Phase 1c 2016, Global's casino visit statistics have been projected to decline to 923 thousand, down from 1.5 million (38%) or by 559 thousand visits.

When the Wyandotte Casino reaches FBO in 2016, Global's visit statistics have been forecasted to improve somewhat to 996 thousand for the year 2016. Nonetheless, this still represents a decline of 663 thousand (40%) from WGR's forecast of 1.7 million visits for the FBO 2016 before the addition of the Wyandotte casino.

Section 5

The Kansas Star

The Kansas Star – a Peninsula Gaming Partners, LLC Proposal

Peninsula Gaming Partners, LLC (Peninsula) is competing for the opportunity to build the Kansas Star Casino, Hotel and Event Center (Kansas Star) in the South Central Gaming Zone in Sumner County, Kansas.

Highlights of the proposed Kansas Star Casino Hotel Events Center include:

Development Site(s) for the Kansas Star Casino & Hotel

- The Kansas Star would be located at exit 33 off I-35 in Sumner County, Kansas. This main development site has good visibility from I-35 on the east with access to Highway 33 on the north, 140th Avenue on the south, and Highway 81 on the west. Drive time from Wichita, Kansas is approximately 15 minutes. Peninsula has also secured an alternate site located at the southeast corner of Oliver Road and Highway 53 near Mulvane, Kansas. See MAP 3, page 5-2 of this report section.

Alternative Site – Oliver Road & Hwy 53

- Peninsula has presented an alternative development site for the Kansas Star Casino located at the southeast corner of the intersection of Oliver Road and Hwy 53, near Mulvane, Kansas. WGR estimates that the Kansas Star's gaming revenues and casino visits would be 2%-to-4% lower than estimates for the main site located at Exit 33 off I-35 in Sumner County, Kansas.

Capital Investment

- The Kansas statutory minimum required investment is $225 million. The phase 1 investment for the Kansas Star would be approximately $200 million (89% of the required $225 million). Peninsula has estimated the total proposed project investment at $260 million for full build out.

Facility Theme & Architectural Style

- Ranch motif with prairie style architecture, characterized by low-pitched roofs, overhanging eaves, horizontal lines, central chimney, open floor plans, and clerestory windows.

Targeted Construction Schedule & Opening Dates

- Phase 1a, temporary facility, would open in December 2011
- Phase 1b, permanent facility, targeted for opening in December 2012
- Phase 2, expanded permanent facility, scheduled to open within 48 months of effective date of contract (targeted for December 2014)

The casino and other proposed customer amenities would be phased in as illustrated in Figure 5-1, page 5-3.

MAP 3
Peninsula's Kansas Star Main and Alternate Sites

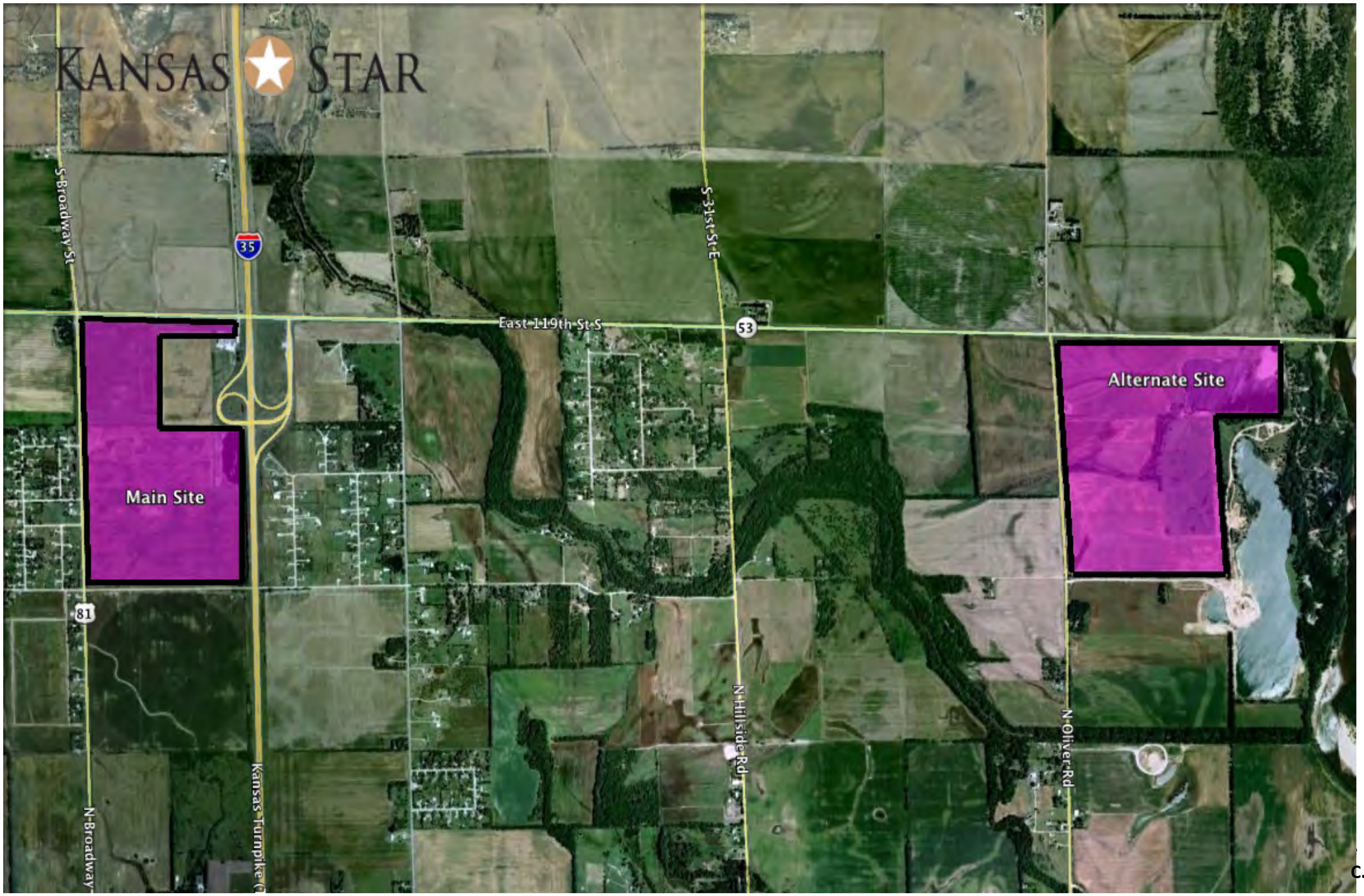


Figure 5-1
Gaming Capacity & Amenity Summary for the Kansas Star Casino (Data Provided by Peninsula)

Kansas Star	Phase 1a	Phase 1b	Full Build Out
Opening Dates	**2012**	**2014**	**2016**
Casino:			
Square Fooage	44,100	47,200	63,700
Gaming Capacity:			
Slot Machines	1,310	1,500	2,000
Table Games	32	42	50
Poker Tables	0	10	10
Restaurants:			
Kiosks w/ Food & Beverages	Several	0	0
Buffet - # of Seats	0	250	250
Steakhouse - # of Seats	0	140	140
Food Court - # of Seats	0	40	40
Snack Bar - # of Seats	50	0	0
Bars/ Lounges:			
Sports Bar w/ Food Service - # of Seats	0	150	150
Show Lounge / Bar - # of Seats	35	35	35
Hotel:			
# of Rooms	**0**	150	300
Equine Event Center/ Arena - Large Entertainment			
Number of seats	0	3,000	3,000
Total Event Capacity	0	4,200	4,200
Parking:			
# of Vehicle Spaces	1,820	2,520	3,965
RV Park:			
# of Spaces	0	20	100
FTE's:			
# of Full Time Equivalents	481	798	870

Data Sources: Wells Gaming Research & Peninsula Gaming Partners, LLC, November 2010.

Casino:

Phase 1a (temporary casino)

- 44,100 square feet of casino gaming space
- 1,310 slots
- 32 table games (game types not specified)

Phase 1b (permanent casino)

- Casino square footage would be expanded to 47,200
- Slot capacity would be increased to 1,500 machines (includes 40-slots in VIP lounge)
- Table game capacity would be increased to 42 table games (type not specified)
- 10 poker tables would be added in dedicated poker room

Full Build Out

- Casino square footage would be expanded to 63,700
- Slot capacity would be increased to a total of 2,000 machines
- Table game capacity would be increased to a total of 50 tables (27 Blackjack, 6 Craps, 3 Roulette, 3 Pai Gow poker, and 11 other table games)
- Poker table count remains at 10

Restaurants

Phase 1a (temporary facility) *Estimated completion: Late 2011*

- Includes several food/beverage kiosks.

Phase 1b (food services to be added in permanent casino) *Estimated completion: Late 2012*

- 12,500 s.f. 250-seat buffet
- 5,800 s.f. 140-seat steakhouse
- 3,450 s.f. 40-seat food court
- 500 s.f. snack bar (snacks, sandwiches, beverages)

Bars & Lounges / Entertainment Venue

Phase 2: *Estimated completion: Late 2012*

- 35 seat bar

Phase 2: *Estimated completion: Late 2014*

- 3,500 s.f. sports bar with 150 seats with food service
- 2,500 s.f. casino bar with stage and 35 seats (small entertainment venue)

Hotel

Phase 1b:

- 150-room hotel (may be added by a third party). *Estimated completion: Late 2012*

Full Build Out:

- 150-rooms would be added to the hotel for a total of 300 (260 standard with 450 s.f, and 40 premium with 900 s.f.). *Estimated completion: Late 2014*

Equine & Events/ Entertainment Venue (large)

Phase 1b : *Estimated completion: Late 2012*

- 100,000 square foot indoor Equine Center /Concert and live entertainment center with capacity for 4,200 attendees

Full Build Out:

- 24-acre Equine / Rodeo Center expansion. *Estimated completion: Late 2014*

Parking

Phase 1a:

- 1,820 surface parking spaces. *Estimated Late 2011*

Phase 1b:

- 2,520 vehicle spaces included (an increase of 700). *Estimated Late 2012*

Full Build Out:

- 3,965 vehicle spaces included (a total increase over 1b of 1,445). *Estimated completion: Late 2014*

RV Park

Phase 1b:

- 20 RV spaces *Estimated completion: Late 2012*

Full Build Out:

- 100 RV spaces *Estimated completion: Late 2014*

FTEs (Full Time Equivalents)

Phase 1a

- 481 FTEs

Phase 1b

- 798 FTEs

Full Build Out

- 870 FTEs

Existing & Proposed Competition for the Kansas Star Casino

Figure 5-2 summarizes existing gaming capacity and illustrates the increases linked to planned expansions and new casinos.

Figure 5-2

Casino	# of Slots	# of Tables	# of Poker Tables	Total Tables	# of Bingo Seats	Casino S.F.	Conven-tion S.F.	# of Rooms	Restau-rants	Entertain-ment	RV Parking	Parking
Current Scenario - Existing Casinos												
Existing 63 Casinos	37,237	338	170	508	3,530	1,885,925	137,850	817	71	23	567	32,102
SCENARIO 1 - Boot Hill Expansion												
Boot Hill Casino and Resort	291	3	0	3	0	28,457	19,776	108	1	2	0	0
First Council Casino	0	0	0	0	0	0	0	88	0	1	0	0
Lucky Star Casino - Concho	600	0	0	0	0	0	0	0	0	0	0	0
Planned Casino in Chilocco [1]	300	0	0	0	0	0	0	0	1	0	0	0
Total Existing and New Casinos	**38,428**	**341**	**170**	**511**	**3,530**	**1,914,382**	**157,626**	**1,013**	**73**	**26**	**567**	**32,102**
% Change Existing vs Scenario 1	**3%**	**1%**	**0%**	**1%**	**0%**	**2%**	**14%**	**24%**	**3%**	**13%**	**0%**	**0%**
SCENARIO 2 - Peninsula - Phase 1a - 2012												
Peninsula Planned Casino	1,310	32	0	32	0	44,100	0	0	1	0	0	1,820
Total Existing and New Casinos	**39,738**	**373**	**170**	**543**	**3,530**	**1,958,482**	**157,626**	**1,013**	**74**	**26**	**567**	**33,922**
% Change Existing vs Scenario 1 & 2	**7%**	**10%**	**0%**	**7%**	**0%**	**4%**	**14%**	**24%**	**4%**	**13%**	**0%**	**6%**
SCENARIO 3 - Peninsula - 1b - 2014												
Peninsula Planned Casino	1,500	42	10	52	0	47,200	0	150	3	2	20	2,520
Total Existing and New Casinos	**39,928**	**383**	**180**	**563**	**3,530**	**1,961,582**	**157,626**	**1,163**	**76**	**28**	**587**	**34,622**
% Change Existing vs Scenario 1, 2 & 3	**7%**	**13%**	**6%**	**11%**	**0%**	**4%**	**14%**	**42%**	**7%**	**22%**	**4%**	**8%**
SCENARIO 4 - Peninsula - FBO - 2016												
Peninsula Planned Casino	2,000	50	10	60	0	63,700	0	300	4	2	100	3,965
Total Existing and New Casinos	**40,428**	**391**	**180**	**571**	**3,530**	**1,978,082**	**157,626**	**1,313**	**77**	**28**	**667**	**36,067**
% Change Existing vs Scenario 1, 2, 3 & 4	**9%**	**16%**	**6%**	**12%**	**0%**	**5%**	**14%**	**61%**	**8%**	**22%**	**18%**	**12%**
SCENARIO 5 - Wyandotte - Phase 1 - 2012												
Wyandotte Planned Casino	1,000	15	10	25	0	NA	0	0	1	0	0	500
Total Existing and New Casinos	**41,428**	**406**	**190**	**596**	**3,530**	**1,978,082**	**157,626**	**1,313**	**78**	**28**	**667**	**36,567**
% Change Existing vs Scenario 1, 2, 3, 4 & 5	**11%**	**20%**	**12%**	**17%**	**0%**	**5%**	**14%**	**61%**	**10%**	**22%**	**18%**	**14%**
SCENARIO 6 - Wyandotte FBO - 2016												
Wyandotte Planned Casino[2]	2,000	50	10	60	0	NA	0	300	4	2	100	3,965
Total Existing and New Casinos	**42,428**	**441**	**190**	**631**	**3,530**	**1,978,082**	**157,626**	**1,613**	**81**	**30**	**767**	**40,032**
% Change Existing vs Scenario 1, 2, 3, 4, 5 & 6	**14%**	**30%**	**12%**	**24%**	**0%**	**5%**	**14%**	**97%**	**14%**	**30%**	**35%**	**25%**

Data Source: Wells Gaming Research, November 2010.

***Footnotes*:**
1. Two tribes are vying to build a casino in Chilocco (Pawnee Nation and the Ponca Tribe). A decision has yet to be made regarding which tribe will develop the casino project.
2. Assumption: Wyandotte Tribe’s planned casino capacity for FBO mirrors FBO capacity for applicant, but would be Class-2 gaming rather than Class-3 gaming.

Scenario 1 - Three Planned Expansions and One New Oklahoma Casino

Planned Expansions

- Boot Hill expansion in Dodge City (Ford County), KS. Proposed capacity increases include 291 slots, 3 table games, 28.5 thousand square feet of additional casino space, approximately 20 thousand square feet of convention/meeting space, 108 hotel rooms, 1 restaurant, and 2 entertainment venues.

- First Council Casino expansion in Newkirk (Kay County), OK includes the addition of 88 hotel rooms and one large entertainment venue.

- Lucky Star Casino expansion in Concho (Canadian County), OK includes increased capacity of 600 slots and one restaurant.

New Oklahoma Casino

- Pawnee Nation Chilocco Casino in Chilocco (Kay County), OK. The new facility would have 300 slots and 1 restaurant.

Kansas Star Casino Scenarios

Scenario 2 – Peninsula's - Phase 1a - 2012

- Phase 1a of Peninsula's planned casino (the Kansas Star) would be equipped with 1,310 slots, 32 table games. 44 thousand square feet of casino space, 1 restaurant, and parking for 1,820 vehicles.

Scenario 3 – Peninsula's – Phase 1b - 2014

- Phase 1b of Peninsula's plan includes a total of 1,500 slots, 52 table games (42 plus 10 poker), 47 thousand square feet of casino space, 150 hotel rooms, 3 restaurants, 2 entertainment venues, and parking 20 RVs plus 2,520 vehicles.

Scenario 4 – Peninsula's Gaming – Full Build Out - 2016

- Peninsula's full build out plan includes a total of 2,000 slots, 60 table games (40 plus 20 poker), 64 thousand square feet of casino space, 300 hotel rooms, 4 restaurants, 2 entertainment venues, and parking for 100 RVs plus 3,965 vehicles.

Wyandotte Tribal Casino Scenarios

Scenario 5 – Wyandotte Tribe's Planned Casino - Phase 1 - 2012

- The Wyandotte Tribe's proposed casino would be located in Park City (Sedgwick County), KS. Estimated capacity includes 1,000 slots, 25 table games (15 non-poker and 10 poker), 1 restaurant, and parking for 500 vehicles. An estimate of casino square footage is not available at this time.

Scenario 6 – Wyandotte Tribe's Planned Casino - Full Build Out - 2016

- The Wyandotte Tribe's full build out size and capacity is equivalent to Peninsula's full build out (Scenario 4). As proposed, the entertainment facility would have 2,000 slots, 60 table games (40 non-poker and 20 poker), 300 hotel rooms, 4 restaurants, 2 entertainment venues, and parking for 3,965 vehicles. While the casino may not be built to this size, we believe this scenario represents a worst-case impact comparison.

Gaming Revenue Projections for Peninsula's Kansas Star Casino

The gaming revenue forecasts provided by Peninsula Gaming Partners, LLC for the Kansas Star together with WGR's forecasts are shown in Figure 5-3. Also included are the forecasted impacts of the proposed Wyandotte Casino. The assumptions include Phase 1a 2012 (targeted opening date), Phase 1b 2014 (casino reaches stabilized casino operations with slot capacity increasing to 1,500 machines), and the full-build-out (FBO) 2016 with slot capacity increasing to 2,000 machines.

Figure 5-3
Revenue Projections for Peninsula's Kansas Star Casino

Kansas Star	Phase 1a 2012	Phase 1b 2014	Full Build Out[2] 2016
Peninsula Gaming Projections:			
Residential	$112,900,817	$146,229,083	$174,104,835
Tourist	$6,007,106	$19,583,472	$28,237,904
Total	**$118,907,923**	**$165,812,555**	**$202,342,739**
WGR Projections [1]:			
Trade Area	$132,614,000	$176,228,000	$206,167,000
Incremental from Equine Events	$0	$2,455,731	$3,016,759
Total	**$132,614,000**	**$178,683,731**	**$209,183,759**
Difference - Peninsula Gaming vs WGR	**-$13,706,077**	**-$12,871,176**	**-$6,841,020**
% Difference	**-12%**	**-8%**	**-3%**
Impact of the Wyandotte Phase 1:			
With Wyandotte Tribe Casino	$92,030,000	$138,977,731	$171,624,759
Impact	**-$40,584,000**	**-$39,706,000**	**-$37,559,000**
% Impact	**-31%**	**-22%**	**-18%**
Impact of the Wyandotte FBO:			
With Wyandotte Tribe Casino	$92,030,000	$138,977,731	$123,326,759
Impact	**-$40,584,000**	**-$39,706,000**	**-$85,857,000**
% Impact	**-31%**	**-22%**	**-41%**

Data Source: Wells Gaming Research, November 2010.

***Footnotes*:**
1. At a 68% confidence interval, total trade are gaming revenues for the proposed Peninsula casino facility can be expected to vary +6% and -8%.
2. Assumes all elements of FBO are completed in 2016.

Comparison of Peninsula's Gaming Revenue Forecasts with WGR's

Figure 5-3, page 5-9, illustrates that WGR's gaming revenue forecasts are higher than Peninsula's for each of the three periods reported (refer to the two upper sections of Figure 5-3). The gaming revenue forecasts for Phase 1a 2012 show Peninsula's gaming revenue forecast at $119 million versus WGR's corresponding forecast at $133 million, a $14 million (12%) difference. Of Peninsula's $119 million, $113 million (95%) would be generated by residents and $6 million (5%) by tourists.

Phase 1b 2014 shows Peninsula's forecast at $166 million compared with WGR's at $179 million, a $13 million (8%) difference. Of the $166 million forecasted by Peninsula, $146 million (88%) would be generated by residents and $20 million (12%) would come from tourists.

FBO 2016 shows that Peninsula's forecast is $202 million relative to WGR's at $209 million, a $7 million (3%) difference. Of Peninsula's $202 million, $174 million (86%) would be generated by residents, while $28 million (14%) would come from tourists.

Impact of the Wyandotte Casino on WGR's Gaming Revenue Estimates

The competitive impacts of the Wyandotte's gaming facility result in lower gaming revenue forecasts for all three forecast periods. WGR's gaming revenue forecast for 1a 2012 for Peninsula decreases from $133 million to $92 million, a $41 million (31%) decline. WGR's forecast for 1b 2014 shows decreases from $179 million to $139 million, a $40 million (22%) reduction in gaming revenue. WGR's gaming revenue forecast for FBO 2016 shows declines from $209 million to $172 million, a decrease of approximately $38 million, 18%.

The impacts of the FBO for the Wyandotte casino (bottom section of Figure 5-3) on Peninsula are not scheduled to hit until 2016 (2012 and 2014 remain at the Wyandotte Phase 1 level). In the FBO scenario for 2016, Peninsula's gaming revenues have been forecasted to decline from $209 million to $123 million, an $86 million (41%) reduction.

Casino Visit Projections for Peninsula's Kansas Star Casino

WGR's casino visit forecasts together with the casino visit projections submitted by Peninsula Gaming, LLC, and the impact of the Wyandotte Casino are summarized in Figure 5-4. The assumptions include Phase 1a 2012 (targeted opening date), Phase 1b 2014 (achievement of stabilized casino operations), and the full-build-out (FBO) 2016 with slot capacity increasing to 2,000 machines.

Figure 5-4
Casino Visit Projections for Peninsula's Kansas Star Casino

Kansas Star	Phase 1a 2012	Phase 1b 2014	Full Build Out[1] 2016
Peninsula Gaming Projections:			
Residential	1,727,792	2,132,782	2,407,199
Tourist	99,911	169,012	240,461
Total	**1,827,703**	**2,301,794**	**2,647,660**
WGR Projections:			
Trade Area	1,878,740	2,344,040	2,580,203
Incremental from Equine Events	0	33,640	39,179
Total	**1,878,740**	**2,377,680**	**2,619,382**
Difference - Peninsula Gaming vs WGR	**-51,037**	**-75,886**	**28,278**
% Difference	**-3%**	**-3%**	**1%**
Impact of the Wyandotte Phase 1:			
With Wyandotte Tribe Casino	1,324,033	1,879,085	2,184,432
Impact	**-554,707**	**-498,595**	**-434,950**
% Impact	**-30%**	**-21%**	**-17%**
Impact of the Wyandotte FBO:			
With Wyandotte Tribe Casino	1,324,033	1,879,085	1,566,606
Impact	**-554,707**	**-498,595**	**-1,052,776**
% Impact	**-30%**	**-21%**	**-40%**

Data Source: Wells Gaming Research, November 2010.

***Footnotes*:**
1. Assumes all elements of FBO are completed in 2016.

Peninsula's Projections for Casino Visits versus WGR's

Figure 5-4, page 5-11, indicates that Peninsula has forecasted 1.8 million casino visits for Phase 1a 2012 (refer to the top section of Figure 5-4). This compares with 1.9 million visits projected by WGR, a small difference of 51 thousand, 3% (second section of Figure 5-4). Projections for Phase 1b 2014 show Peninsula at 2.3 million casino visits and WGR at 2.4 million, a difference of 76 thousand (3%). The forecasted differences between Peninsula and WGR for FBO 2016 are minor (1%) and only amount to 28 thousand visits. Essentially both Peninsula and WGR forecasted approximately 2.6 million visits.

Peninsula's allocation of casino visits between residential and tourist show 95% residential versus 5% tourist for Phase 1, 93% residential and 7% tourist for Phase 1b 2014, and 91% residential and 9% tourist for FBO 2016.

Impact of the Wyandotte Casino on WGR's Casino Visit Forecasts

When the competitive impacts of the Wyandotte's gaming facility are factored into the equation, WGR's Phase 1a forecasts shift from 1.9 million to 1.3 million, a 555 thousand (30%) decline in casino visits (refer to the third section of Figure 5-4). WGR's projections show future declines in the number of casino visits associated with the addition of the Wyandotte casino. In Phase 1b 2014, WGR has forecasted a drop in casino visits from 2.4 million to 1.9 million, a decrease of 499 thousand casino visits, or 21%. For the FBO 2016, WGR has projected a total of 2.2 million visits for the Kansas Star. This represents a decrease of 435 thousand visits from the 2.6 million visits forecasted without the Wyandotte Casino.

Effects of the FBO for the Wyandotte

The effects of the Wyandotte's FBO (bottom section of Figure 5-3) on Peninsula's casino visit statistics are not scheduled to show an impact until FBO 2016. Peninsula's casino visits for 2016 have been forecasted at 1.6 million, down from 2.6 million forecasted before the impact of the Wyandotte. This represents a decline of 1.1 million casino visits (40%).

Section 6

Wells Gaming Research

Wells Gaming Research

Service You Can Count On!

Information Pack

6900 South McCarran Blvd., Suite 3030

Reno • Nevada • 89509

Phone • 775.826.3232

Fax • 775.827.0986

E-Mail • richard@wellsgaming.com

Web Page • http://www.wellsgaming.com/

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:

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 207 casinos located throughout the U.S. and Macau. WGR's current player

count service areas include California, Louisiana, Mississippi, Nevada, New Mexico, Oklahoma, and Macau.

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
- **Oregon** - Ontario

Casino Gaming Market Studies

WGR's databases contain over 540,000 casino player counts collected between 1990 and 2010. 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

- Kansas (Kansas City, Wichita, Dodge City, & South-Eastern Kansas)
- Southern Indiana
- North-East Kentucky
- Deadwood, South Dakota
- Spokane, Washington
- Arizona
- Minnesota

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:

- 122,000 slot machines located in 63 casinos in the U.S. and Canada (inventories are conducted twice each year).
- 38 Tribal casinos in California.
- 18,000 slot machines located in eight large Las Vegas casinos.

Litigation & Legislative Support

WGR provides a host of gaming expert witness 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).

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

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.

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 clients for 335 casinos in Nevada, Mississippi, Louisiana, New Mexico, California, and Asia.

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.

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

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

Mikhon Gaming Corporation
Nevada Resort Association ~ Las Vegas, Nevada
MGM • Mirage:
- Beau Rivage Hotel & Casino ~ Biloxi, Mississippi
- Bellagio Hotel & Casino ~ Las Vegas, Nevada
- Golden Nugget Hotel & Casino ~ Laughlin, Nevada
- MGM Grand Hotel Casino ~ Las Vegas, Nevada
- New York New York Hotel & Casino ~ Las Vegas, NV
- The Mirage Hotel & Casino ~ Las Vegas, Nevada
- Treasure Island at the Mirage ~ Las Vegas, Nevada

Palms Casino Hotel ~ Las Vegas, Nevada
Park Place Entertainment:
- Bally's Casino Las Vegas ~ Las Vegas, Nevada
- Bally's Casino Tunica ~ Tunica, Mississippi
- Flamingo Las Vegas ~ Las Vegas, Nevada
- Flamingo Laughlin ~ Laughlin, Nevada
- Grand Casino Biloxi ~ Biloxi, Mississippi
- Grand Casino Gulfport ~ Gulfport, Mississippi
- Grand Casino Tunica ~ Tunica, Mississippi
- Las Vegas Hilton ~ Las Vegas, Nevada
- Oshea's ~ Las Vegas, Nevada
- Paris Las Vegas ~ Las Vegas, Nevada
- Reno Hilton ~ Reno, Nevada
- Sheraton Casino ~ Tunica, Mississippi

Peppermill, Inc.:
- Peppermill Hotel Casino ~ Reno, Nevada
- Western Village Inn & Casino ~ Sparks, Nevada

Penn National Gaming, Inc.
- Boomtown Casino ~ Biloxi, Mississippi
- Casino Magic ~ Bay St. Louis, Mississippi

Pinnacle Entertainment, Inc.:
- Boomtown Hotel • Casino • RV Park ~ Reno, Nevada
- Casino Magic ~ Biloxi, Mississippi
- Boomtown Casino ~ Bossier City, Louisiana

R&R Advertising
Rail City Casino ~ Sparks
Ramada Express Hotel & Casino ~ Laughlin, Nevada
Ramada Inn Speakeasy Casino ~ Reno, Nevada
Rampart Casino ~ Las Vegas, Nevada
Reno/Sparks Convention & Visitor's Authority
Rio Suite Hotel Casino ~ Las Vegas, Nevada
River Palms Resort Casino ~ Laughlin, Nevada
Riverside Resort Hotel Casino ~ Laughlin, Nevada
Riviera Hotel & Casino ~ Las Vegas, Nevada
Sands Regency Hotel Casino ~ Reno, Nevada
Seven Circle Resorts, Inc.
Sheraton Casino ~ Halifax, Novia Scotia
Sheraton Hotel Casino ~ Tunica, Mississippi
Showboat Hotel Casino ~ Las Vegas, Nevada
Si Redd's Oasis Hotel & Casino ~ Mesquite, Nevada
Silicon Gaming, Inc.
Silver Club Hotel Casino ~ Sparks, Nevada
Silverton Hotel & Casino ~ Las Vegas, Nevada
Station Casinos, Inc.:
- Boulder Station Hotel & Casino ~ Las Vegas, NV
- Fiesta Henderson ~ Las Vegas, Nevada
- Fiesta Rancho Casino Hotel ~ Las Vegas, Nevada
- Green Valley Ranch Resort & Spa ~ Las Vegas, NV
- Palace Station Hotel & Casino ~ Las Vegas, Nevada
- Santa Fe Station Hotel Casino ~ Las Vegas, Nevada
- Sunset Station Hotel & Casino ~ Las Vegas, Nevada
- Texas Station Gambling Hall & Hotel ~ Las Vegas, NV

Stratosphere Casino Hotel & Tower ~ Las Vegas, Nevada
Terrible's Casino Hotel ~ Las Vegas, Nevada
Thunder Valley Casino ~ Lincoln, California
Treasure Bay Casino Resort ~ Biloxi, Mississippi
Tropicana Hotel Casino ~ Las Vegas, Nevada
Tuscany Hotel & Casino ~ Las Vegas, Nevada
Venetian Resort Hotel Casino ~ Las Vegas, Nevada
WMS Gaming Inc. ~ Waukegan, Illinois
Wild Game NG:
- Siena Hotel Spa & Casino ~ Reno, Nevada

Wynne Resorts, LTD ~ Las Vegas, Nevada
Zeh Saint-Aubin Spoo ~ Reno, Nevada

DRAFT

A REVIEW OF THE ANCILLARY AMENITY ELEMENTS OF APPLICANT PROPOSALS FOR THE KANSAS SOUTH CENTRAL ZONE KANSAS LOTTERY CASINO LICENSE

v.1.1.

Prepared by:

Dean M. Macomber
Macomber International, Inc.

On behalf of the
Kansas Lottery Gaming Facility Review Board

Submitted:
November 23, 2010

TABLE OF CONTENTS

SECTION 1
ASSIGNMENT, OBJECTIVES, AND APPROACH

1. BACKGROUND

Macomber International, Inc. ("MI") was engaged by the Kansas Lottery Gaming Facility Review Board ("KLGFRB") to undertake an evaluation of the submissions for the Kansas South Central Zone gaming license from Global Gaming Solutions, LLC ("GGS") and Peninsula Gaming Partners, LLC ("PGP").

As MI understands it, the objectives of the Kansas gaming statue that establish the framework in which to evaluate license applications are: (1) to maximize revenues for the State, (2) promote tourism and, (3) for the ensuing project to serve the overall best interest of the State of Kansas.

To meet the objectives of the Kansas gaming statutes, the KLGFRB established rigorous application and review procedures. To assist the KLGFRB and its staff with the review of the applicant submissions and presentations it engaged an array of consultants each of whom brings a particular area of expertise to the review process.

MI was engaged for its expertise in the ancillary development aspects of the applications. Ancillary development refers to the non-gaming aspects of the project.

2. APPROACH

In preparing its evaluation of the applicant submissions and presentations, MI took a holistic review of all the elements that contribute to a gaming project's success. MI reviewed the tangible, quantitative, and "hard" aspects of each applicant's submission and presentation (hereafter collectively referred to as "Submission") as well as the intangible, qualitative, and "softer" elements. MI reviewed and evaluated the Submissions in terms of the discrete role and contribution of each ancillary element as well as how each ancillary element contributed to the anticipated gaming activities, the primary marketing and economic driver of each project. MI also reviewed the overall ancillary development for how these elements discretely, in aggregate, and synergistically with gaming accomplished the aforementioned goals of the Kansas gaming legislation.

MI took a linear sequential approach to its review. MI initially began a top down review following the work plan outlined below but, as findings so dictated, iterated its review up, down, and across each element until a holistic overall conclusion was reached:

I. Review and understand the driving goals and parameters established by Kansas laws, statutes, legislative imperatives, and regulations.

II. Evaluate external factors that influence or have the potential to influence gaming development in the South Central Zone of Kansas.

III. Evaluate internal factors that influenced or could influence the applicant's Submission (i.e., internal forces specific to the company of each applicant).

IV. Evaluate the specifics of each applicant's proposal roughly following the outline below:

A. Applicant's Goal Set
B. Applicant's assessment and reaction to External-ities
C. Applicant's assessment and reaction to its own Internal-ities
D. Driving Project Concept
E. Targeted Market Segments – Strategy
F. Product Marketing
   1. Strategy
   2. Tactics / Execution
G. Demand Stimulation Marketing
   1. Strategy
   2. Tactics / Execution
H. Other Execution Elements
I. Sum of the Parts

V. Compare each applicant's Submission and assign a rating to reach

MI's assessed each Submission project as an independent business activity but also in the context of other existing and possible future gaming and non-gaming competition.

The sections that follow present the findings of MI's review.

> Note: *The Appendix includes a section that provides background to development theory and practice. It is this framework which MI used to evaluate the applicant's Submissions. Readers knowledgeable of gaming and gaming development probably need not read this section. However, those who are and have the time along with new readers to the gaming industry may choose to do so to gain insight to MI's evaluation and review process.*

SECTION 2
EXTERNAL FORCES AT WORK ON A GAMING-CENTRIC PROJECT IN THE KANSAS SOUTH CENTRAL ZONE

1. THE HEAVY HAND OF THE FINANCIAL CRISES ON DEVELOPMENT

The world, the United States, the Midwest, Kansas, Sumner County, and the cities of Mulvane and Wellington are still caught in the grip of the Financial Crises. Some observers are making noises that the U.S. economy and/or certain regions/industries within it have hit bottom and are recovering, albeit most caution slowly. Regardless, the plurality of observers still believes that the adverse impact of the Financial Crises will be felt for three to five more years. The recovery within this period is expected at best to be erratic, sporadic, bumpy, slow, and multiple combinations of these for a specific region, industry, company, or individual not to mention those who believe worse scenarios are possible.

Notwithstanding the direct adverse economic impact of the Financial Crises, there is a great deal of uncertainty regarding how consumer behavior will change during the intra-Crises period we are in much less once the Financial Crises period has finally ended. Indeed, consumer habits have already changed and few if any have the confidence to say what it will be like in the years to come. Most talk about a New Normal that, at least for the initial post exit period, may be less in many quantitative terms than the period just preceding entry to the Financial Crises.

All of this has an impact on development, particularly in gaming. Without going into a long discussion of that impact, here are the salient issues:

- Whereas pre-Financial Crises a gaming development project could get financing almost regardless of who was involved, the project location, size, scope, or cost today it may be said that funding and funding sources control project development more so than the owner/developer. In other words, to have a chance of coming to fruition, projects today must be developed so they can be funded.

- Funding sources have become stricter in the parameters they impose upon development projects. Such hoops and hurdles make a given project more difficult to justify. The margin for error is less. And, the funding sources have become infinitely smarter regarding the Key Success Drivers of a gaming project. They are asking substantially more questions and digging into substantially more detail during their due diligence than ever before.

- If the Financial Crises has created anything, it has created risk. Consequently, risk mitigation is now a key owner/developer's task both in terms of being able to show funding sources how their project will mitigate risk as well as how the owner/developer can mitigate risk to protect their own equity and satisfy expected financial returns.

- This ambient and direct risk must be satisfied with: (i) more project flexibility (programming, marketing, operations, and overall management); (ii) justification of capital/capacity to demand (utilization), price to demand (elasticity), capital to investment (ROI); and, (iii) the provision of a "cushion" (spread between the expected results and worse case scenarios).

More than ever before projects of the sort proposed to the KLGFRB must be conceived, funded, executed, and managed with not just a view of a "normal" Marketplace, Competition, and Internal Performance Objectives but also the realities of an Intra-Financial and future New Normal Marketplace and the timidity, risk aversion, and stricter requirements of capital sources.

Put another way, no matter how great a project may be it will not come to fruition if it is not fund-able.

MI's review and evaluation of the proponent's submissions take these factors into account.

2. THE REALITIES OF THE SOUTH CENTRAL ZONE MARKET AND TEMPERING THE PITCH RHETORIC OF BID PROPOSALS

MI has read copious amounts of owner/developer material associated with their South Central Zone bid along with those of their consultant's, professional staff, critics, and supporters. MI also has read and appreciates the three objectives of the Kansas casino related gaming statutes. MI has done all of this both in the context of a "normal" development environment as well as the intra-Financial Crises period we find ourselves in. Several observations result from this:

1. Many regions of the Midwest are "middle market" states and the South Central Zone and the 100 mile market area around it appear to be mid-market as well. This is not meant in any way to be a criticism; indeed, some of the largest companies in the world base their business model on catering to the middle market (WalMart, allegedly the world's largest retailer, comes to mind). It does say, however, that superlatives such as the "best," "largest," "world class," "most comprehensive," and other such labels must be carefully absorbed in the first instance because such declarations may not be accurate but in the second they may be inappropriate to the South Central Zone Marketplace and Target Market Segments.

2. While MI understands, agrees with, and supports the Kansas gaming statute goal of promoting tourism and aiding economic development, this often is translated into attracting visitors ("tourists") from outside the host site's immediate area. In this regard, it should be pointed out that casinos and gaming-related activities are leisure/ entertainment activities that vast number of people seek out and enjoy. There are experiences that a casino can provide a local population that no other leisure/ entertainment activity could produce because of the capital investment a casino is able to justify. While perhaps politically incorrect in some circles, gaming need not be feared if

operated professionally and with a conscious. There is nothing wrong, per se, with a casino catering to Locals' or Regional residents any more than it might be deemed wrong for Outer Market residents to feel harmed by non-local, non-regional casinos marketing to them.

Secondly, while the South Central Zone enjoys a relatively large population catchment area it is not "huge." And, the location of the South Central Zone *vis a vis* potential feeder market densities means that a South Central Zone project will inherently be a Locals' casino (defined as serving those who reside within one hour drive or so) and to a lesser extent a Regional casino (defined as those who reside as one to two to three hour drive). This is not to say that a South Central Zone project should not market outside the 100 mile zone, indeed, they should because those who come will have higher than average lengths of stay and budgets. But, what it does suggest is that a South Central Zone first and foremost should first, second, and third be the best Locals' casino it can be and then 'fourth,' the best Regional casino it can be. Development capital and operating marketing dollars spent to attract "tourists" from outside the 100 mile radius should be carefully spent along a prudent cost-benefit, risk-reward razor's edge. This comment is not made in contradiction to the gaming statute goals; it is made in support of it. This is because if a Kansas licensee does not get its Local/Regional marketing right the casino will not succeed and the foundation upon which Outer Market marketing can take place will disappear. This comment is particular valid in terms of the realities and exigencies of the intra- and Post Financial Crises period we are in.

Thirdly, with regard to the ability to attract visitors from outside the 100 mile radius, it is MI's observation that there is not a critical mass of tourism "magnets" that exists in the South Central Zone today. Consequently, the elements that must attract such visitation must more or less "do it on their own." Here again, creating tourist magnets from zero takes risk capital and no doubt a project should build such amenities into its Master Development Plan but should conceptually and execute such development prudently. Put another way, the proponents should not be penalized for not proposing the next mega-Integrated Resort in the middle of Kansas. The days of "Build it and they will come" evaporated with the onset of the Financial Crises.

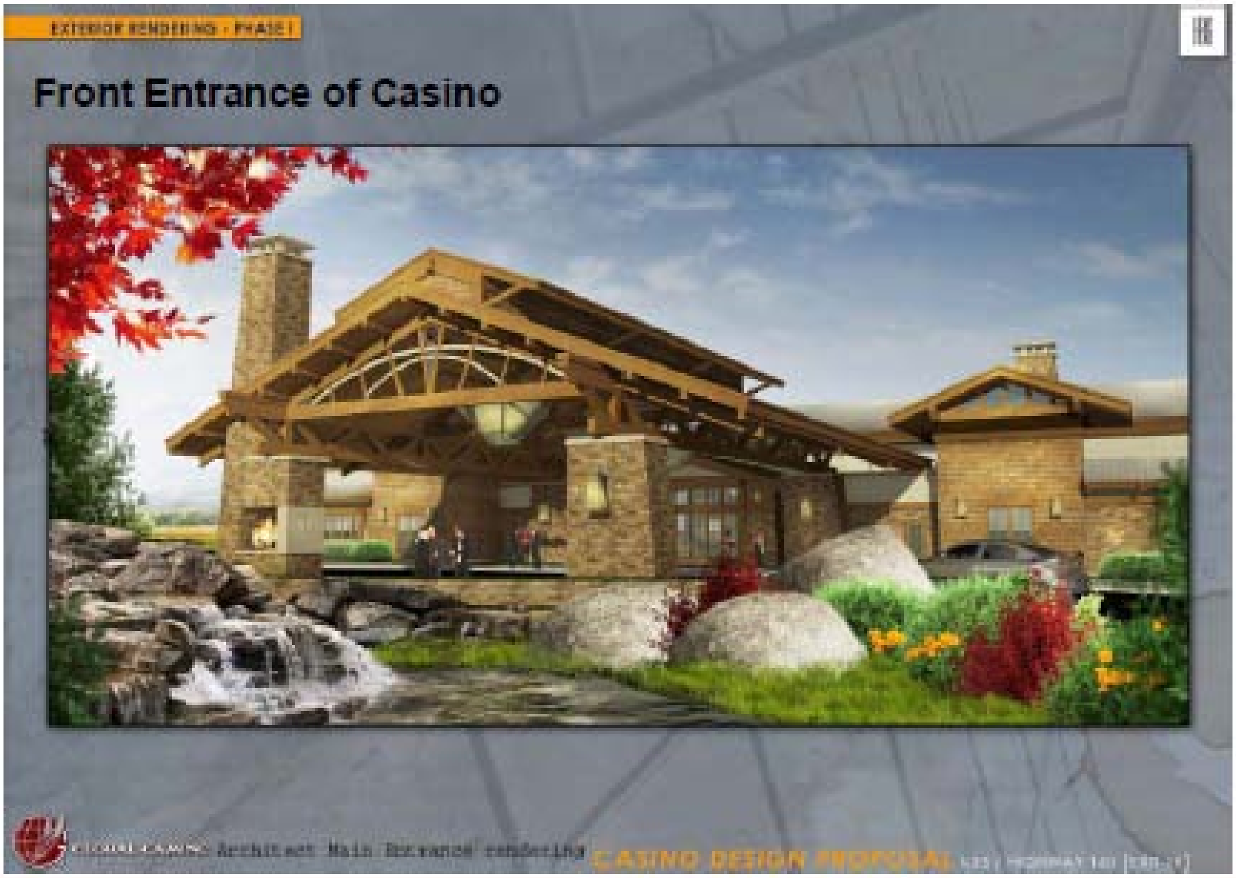
Fourth, it should be noted that the presence of other gaming and non-gaming related competition in the outer feeder markets is extensive and in some instances, quite good. This further should temper and add caution to any South Central Zone development.

3. These conclusions suggest to MI that the project that may tout that it has the best potential to draw from the Outside Market Area may carry with it the greatest risk to job creation and income to the State. MI believes that the objectives of jobs and income to the State are best served by facing the realities of the Marketplace and the Economy realistically and soberly. A casino development right-sized, right-positioned, right-funded, and right-aligned to the Marketplace and the Economy will not only create jobs and State income, it will have the best chance of making those jobs sustainable and

provide the foundation upon which to add outer market amenities that can draw from further distance when the economy does improve.

MI has undertaken its review and evaluation with these precepts in mind.

SECTION 3
GLOBAL GAMING SOLUTIONS, LLC
WINSPIRIT CASINO



Documents directly referenced in this section:

GGS Performance Matrix - Updated
GGS Marketing Plan – Section VI, Attachment 3.
Response to Follow-up Consultant Questions dated November 9, 2010
Kansas Lottery Commission Presentation 9/10

1. GOAL SET AND DRIVING FORCES BEHIND THE PROJECT

1.1. GOAL SET

As submitted by GGS in their Performance Matrix, their goal set is as follows:

> *The GGS approach to developing an entertainment facility is an extension of how the Chickasaw Nation has approached local communities for these developments.*

> *Both have engaged the local community with their projects. This project is no different. GGS has collaborated with the community in many ways. Our project includes local businesses in the overall plan. We will continue to seek opportunities to incorporate the interests of the community in our development. GGS also has a network of proven business partners who are experts at important elements of these types of developments. Those partners provide hotel service, food and beverage services and other services GGS does not attempt to reinvent the wheel with its developments. Using experience from past projects, the company knows what is successful and what changes may be necessary. As such, the Exit 19 project uses the basic footprint and lay out of the award winning Riverwind Casino facility in Norman, Oklahoma. Exterior design is significantly different recognizing the local market place. Starting with plans from an existing facility can greatly accelerate the development cycle, and make rapid construction a possibility.*

While MI appreciates the development perspective espoused in the above declaration, it is not particularly helpful in evaluating the Project, i.e., it does not provide much insight into what GGS seeks to accomplish with this project nor does it provide a beacon on the horizon, so to speak, for all of the development elements to follow. MI's guess is that GGS is simply not a developer/operator that thinks explicitly in terms of overarching goals other than being successful for its ownership and the State of Kansas. This is not a bad or fatal thing; it is just a "thing."

In fact, there appears to be an implicit Goal Set that one can deduce after reviewing all of the Submission content. And, even if not, the GGS WinSpirit project pulls together well enough to be an admirable project without an explicit Goal Set.

There was, however, verbiage that deals with the project's driving forces found in the Submission. These were found in disparate locations so they may come across as a little disjointed and incomplete. MI has extracted them and reassembled them here for the reader to begin to formulate a perspective of what GGS has in mind that will be complete when this review and evaluation is completed.

1.2. DRIVING FORCES AND STRATGIES

1. GGS plans to position WinSpirit as follows:
   - As an entertainment destination throughout the region.
   - As a partner to the community (an extension of how the Chickasaw Nation has approached all local communities with its development projects).

2. GGS proposes to draw upon its extensive experience in Oklahoma and, in particular, with the development, marketing, and operation of casinos along the Interstate 35 corridor, e.g., Riverwind Casino in Norman, Oklahoma; Remington Park casino and

racetrack in Oklahoma City, Oklahoma (2300 games and a 1500-seat performance theater); and, through GGS's affiliation with the Chickasaw Nation the WinStar World Casino at the Texas/Oklahoma border (6000 games and a 3500-seat concert/convention facility).

3. Utilize GGS's 2.3 million registered and "loyal" rated gamer database.

4. Take advantage of the hotel service, food and beverage, and other services provided by others that GGS has used in the past and knows what works and what does not, i.e., "do not reinvent the wheel."

1.3. MI EVALUATION AND COMMENTS

The reference to developing the WinStar Casino as "… an entertainment destination throughout the region" is the right one for the South Central Zone with some nuances. Selfishly, in terms of internal prioritization, the first, second, and third driving force should be:

Be the Best Locals' Casino You Can Be

and "fourth" …

Be the Best Regional Casino You Can Be.

It is possible that what GGS meant when it referenced "throughout the region" that this included both the Locals' and Regional subsets as defined by MI. They did not and this nuance is important. MI's experience with bid processes, however, is that bidder's intentionally steer away from referring directly to Locals' as their primary market for fear of appearing predatory (even though virtually every other business in the community targets locals) and in contradiction to the oft stated goal of drawing business from outside the local/regional market area. But, as their own visitation statistics and financial pro forma show, approximately 85 percent or so of their forecast visitor demand is generated from within 100 miles of the project and 85 percent to 90 percent of their total revenue is from gaming.

MI would speculate that such ratios are not all that dissimilar for GGS's other operations in Oklahoma except perhaps for its WinStar project on the Oklahoma/Texas border which serves the huge Texas market 'on the other side' that has nowhere else to go (or few alternatives so close).

The reality for a South Central Zone proponent is that their casino, virtually regardless of what they intend to build and "can build" (i.e., fund), at least until the Financial Crises ends, will predominantly be a Locals' and Regional casino. GGS and the WinSpirit do a good job at doing just that. They just need to be more comfortable with saying it out loud.

2. EXTERNAL-ITIES

2.1. COMPETITION

GGS believes that its primary gaming competition will be from Tribal gaming facilities within a 100 mile radius of their proposed WinSpirit facility that are located south of the Kansas/ Oklahoma border along the Interstate 35 corridor. GGS notes that the closest of these Oklahoma Tribal casinos is 25 miles from the WinSpirit site but points out that all of these operations are "… smaller than the proposed Wellington complex."

2.2. OTHER FACTORS

MI could not find any direct reference to other external factors.

2.3. MI EVALUATION AND COMMENTS

Many owner/developers do not think about development in terms of External Forces that can effect and shape their Project. Or, if they do, they tend to leave such subjects out of bid documents because external forces tend to be negative rather than positive and bid documents are all about being positive. So, here again, the absence of commentary about External Forces and how to mitigate or take advantage of them may not be absent from the GGS plan, it may just be buried implicitly in their final development solution.

That said, clearly the ongoing adverse effects of the Financial Crises will impact the South Central Zone casino both in a positive way (locals' and regional residents wanting/having to stay closer to home for their leisure/entertainment options) and a possible negative manner (Outer Market Residents being less likely to travel greater distances and, when they do, do so with reduced budgets).

By accident or intention, however, GGS has positioned the WinSpirit casino to serve the mid-market, e.g., its average food checks range from $10 per cover in their fast, casual restaurant/deli, $14 in their sports bar, $15 in their breakfast/lunch/dinner buffet, and $35 in their steak/seafood/pasta restaurant and an average daily rate for their hotel in the $90 range. MI believes such positioning is prudent, albeit will later say something about pushing the upper range of mid-market and providing some amenities at the lower upper market in terms of quality of facilities and services to broaden market reach in its closing comments of the GGS review.

3. INTERNAL-ITIES

3.1. GGS RESPONSE

GGS goes to some length to emphasize their experience along the Interstate 35 corridor and the 2.3 million customers they have in their database from GGS's Oklahoma properties.
GGS also references its training capabilities and extensive experience with training employees new to the gaming industry.

3.2. MI EVALUATION AND COMMENTS

GGS does have extensive mid-market and regional gaming development, operations, and marketing experience. It is one of their strengths across multiple dimensions and issues.

No reference is made, however, to any other internal forces that might constrain, shape, or push the development of the WinSpirit in one direction or another. Again, this may be bid gamesmanship – not dealing with what might appear to be a negative – or there may not be any such factors that affect GGS's stewardship.

Speculatively, MI might be led to conclude deductively that there may be conservative financial thinking, some actual capital constraints, and/or some conservative management strategic thinking as implied by a rather small hotel (80 to 100 rooms) with only the mention of a possible second hotel if market conditions so dictate. Additionally, their phasing schedule ramps up the investment at a moderate pace giving GGS freedom to make changes up or down based upon actual results as they unfold. Given the impact of the Financial Crises and the availability, cost, and constraints of funding, such approaches are more rather than less prudent. But, we are left a bit in the dark regarding the motivation behind these decisions which, if they were addressed explicitly would make their development philosophy more transparent.

To be clear, like the response to External issues, MI's comments about GGS's consideration for Internal factors are not fatal or even particularly detrimental. It is a "nice" not a "need to have." As stated already, the WinSpirit project is still admirable without a clearer, more detailed response.

4. STRATEGY – DRIVING CONCEPT

4.1. GGS RESPONSE

Per GGS, a key pre-opening and start-up period objective will be to "… establish the Casino complex as an exciting new destination in the region."

> The gaming resort will offer a broad range of entertainment, relaxation, and recreation activities. These include but are not limited to the many varieties of gaming, lounges, restaurants, a hotel and live entertainment events. While most guest visits will be motivated by one primary activity, the guest's entertainment experience will be ultimately be judged by the sum of the visit to the gaming resort. These visitors will determine their satisfaction with the trip and, in turn, their desire to return for a repeat visit, not by whether they win or lose, per se, but by the overall entertainment value created from the total experience.

They also comment in several instances about providing Entertainment Value and providing superior service as manifest by their "extensive Tribal training resources" and "robust education and training program."

These are the right concepts and the right words to describe them in MI's opinion for a Locals' and Regional oriented project in the South Central Zone of Kansas.

4.2. MI EVALUATION AND COMMENTS

However, other than mention about GGS's experience in selecting, laying out, and merchandising the casino floor little is said about the gaming portion of this Entertainment Value. MI suspects this is more bid submission strategy than actual management philosophy as 85 percent to 90 percent of their total revenue is from gaming and approximately 90 percent of their total departmental income and approximately 120 percent of the their forecast EBITDA (as determine by MI).

GGS is quite capable of creating gaming related entertainment experiences as evidenced by their success with their Oklahoma properties but little verbiage is spent on telling us how and how they intend to do that in Kansas.

MI would again emphasize that the success of the South Central Zone proponent will depend almost entirely on how well the project caters to the Locals' and Regional feeder markets and the primary major market segment within them, the gamer. Gamers typically look first and foremost for gaming value, i.e., good game selection (i.e., the slot machines and games they want to play), fair rules in table games, competitive "pricing," (par percentages on slot machines, time on device), competitive incentives and loyalty club programs, a safe, clean, comfortable playing environment (e.g., wide slot aisles and comfortable slot chairs/stools), and similar directly gaming related issues. Secondly, they look for great food and food value. Third, they evaluate everything else which includes other non-gaming besides food amenities.

Given the levels of GGS projected gaming win that range in the $130M to $160M range, GGS is confident of attracting significant gaming demand.

The point being made here is that for the gamer, the role of non-gaming amenities takes off where the gaming experience ends. A great non-gaming experience will not offset an average or bad gaming experience for the gamer but ironically MI has seen many casinos around the world where an average, good, or great gaming experience can be supported with average non-gaming value. The best of possible worlds is where a good or great non-gaming experience enhances, magnifies, and leverages an average, good, or great gaming experience providing good word-of-mouth advertising and reasons for repeat visitation and ultimately loyalty from the casino's players.

Of course, for the non-gamer, the non-gaming experience is paramount even if they are casual or indifferent gamers.

Bottom line, the GGS project appears to execute an admirable ancillary amenity Driving Concept even though it gets there more by execution than by a cogent description in their Submission.

5. STRATEGY – TARGETED MARKET SEGMENTS

5.1. GGS RESPONSE

GGS talks about Targeted Market Segments in several locations. The first is replicated below:

1. LOCALS: The "… greater Wichita, Kansas, and a radius of 100 miles around the new casino" referred to as a "local customer base".
2. TRANSIENT INTERSTATE 35 TRAFFIC: Referencing the location of the site adjacent to Interstate 35, GGS declares it will expend (paraphrased) "… significant marketing resources should and will be devoted to also building a robust stream of ongoing transient traffic."

In their follow-up response to KLGFRB questions, GGS refers to market research that suggests targeting three additional broad definitions of Target Market Segments:

1. Adults aged 35 to 64 years old with high income levels
2. Adults aged 45 to 64 years old with lower income levels
3. And a reference that, "… Other specific segments such as Asian also exist."

GGS goes on to state that their experience is that customers local to existing casinos will give a new gaming facility a try but will remain loyal to those casinos nearby all other things being equal. Hence their focus on the greater Wichita market and travelers from Interstate 35.

5.2. MI EVALUATION AND COMMENTS

Here is where the GGS proposal begins to explicitly recognize and focus on the value of Locals' and Regional market segments even though it wraps a "locals" label around both by describing a local as anyone residing within a 100 mile radius of the casino.

The above comment notwithstanding, GGS's choice of non-gaming amenities would suggest that they have other Targeted Market Segments in mind, e.g., hotel guests from outside the Inner Market area, visitors coming for live entertainment and shows, tourists coming to play golf or attend a racing event at their proposed speedway. In fact, a large amount of verbiage is devoted to these non-gaming activities with accompanying words that indicate they will be seeking to attract visitors both within and outside the 100 mile radius. So, focusing on substance over form, GGS does intend to target the market segments outside the 100 mile radius and within (see the Demand Stimulation Marketing section below for further substantiation of this conclusion).

The GGS proposal does make reference to drawing demand off the adjacent Interstate. In MI's experience, pulling demand from drive-through traffic off of an Interstate is more opportunistic than anything else. Even GGS, I believe indicates somewhere that locating next to an Interstate lifts demand 5 percent to 10 percent over a non-Interstate location. MI has seen capture rates that are more under than over 5 percent but this statistic is highly situational (e.g., whether such traffic are commuters to and from work, tourists going from point of origin to a pre-determine d Point A, or a more meandering tourist with time to stop and stay based on whim). Regardless, given their location, GGS should put some effort to capturing Interstate travelers and the existence of their proposed Travel Plaza, RV Park, and their proposed Demand Stimulation Marketing plans indicate they propose to do so.

Bottom line, GGS seems to "get it" and has targeted the right market segments even if it does not cogently and explicitly lay out their strategy in a manner that MI would have preferred to see.

6. PRODUCT MARKETING

6.1. STRATEGY

6.1.1. GGS RESPONSE

GGS states that they have patterned the footprint of WinStar based upon its award winning Riverwind Casino facility in Norman, Oklahoma albeit with a significant different exterior and interior design to recognize and reflect the local marketplace. A side benefit of borrowing the Riverwind footprint, they want to point out, is the opportunity it provides to accelerate the development and construction cycle.

With respect to the selection of amenities, GGS states " … our focus was first and foremost on the overall quality of the destination itself, because if inadequate it will not attract a sufficient volume of gaming customers in its own right, in other words it will not be perceived to be destination resort quality." They refer to research they conducted among their Oklahoma high income and lower income customers to help formulate their activity mix.

GGS also stresses its use of strategic partners who bring with them nationally recognized brands to the hotel, food and beverage, and other amenity offerings planned at WinSpirit.

GGS expects that the initial development of the casino combined with the support of the local community will engender additional facilities and amenities in and around WinSpirit. This will include but not be limited to GGS's own plans for a Travel Plaza and Speedway.

With respect to design and theme, they offer the following narrative description:

> *The boundless, flowing prairie landscape and robust spirit of the plains spark the design inspiration for Global Gaming Kansas. Infinite horizons speak to a dynamic environment filled with opportunity – a welcoming gaming destination that draws visitors with a rushing motion like wind across the vast, horizontal plains. The architecture subtly emerges from the ground with a low-lying profile that is intensely luminous by night; anchored to the landscape by day. The interplay of rich pattern, color, texture and scale, and a seamless merging of indoor and outdoor experiences define a warm, elegant informality – at home with the prairie "heartland" lifestyle.*
>
> *Distinguishing craftsman design details take their cues from historic architectural references found in nearby main streets of Wellington and other towns of Sumner County. These touch points, such as custom wheat and grain motifs detailed in the entrance iron work, are focused at the pedestrian level where guests interact most with the architecture, contributing to the human connection with the gaming experience. Indigenous local species of tall grasses and trees align the entrance to help blend the building with the landscape and the flowing fields beyond. The stacked natural stone building material emphasizes an organic texture and the connection back to nature, while low profile overhanging gabled roofs and exposed wood trusses offer another layer of materiality that enhance the tactile and inviting character of the design.*
>
> *Entering the generously proportioned Global Gaming Kansas, guests are greeted by a relaxed environment with a fresh design style and an engaging, familiar personality. The property is brimming with rugged, natural and organic elements. An artful marriage of layered materials and textures, intricately detailed wood trusses, amber-lit chandeliers and variations in scale strike a unique balance between the natural environment and state-of-the-art casino technology. The design is driven by the creation of memorable experiences – and shaped by infinite horizons echoing the prairie spirit.*

6.1.2. MI EVALUATION AND RESPONSE

In MI's opinion GGS has set forth a prudent Product Marketing Strategy that reflects the dynamics of the South Central Zone, the demographic and psychographic structure of the Marketplace, and the realities of the intra-Financial Crises economy.

MI will admit that in the interests of the State of Kansas and their Goal Set it would have liked to see perhaps a half a step increase in quality, i.e., more explicit references to design and theme aimed at the upper middle and lower upper market either across the entire project or in selected areas knowing that all things being equal higher quality (up to a limit) typically has the benefit of deepening and broadening the potential market draw of a given facility. But, this is very much a function of a company's business model and there are many successful casinos throughout the Midwest and other middle income sectors of the West, Southwest, Southeast, and East that are positioned solidly to cater to the mid-market. Having visited GGS's Riverwind property in Norman, Oklahoma and their casino at Remington Park in Oklahoma City, Oklahoma it would also appear that GGS is most comfortable with a good, solid, clean, well run, and professional 3-star operation.

MI will also admit that a solid mid-market focus is less risky in today's economy and probably more fund-able.

For the record, GGS also speaks about developing a second hotel if market conditions so dictate that could be a step up from the 3-star hotel they plan to initially develop. They refer to the second hotel being a potential four-star property although they cite as examples a Hilton Garden Inn and Courtyard by Marriott which in MI's view are more 3-star$^{\text{Plus}}$ than 4-star brands.

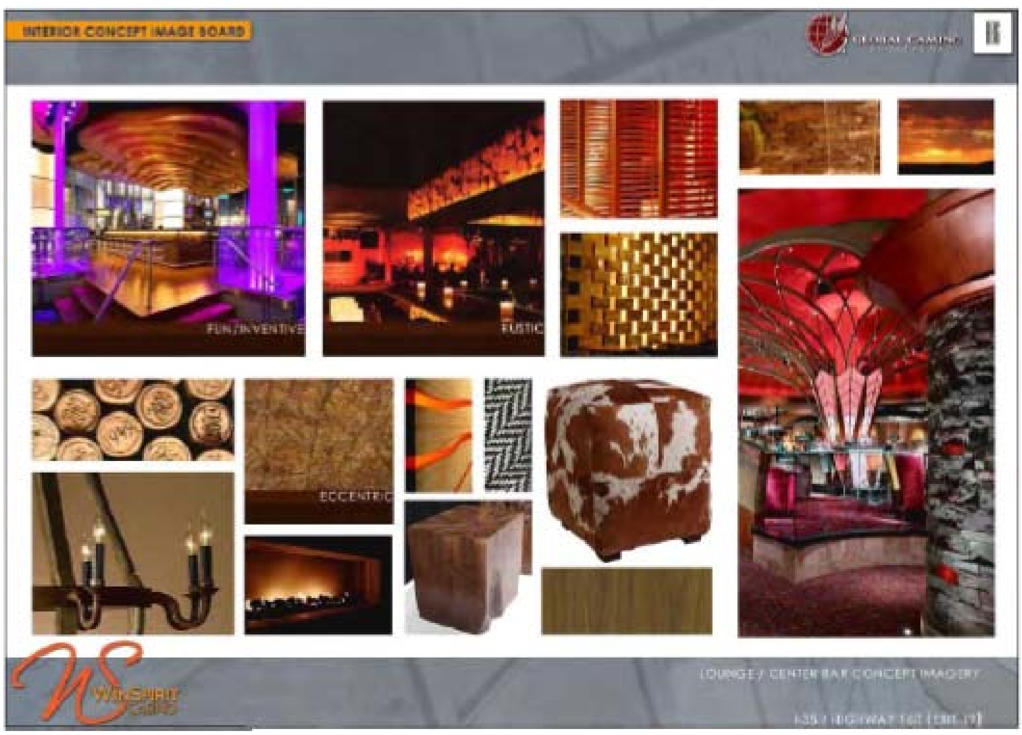
Finally, GGS has declared it plans to spend a total of $280M over the duration of the contract, a non-trivial amount that underscores scope and an underlying thread of sustainable quality.

6.2. TACTICS AND EXECUTION

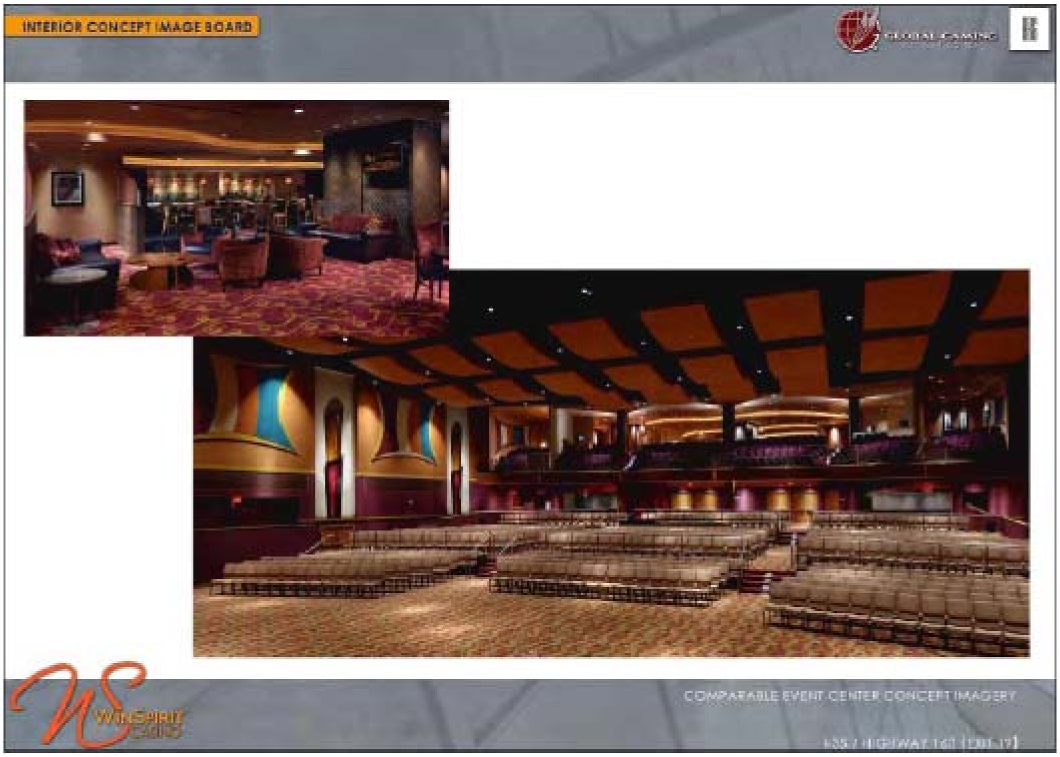
6.2.1. Design and Theme

See both preceding renderings of the exterior of the building.

Some interior renderings and references to other GGS properties are shown below:



And this rendering of the proposed indoor event center:

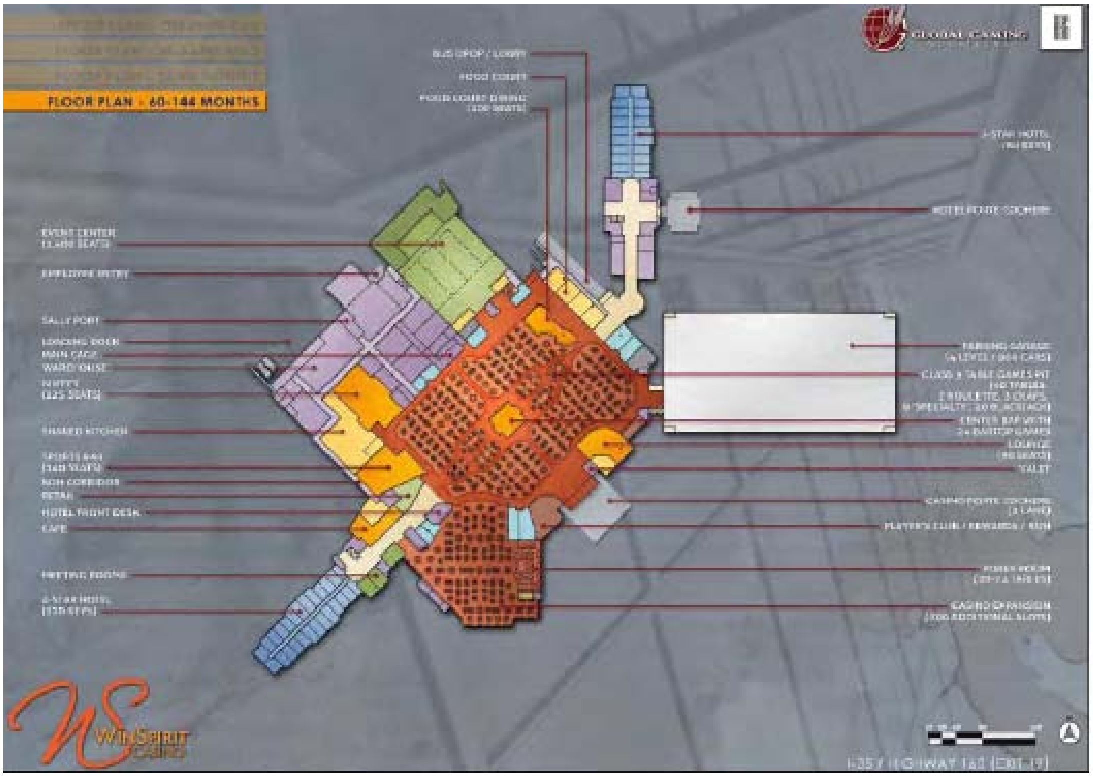


MI Evaluation and Comment: Execution is always the final arbiter of the quality contemplated by the owner/developer but after reviewing the renderings above (and others not included) it would appear that the design and theme of the RiverSpirit casino is at least a 3-star quality property and may end up being a 3-star^{plus} property.

It would also appear that GGS has in mind a theme that should fit in well with the Midwest, South Central Zone culture, values, and prerogatives, the right amount of theme plus comfort plus quality.

6.2.2. Configuration and Layout

The rendering below depicts the layout and configuration of the WinSpirit project at full build-out.



MI EVALUATION AND COMMENTS

Without getting into a detailed design review the proposed layout and configuration appears to satisfy the basic design principles associated with a Locals' / Regional casino, i.e., …

- Multiple entryways
- Easy access from surface and covered parking (this means as short a distance as possible and protected from adverse weather where possible/economically feasible)
- Porte cochere right sized to expected drop-off/pick-up, taxi, shuttle, and valet volumes (again protected from adverse weather where possible/economically feasible)
- Entry's directly onto the casino floor
- Pathways for non-gaming age visitors to circumvent the casino floor or at least spend the minimum amount time on and around it.
- Separate hotel arrival (where possible and economically feasible). If not possible/feasible then a front desk that is within comfortable distance from the entrance and hotel elevator/rooms.
- Table areas typically in the "center" or center of attraction of the casino (notwithstanding the popularity of slot machines, the table games remain "the show")
- Slot areas that provide for wide aisles (to accommodate the walkers and wheelchairs of our aging population)

- Centers of activities and destinations around and through the casino to promote cross traffic
- A center casino bar or its equivalent to add non-gaming energy to the floor
- Possible live entertainment options that can be seen/heard from the casino floor.
- Food and beverage outlets that interact with the casino floor to provide the aforementioned cross traffic but also to provide synergistic energy between the two activities. And, where possible and feasible, food and beverage outlets that provide views if not actual outdoor dining/drink options, particularly during favorable weather months.
- Back of the house configuration that supports target levels of customer service and good employee quality of work life.
- Layout that supports control and integrity of operations (e.g., secured pathways for funds flow, secured back-of-house areas), provision for surveillance, protected shipping/receiving area, and a safe working environment throughout).

6.2.3. Amenity Mix

GGS indicates that they undertook substantial review and research concerning the needs, wants, and expectations of the South Central Zone Marketplace. Their amenity list ostensibly was shaped not only by GGS's overall experience and its Interstate 35 experience but also by the aforementioned Kansas Market Area research.

Excluding gaming, the following constitutes a review of the non-gaming amenities. MI's evaluation and comments are included within each amenity discussion and also in the Sum of the Parts wrap up.

1. General

As a foreshadow and point of reference, when asked in the Performance Matrix how GGS plans for gaming and non-gaming activities to interact synergistically as well as independently to achieve their Goal Set, the response was a rote list of the following amenities:

- *1,400 seat event center with 8,000 square feet of convention space.*
- *80-room hotel.*
- *Wide ranging selection of restaurants, lounges, and bars.*
- *Travel plaza to draw passenger cars and tractor trailers on I-35.*
- *Golf course club house consistent with the intent of destination quality, and carry out greens update of the existing Wellington Municipal golf course.*
- *Depending upon future market conditions, a second hotel as well as an RV park and other amenities may be built.*

2. Dining

OUTLET	THEME	NO. SEATS	SQ. FT.	AVE. COVER	DAILY COVERS
Liberty Deli	Fast casual BLD	135	6,643	$10	300
The Brewhouse	Sports bar	145	5,000	$14	350
Buffet	Buffet BLD	135	5,734	$15	500
Bellini's	Steak, seafood, pasta	100	4,000	$35	75
TOTAL		**510**	**21,377**	**$13**	**1,225**

GGS states that it is developing its food and beverage operations with the assistance of Emerging Brands. This group ostensibly has developed 12 food and beverage brands and has operated over 180 restaurants in 26 states today owning and operating 70 restaurants. It also plans to work with Jimmy's Egg, an Oklahoma based breakfast restaurant chain with locations in Kansas, Nebraska, Oklahoma, Texas, and soon in Missouri. None are within 100 miles of the Wellington site they claim. Emerging Brands developed an Email club associated with Jimmy's Egg which is used to send promotional information and offer.

GGS also plans to work with Rock Bottom Restaurants who are also partners of Emerging Brands. This group has allegedly one of the most extensive casual dining data bases in the country along with addresses of 15 million credit card customers.

See also the Pre-opening and Post Opening Demand Stimulation Marketing Strategies and Tactics proposed by GGS.

MI Evaluation and Comments

GGS accompanied the above list of dining opportunities with a more detailed description, but let it suffice to say that the above four outlets provide a range of dining options that satisfy the 24-hour breakfast, lunch, dinner, snack/coffee needs of the WinSpirit visitor. The dining offerings also offer a range of price points, service levels (serve yourself to linen table service), and formality (a sports bar to a chop house).

With respect to the price points, the above average check forecast for each facility are not "low" but they are not "high" either, they are as one might expect mid-market albeit a tick higher than MI expected for this part of the country. Part of this may be management philosophy.

Insight into this can be gained by looking at their food department profit margin which is approximately 25 percent (note that this margin may be affected by GGS's affiliation with third-parties making it unclear what GGS and their partners may be responsible for and how revenue/expenses may be split). Those casinos using food as more of a promotional tool will lower their margin to 10 percent, breakeven, or even operate food as a loss leader. By way of reference, the breakeven average check would be $10 vs. the $13 project. Also providing some insight to the management philosophy toward food is the absence of comp revenue shown in GGS's pro forma. They do show a complimentary expense but do not show any compensating revenue account in comp food revenue. This may mean they do not intend to comp food or that GGS accounts for this offset differently than Generally Accepted Accounting Procedures, the basis for most casino financial statements, stipulate.

Regardless, a quick reasonableness check in suggests that GGS is forecasting approximately 22 percent of their forecast average daily visitor count will be taking one meal. This is a little low for a locals'/regional casino but their experience in Oklahoma may support this amount. Or, it may be reflective of their approach to comping and discounting food.

In terms of ability of the capacity to accommodate the projected demand, using an MI inspired assumption of 30 percent of the visitors taking 1.1 meals per day then on an average day the dining facilities would be utilized in the 60 percent to 70 percent range based upon MI's assumptions about reasonable potential turnover for each facility. However, if peak days (e.g., weekends and holidays) are approximately 50 percent greater than an average day, utilization would climb to 90 and above levels. If off peak periods (e.g., midweek and adverse weather days) under this same period would show utilization in the 50 percent to 60 percent range illustrating the problem with servicing peak vs. off peak variations efficiently. The high utilization does not bother MI at this point first because its demand assumptions may be high and secondly because there are stretch areas in the existing food areas, particularly the buffet. And, GGS can also add food carts and take other steps to provide food before it becomes clear that additional dining options should be made available.

The GGS array of food options certainly 'covers the basis' in terms of the food needs of the forecast visitor and seem to be aligned well with the marketplace with the slight concern for perhaps being a bit aggressive in pricing/profit margin and uncertainty about GGS's food comp philosophy, typically a backbone of any Locals'/Regional casino with a large, active Loyalty Club program. It will be up to management to deliver at least a very good and preferably a "great" food experience to each and every guest. No marketing plan or verbiage can foretell what the final execution will deliver. And, along another perspective, it is unclear whether any of the food options provide views or allow for outdoor dining, thereby becoming something more than a restaurant, they become a Hot Spot and a Wow! Factor.

3. Bars and Lounges

OUTLET	THEME	NO. SEATS*	SQ. FT.
Roulette's Centre Bar	Center casino cocktail bar	50	1,698
The Bank	Bar, lounge, and entertainment	90	3,529
TOTAL		**140**	**5,227**

* Excludes 'stand up' capacity at bar front.

MI's Evaluation and Comments

MI assumes that the above reference excludes any serve-yourself coffee and soda stations that are common practice in casinos throughout Indian Country and in mid-market casinos these days. It may or may not include cocktail service through cocktail waitresses. Regardless of whether cocktail service is provided or not, MI will presume that GGS would react to the demands of the Marketplace.

MI is a great believer in the value that beverage/bar service provided by a casino center bar can engender but as important if not more importantly MI values the energy center it creates that permeates the entire casino floor. If loaded with flat screen televisions and other promotional tools, the center bar is active even when not heavily patronized. It also acts as a lighthouse destination and social gathering place that takes the edge off the gaming taking place around it. In many locals' casino, the center bar is THE meeting spot for the area.

MI is also encouraged to see more formal bar and lounge with a stage that provides the opportunity to provide live acts. Here again, this becomes another destination for Locals' and Regional visitors as well as those wishing to socialize once at the casino. The live entertainment becomes another source of energy for the casino, an activity that can never have enough.

In all, the bar and lounge options at the proposed WinSpirit casino appear to be aligned correctly to the needs of the marketplace. Whether they are more than bars and lounges and become Hot Spots and Wow! Factors for the property will be a function of execution.

With respect to capacity, MI again used certain assumptions to test utilization and here again during average days utilization of beverages not taken on-the-casino floor (i.e., from serve yourself stations and/or cocktail service) could be in the 60 percent to 70 percent range. These utilization numbers jump to over 100 percent on peak days but drop to 50 percent to 60 percent during off peak periods. As before, MI is not concerned about the high utilization rates because of MI's uncertainty about its assumptions and the ability to add stretch in the bar capacity via adding bar backs, more bartenders, portable bars, and opening other bar venues.

Here again, however, the pro forma submitted by GGS does not indicate any comp beverage revenue leading to the same questions as posed in the dining/food section regarding GGS's beverage comp philosophy. At the very least, the typical Locals' / Regional casino would promote beverage service, particularly bar/alcohol service often using lower prices and comps to do so.

Using the beverage department margin as a proxy for drink prices, the calculate beverage margin is high in the low 70-percent range. Something seems amiss here or GGS is pricing their beverage high as a profit center. Or, something else might be at work, for example, maybe there is a management contract in here somewhere and revenue shown reflects pure "profit." MI is not too concerned in this matter, however, because GGS appears to be a smart, successful operator in Oklahoma and if it gets it "wrong" initially, MI has confidence that they will "fix it."

4. Entertainment (see rendering of proposed entertainment center above) and Meeting and Conventions

GGS is proposing a 42,549 square foot Event and Convention Center patterned after a comparable facility at their Riverwind property in Norman, Oklahoma. The facility will have a 32,649 square foot 1400 theater-style seating capacity and be designed as a multi-use space for various types of entertainment performances and meeting and conference events. Additionally, the facility will have a 1,657 square foot pre-function area that can be used separately as a meeting/function area as well as a pre-event social area.

See the Post Opening Demand Stimulation section below for the rather aggressive proposed use of this center for entertainment functions. GGS demonstrates that they have extensive experience in contracting with and offering a long list of entertainment aimed at the Midwest mid-market. It is clear that GGS views the entertainment center as a critical marketing tool to appeal to Locals', Regional, and Outer Market patrons.

Supporting the central Entertainment and Convention Center will be an additional four break-out rooms totaling another 8000 square feet with school room seating capacity of 184 seats, 184 seats, 92 seats, and 92 seats for a total of an additional 1,360 seats. These meeting rooms are in addition to the flexible configuration of the flat floor Entertainment and Convention Center.

MI EVALUATION AND COMMENTS

MI is a believer in entertainment as a marketing tool for Locals', Regional, and Outer Markets. MI gains confidence in GGS's proposed aggressive use of entertainment by GGS's prior experience at its Oklahoma properties.

Undertaking a reasonableness check, MI assumed a $35 average ticket price and applied that to the $1.6M to $1.9M entertainment revenue shown in GGS's pro forma. Assuming an average of 1000 attendees per show this results in approximately 50 event days or about one entertainment show per week.

The pro forma shows the entertainment department operating at a 25 percent loss suggesting GGS will use it as a loss leader to drive business. But, as before, no comp revenues are shown on the pro forma raising questions about whether entertainment will be used as a comp or discounted marketing tool.

Being a fan of entertainment from an owner/manager's point of view, MI admittedly would rather see more implied events, e.g., more of a Friday and Saturday sequence with possible Sunday matinees and holiday shows. As demand builds, midweek shows might work as well. Of course, these heavy an entertainment schedule would conflict with the use of the facility as a meeting/convention center but with the initial phase contemplating only an 80 to 100 room hotel, the need to use conventions and meetings to fill off-peak room demand is reduced. If GGS chooses to open the second proposed hotel then this could become an issue although GGS could always build into the second hotel discrete and dedicated needed convention and meeting space.

In all, MI believes GGS has the "right idea" regarding the use of entertainment at the WinSpirit Casino.

5. Hotel

GGS is proposing to open with an 80 to 100 room, "3-star hotel" patterned after a Holiday Inn Express, LaQuinta Suites, and their equivalents. GGS also states, however, that they expect to overlay some level of customization to the standard brand scheme in order to adapt the brand to a casino hotel. They are suggesting that 20 of the possible 100 rooms would be 'premium rooms' with an average size of 620 square feet versus 320 square feet for the standard room.

The cost of the first hotel is expected to be in the $10 million range which would put the cost per room in the $100,000 per room category falling within a typical 3-star cost envelope.

GGS indicates that there research shows 7500 rooms of various quality levels ranging from economy to upscale in the greater South Central Zone Market Area. In aggregate, these hotels average a $100 rate. GGS is proposing a $90 average daily rate presumably to gain a price advantage.

They are projecting a 52 percent initial occupancy increasing to 71 percent in 2016. Their visitation projections suggest a 50:50 mix of Leisure and Business guests. They further forecast 42 percent of the Leisure guests will be residents (i.e., within a 100 mile range) with the remaining 58 percent being tourists (i.e., beyond a 100 mile radius of the site). The same resident/tourist mix is applied to the Business hotel guest.

The relative low initial occupancy and even 2016 occupancy of 71 percent is low relative to MI expectations but could be a function of high peak vs. off-peak demand. MI intuitively would have expected a forecast that indicated more Leisure than Business guests, and even more tourists than residents but all of this can be aligned once open to actual realities.

Once again, no comp revenue is shown so while GGS states it intends to customize the design it is less clear how they expect to use the hotel for rated players their Loyalty Club. GGS clarifies this via a follow-up response to a question posed by the consultants that asked point blank how they intend to use the casino for casino purposes, particularly through a third party. The response was: "… the booking of the hotel and marketing will entirely (be) the responsibility of casino player development supported by the third-party operator. This is achieved by the casino acquiring and controlling room allocation." GGS anticipates initially using 30% to 40% of the rooms for comped players then in the stabilized year "more like 70%."

This still begs the question of the relatively low occupancy given the amount of overall projected gaming revenue, the implied size of the database needed to generate that demand, and the assumed active use of the hotel as an incentive and means to cater to higher value, longer playing gamers.

Perhaps GGS is relying on its declaration that if market conditions support it, it has provided for a second, 120 to 150 room "four star" hotel to be added in a later phase that would cost in the order of $15 million. They indicate that this hotel would be patterned after a Hilton Garden Inn or Courtyard Marriott but here again the cost per room at the 150 room level would still be $100,000 placing it more in the 3-star category.

It is reasonable to expect that GGS would review actual results and market demands once open and would refine its proposal for the second hotel as appropriate.

A closing point: the profit margin for the hotel department is 66 percent, about where MI would expect a 100 room, 3-star hotel to be. But, it is not clear how the economics work between GGS and the third-party, i.e., how revenue and expenses are accounting for and reflected in the pro forma, i.e., what these numbers really represent.

6. RV Park

GGS is proposing to make the nearby existing locally owned 37 space KOA RV park that currently has two lodges and one cabin a strategic partner. In a later phase, GGS proposes to add an additional 60 RV spaces at the rear of the casino site at an investment of $7 million.

GGS's experience at its 163 space RV park at WinStar is that 20 percent of the overnight guests are comped and that they are value added gaming customers

MI Evaluation and Comments

MI's experience with RV guests varies from that of GGS by degree. Noting in advance that not all markets are identical, nevertheless MI has had a fair amount of experience with RV guests during one period of employment in Laughlin, admittedly a value destination to begin with. But, the "Snowbirds" as they were called (they came from northern locations to during the winter months to escape the winter weather) that came to Laughlin while not being too demanding in terms of the facilities they required, nevertheless were extremely value and price conscious. Granted there were those in the $500,000 and $1 million dollar RV's but they were the exception not the rule.

Notwithstanding MI's contention, MI feels that RV guests could be an incremental albeit marginal Target Market Segment. Even though the $7M investment seems high (for 60 additional spaces this roles out to over $100,000 per space, the same amount as the 3-star hotel room), a right-sized investment at $7M or another amount is probably appropriate to capture additional investment given the amount of available land and assuming such expenditure is not taken away from critical core activities that need it more.

7. Retail

One, 1200 square foot logo/merchandise retail store that also offers various sundries is proposed.

MI Evaluation and Comments

Only $75,000 in 2013 and $82,500 in 2016 in annual revenue is projected at a low margin to breakeven rate. Regardless, it would outwardly appear that this limited amount of retail is being offered more as a convenience than as a discrete attraction. Logo stores are helpful for brand awareness as well as providing mementos of trips and gifts for friends and family. The sales of sundries are a necessity, particularly with the hotel operating nearby.

8. Parking

The GGS submission lists the parking options as follows:

Total parking	2,357 spaces
Surface	1,461 spaces
Valet	485 spaces
RV parking	27 spaces
Employee	384 spaces

A future phase calls for a 996 space covered parking garage.

MI Evaluation and Comments

Parking at a Locals'/Regional casino is a surprisingly important element to get right. Ironically this is not so much because doing so generates huge increases in market share but because if poorly or inadequately done it can mean the loss of market share.

In this regard, many locals' have stated that they prefer surface parking to garage or valet parking if their parking is close to the entry to the casino. Even so, valet and parking garages are well received perks for the rated an unrated player alike, particularly in inclement weather locations. By definition, parking should also be provided within easy, comfortable, and a short distance of the hotel entrance.

Based upon some rough assumptions about visitors per car and using GGS's annual visitor projections, it would appear that utilization would be approximately in the 60 to 70 percent range on an average day, potentially in the 90 percent to 100 percent range on a peak day, and 50 percent to 60 percent on an off-peak day. As before, there is some question about whether MI's assumptions will prove valid for a Wellington location. MI is not concerned about this issue, however, because there is stretch in the parking capacity (e.g., employee parking can be turned over to guest parking on overflow days with shuttles provided to remote parking areas for employees), GGS has access to additional, undeveloped land that presumably could be quickly converted to surface parking, and – if market conditions so dictate – could build the 996-space parking garage earlier than later.

9. CORE FACILITIES ABOVE VERSUS THE REMAINING FACILITIES BELOW

GGS was careful to point out that 80 percent of its proposed capital investment was dedicated to the core activities listed above. Twenty percent of the remaining investment is associated with the capital investment in the golf course, travel/fuel plaza, and race track discussed below.

MI Evaluation and Comment

GGS's care in making the above declaration would underscore that GGS understands they need to get the core Locals'/Regional activities "right" first before moving on with development of incremental, value added ancillary activities that are designed to build upon a working core foundation of activity.

10. GOLF COURSE

GGS proposes to partner with the Wellington Municipal Golf Course, upgrade its greens and build a clubhouse suited to the destination visitor for them at a cost of $3 million. GGS is quick to point out that at only one to two miles distance from the WinSpirit site, the golf course will be a short shuttle ride from the hotel/facility. Moreover, the clubhouse will have private access to VIP customers.

GGS points out that their WinStar golf course generates 3500 rounds of golf per month, one-third of which are comped to value gaming customers.

There was no revenue or expenses shown on the GGS pro forma for any golf activity so presumably management and ownership will essentially remain the same and the money discussed may be a gift or part of a separate business unit.

MI Evaluation and Comment

Certainly golf is part of many adults leisure and vacation retinue. And, golf has been associated with casinos for decades. Golf can be used as a reason to promote a gamer or non-gamer visit and a comp/perk for rated players. Golf tournaments are popular with gamers and non-gamers alike. And, if your competition offers golf, sometimes it is a necessity to do so as well.

Given the actual cost and expense of running a golf course, however, some casinos will choose to use private golf courses establishing a relationship with the course (i.e., get preferred tee times via blocking tee times in advance or purchasing green fees in bulk in advance) rather than build/own their own.

In the final analysis, however, a golf course is an incremental not a critical amenity, particularly for a Locals'/Regional oriented casino. It is not a game changer either way but if available, an asset to be used proactively and aggressively.

11. TRAVEL / FUEL PLAZA

Following up on GGS's targeting of the Interstate traveler and taking advantage of their direct on/off access to the Interstate, GGS is planning a travel/fuel plaza. GGS has built and operated five to ten such facilities. Moreover, its partners in this venture, OnCue Express and Danielson Fuel, have built eight of them over the last four years and has operated and built ten of them in total.

GGS expects to provide six gas pumps with 12 fueling positions and 4 diesel pumps each with a satellite pump so that four trucks can be fueled at the same time.

The total investment will be $8 million.

MI Evaluation and Comments

MI is admittedly not too familiar with travel and fuel plaza operations, profitability, and marketing potential but it seems a natural, incremental amenity to provide if and only if the core foundation amenities and activities are working as they should. GGS declared that Interstate travelers lift demand on average 5 percent to 10 percent, not a trivial amount but not an amount that could not be garnered by focusing the same effort and capital elsewhere if the core activities are not working. It is noteworthy that the proposed travel and fuel plaza is being proposed for a future phase.

12. SPEEDWAY

The GGS owner/developer is proposing a speedway (sports car racetrack versus, for example, a full NASCAR mega-facility) in its final phases. GGS proposes to invest $7 million to $10 million in this venture. The race track will host vintage car racing, motorcycle racing, and performance production racing. Allegedly, expressions of interest have been received from the Indy Racing League and discussions have already taken place with Grand Am and Grand Prix racing. GGS proposes to use temporary seating for “big events.”

GGS points to their experience at the WinStar casino where they promote the nearby NASCAR race generating 6000 new rated customers from each NASCAR event. They also cite Harrah’s contention that “race track customers” are gaming customers. GGS offers other back up to the efficacy and appropriateness of this track.

MI Evaluation and Comments

While not an expert, it is MI’s experience that speedway/race course events are entirely different from the hugely successful NASCAR races that are often sold out and in huge demand around the country. Most racing is struggling to stay alive doing so mostly via private and amateur race car enthusiasts than via sanctioned race car series. There are indeed some huge events around the nation – the vintage car races associate with the Concours de Elegance that takes place coincidentally is one example – but these are the exceptions and typically not high volume people generators.

There is nothing wrong with adding a race course, per se, as a marginal, incremental activity but if and only if the core foundation activities are working.

6.2.4. Phasing

MI Preamble: GGS has submitted plans for a phased development. This is prudent at any time but particularly so during this intra-Financial Crisis period. Phasing also gives the owner/operator time to evaluate the actual reaction of the Marketplace to the initial development as well as better probe the future needs, wants, and expectations of its Target Market Segments.

Even so, Phasing must be done with care for a number of reasons. The first follows the old Axiom, “You only get one chance to make a first impression.” This is only an issue if development of the first phase is “sloppy.” It need not be. First phases of the vast majority of casinos are developed with the rigor and standards of future phases. Even temporary casinos have been erected that, with explanation, have well served an eager public waiting for a new casino-based facility to open. The “temporary casino” in Melbourne, Australia outperformed the much more expensive new casino in the initial months of opening after the permanent facility opened.

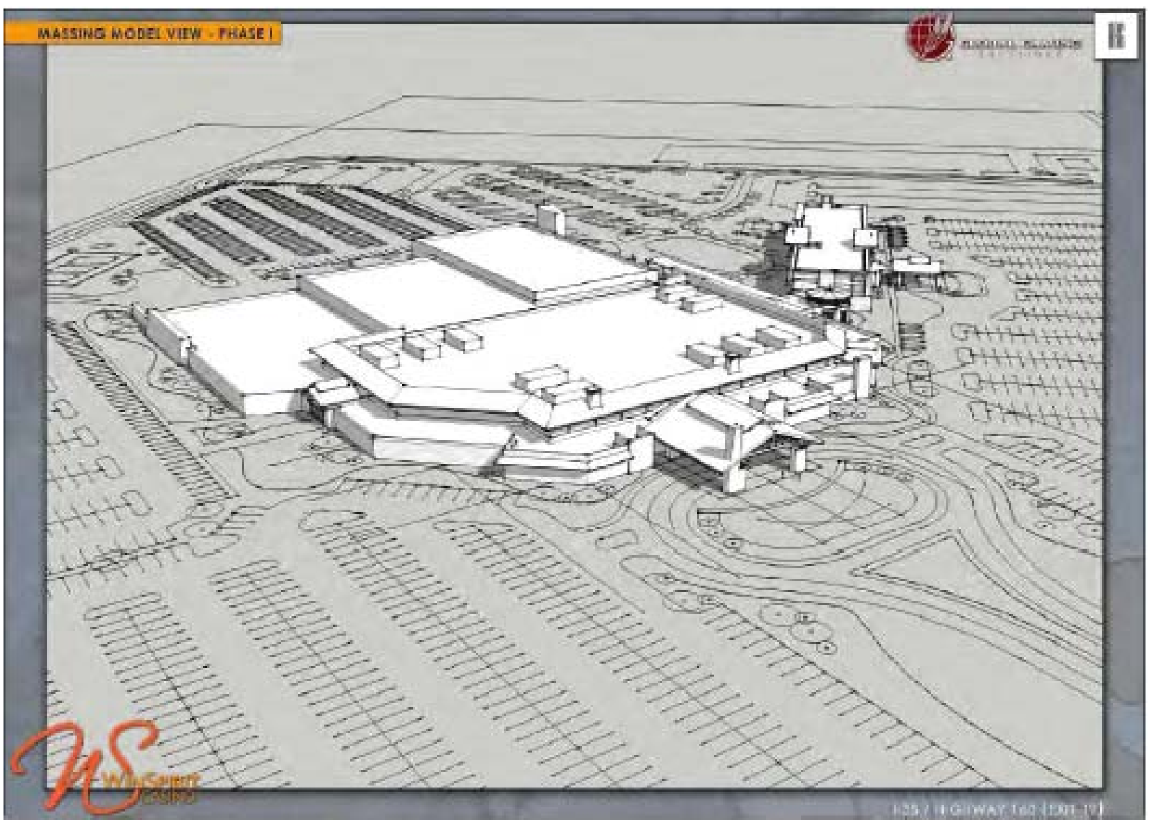
The concern, however, must not only be for “first impression” in terms of quality but also the overall experience. The first phase must have the critical mass necessary to create a valuable and value-driven visit.

Finally, care must be taken that if a temporary casino is contemplated that the benefit of an earlier-than-expected opening is able to overcome the costs. In some instances the gap between a full opening and a temporary casino can be negligible or insufficient after taking into consideration execution risk.

GSS Phasing Proposal

Please see the schematic drawings below of the various phases proposed by GGS.

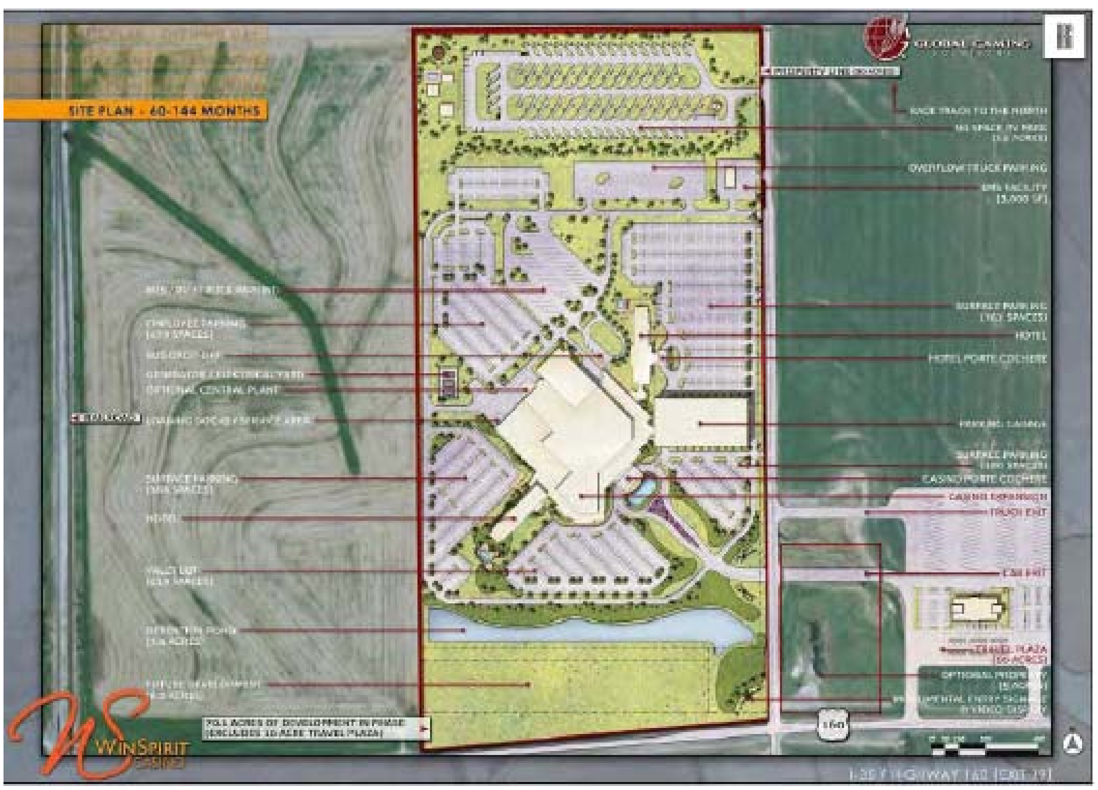

SITE PLAN - OPENING DAY
GLOBAL GAMING
UNDEVELOPED LAND
EMS FACILITY
SURFACE PARKING
HOTEL
HOTEL PORTE COCHERE
CASINO
CASINO PORTE COCHERE
WINSPIRIT


MASSING MODEL VIEW - PHASE I


SITE PLAN - 24-36 MONTHS
GLOBAL GAMING
UNDEVELOPED LAND
EMS FACILITY
SURFACE PARKING
HOTEL
HOTEL PORTE COCHERE
CASINO
CASINO PORTE COCHERE
TRUCK EXIT
CAR EXIT
160
WINSPIRIT


SITE PLAN - 36-60 MONTHS
GLOBAL GAMING
UNDEVELOPED LAND
EMS FACILITY
SURFACE PARKING
HOTEL
HOTEL PORTE COCHERE
CASINO
CASINO PORTE COCHERE
CASINO EXPANSION
TRUCK EXIT
CAR EXIT
160
WINSPIRIT


SITE PLAN - 60-144 MONTHS


SITE PLAN - 60-144 MONTHS

MI's Evaluation and Comments

MI's review of GGS's phasing plan was strictly from the perspective of the balance and efficacy of the non-gaming elements, not whether the GSS phasing plan is reasonable and proper from an economic or benefit to the State and local/regional community point of view.

MI's first comment is that the GGS Phasing proposals takes place via permanent facilities. Except for time, this is an advantage presumably because "what you see is what you get," i.e., the owner/developer gives to the consumer their "best shot." But to be clear, it does represent a tradeoff against quicker/cheaper/smaller vs. later/more expensive/bigger.

With the first phase to open within 14 months of start of construction, with some 1300 slots, 30 table games, 20 poker tables available there is/should be substantial critical mass gaming-wise. With respect to other ancillary amenities, a 225 seat buffet/restaurant is planned, a 100 seat food court with four venue stations, a 90 seat show Lounge with stage, a 50 seat Center Bar, and the 1400 seat Event Center. The 80 room first hotel opens 4 months after the initial opening.

The second phase, Phase 1B adds an additional 250 slots for a total of 1550 slots and the addition of 20 table games for a total of 40 table games while the 20 poker tables remaining the same. Also taking place during this period is the renovation of the city municipal golf course and addition of the clubhouse and the travel plaza (both 36 months)

Phase 1C (MI's designation) takes the facility to 1800 slots, 40 table games, and 20 poker tables.

Phase 2A (Year 7) takes the facility to 2000 slots, 40 tables, and 20 poker tables. Admittedly MI is a little confused concerning various references that could suggest a maximum of 2200 or 2000 slots but MI has chosen to list 2000 slots because this figure appears in more places throughout GGS's Submission.

Year 8 of Phase 2A contemplates the addition of the 996 space parking garage. In Year 10 plans are for the second 120 key 4-star hotel to open plus the additional RV park spaces will be added along with the race track.

MI has no issues with the balance between the gaming and non-gaming facilities. MI would only point out that from the State of Kansas point of view, sooner is better. GGS makes some comments that it could accelerate certain aspects of its development schedule (e.g., add slot machines if market forces so dictate. One might expect that if the profit motive is there, they will do so.

6.3. SUM OF THE PARTS – MI EVALUATION AND COMMENTS

In MI's self-imposed linear, sequential approach to development and this review process, the GGS Submission started out slowly and awkwardly as MI searched for a clear statement of development goals, driving concept, and Target Market Segments. However, once MI dug into the programming for the property, the answers to these questions were revealed if not directly then indirectly and deductively. Substance over form, the Product Marketing Plan for the WinSpirit Casino appears to be a prudent development plan that aligns well with the notion of being the Best Locals'/Regional Casino You Can Be. It may fall short of being someone's dream mega-destination Integrated Resort that draws thousands of visitors from hundreds of miles away but candidly, the South Central Zone cannot currently support such a venture, only a handful of venues around the world such as Macau and Singapore currently can.

This said, the attempts to provide non-gaming ancillary amenities that not only serve the Locals'/Regional primary market area but also the Outer Market beyond 100 miles from the site are also prudent and appropriate. The efficacy of these non-gaming ancillary amenities will depend as much on the efficacy of the Demand Stimulation Marketing Programs below as the facilities if not more so. And, at the risk of foreshadowing the next section, what GGS says they are going to do Demand Stimulation-wise is also prudent but substantial underscoring their apparent appreciation for and understanding of the three driving goals of the Kansas gaming statutes.

MI has stated previously that it would have preferred a slight uptick in positioning from a pure mid-market, 3-star play to an upper-middle/lower upper 3-star^{plus} positioning in order to deepen and broaden the market in order to better achieve the Kansas gaming statute goals. MI commented that the renderings suggest that the actual facility may indeed turn out to be a 3-star^{plus} property in certain activity areas of its development or perhaps across the board. This speculation is highly contingent upon the actual execution and to be fair, almost all of GGS's verbiage seems to point toward a solid, 3-star mid-market positioned casino.

However, MI speculates that positioning above the 3-star level is not GGS's comfort zone or *modus operendi*. It is also more risky in today's intra-Financial Crises from a funding and operating/bottom line point of view. It should be noted that GGS is already preparing to invest $280 million over the life of the project, not a trivial sum. Regardless, it is up to the proponent to submit a proposal that meets all of their objectives.

As it stands, the Product Marketing Strategy for the WinSpirit Casino appears to be prudent, appropriate, fund-able, and well aligned to the Marketplace.

7. DEMAND STIMULATION MARKETING ("DSM")

7.1. DSM – PRE-OPENING

The following GGS Pre-opening Marketing Plan was gleaned from multiple GGS Submission documents and then reassembled by MI to fit into MI's template. This may make the plan appear more disjointed than it really is and MI may have made some placements that are not entirely in line with GGS's thinking. Even given these issues, MI has read enough from GGS to know that the thrust of what GGS proposes is described below.

7.1.1. Strategy

GGS stipulates that its pre-opening objectives will be to:

1. Generate Brand Recognition in the Market and Region
2. Generate Awareness in the Market and Region
3. Build Player's Club (loyalty program) interest during the pre-opening and soft opening (first 90 days of operation) period.
4. Build Awareness and generate 'energy' for opening utilizing local business partners.

GGS messages will focus on the following motivators:

- WinSpirit as a new entertainment destination (also "exciting" and "convenient")
- Largest casino in the region with the latest, most popular games
- Great food, brand name restaurants and sports bar
- Live entertainment (in the casino) and at the Entertainment and Event Center
- Celebrity concerts and special events in a world class showroom

In general and chronologically, GGS proposes an initial soft opening and then a formal and larger Grand Opening 90 days later.

- The soft opening will be accompanied by "limited pre-opening media advertising" consisting of newspaper and billboard branding campaign. GGS's objective with a soft opening is to "get the kinks out," something they believe is particularly necessary where 80% of the workforce will be new to their job. Additionally it allows management to stress test the multiple systems and operations that comprise a gaming operation of this size.

- The Grand Opening 90 days later will be accompanied by a "larger, full scale" advertising media blitz.

7.1.2. Tactics

Specifically, GGS will spend $1 million for the activities below. MI has added its opinion regarding what may or should be the objective of each tactic in terms of the Demand Cycle: promote Awareness, then motivate Trial, afterward spur Repeat Visitation, and finally engender Loyalty.

1. Public Relations AWARENESS/TRIAL
   - Create and maintain a Publicity/Public Relations office.
   - Use the WinSpirit Internet site as a PR tool.
   - Develop and distribute Press Kits for key events, e.g., soft opening and Grand Opening.
   - To the community, promote the catalyst WinSpirit will represent for jobs, the promotion of tourism, creating new traffic for local businesses, and the development of new roads and other local infrastructure to engender goodwill and support.
   - Use the following as information distribution tools:
     - Local media
     - Community leaders
     - Social media such as Facebook and Twitter
     - Web-phone

2. Community partnerships … partner with: AWARENESS/TRIAL/REPEAT
   - Sumner County
   - Wellington Chamber of Commerce
   - Local entertainment related businesses
   - Local travel related business
   - Local golf course event/promotion sponsorships
   - Sumner County/Wellington event/promotion sponsorships

3. Website and Social Media AWARENESS/TRIAL/REPEAT
   - Website
     - Create easy-to-use website with the following main menu selections:
       - ✓ Players Club interface … signups and ongoing support
       - ✓ Gaming options … indicating latest game availability
       - ✓ Showroom/Special Events … ticket/reservation interface
       - ✓ Promotion schedule
       - ✓ Hotel … link to online reservations mechanism
       - ✓ Other Hospitality options … e.g., restaurant/buffet, sports bar, casino center bar, and food court options
     - Purchase search engine and other on-line advertising to direct people to the site
     - Feature website address in all marketing materials and advertising efforts
     - Use interactive website contests to build Awareness
   - Enhance website advertising visibility via search engine optimization

- Use interactive social media contests to build Awareness

4. Advertising AWARENESS
   - Outdoor billboard advertising … including "Coming Soon" campaigns
   - Newspaper … teaser campaign directing readers to website and/or call center
   - Radio/TV … "light" presence in support of pre-opening campaign
   - Grand Opening campaign
     - Outdoor billboard advertising … changed to announce Grand Opening promotion and "Now Open" messages
     - Radio/TV … 'large' packages to run 10 days prior to Grand Opening
     - Newspaper … special insert in Wichita Eagle and Wellington Daily News on the weekend prior to Grand Opening
     - Hype website address and Players' Club offers in all radio/TV advertising

5. Direct Mail AWARENESS/TRIAL/REPEAT/LOYALTY
   - Use market research to determine most effective messages
   - Work with local businesses and Chambers of Commerce to enhance target lists
   - Feature the strongest amenities of WinStar: e.g., latest and most popular slot machines, complete assortment of table games, multiple restaurant/sports bars/other food options, world class event center, comfortable brand name hotel
   - Focus "inner market" message on gaming product, restaurants, and special events

6. Pre-opening Players' Club activities AWARENESS/TRIAL/REPEAT/LOYALTY
   - Distribute 10,000 Players' Club cards locally prior to Soft Opening.
   - Distribute additional 20,000 Players' Club cards during Soft Opening via mail and other targeted media.

7. Direct sales efforts TRIAL/REPEAT
   - Group sales
   - Bus lines
   - Bus tours

8. Work with Kansas Travel and Tourism Division and other travel resources to promote WinStar beyond the 100 mile radius. AWARENESS/TRIAL

9. Utilize Interstate 35 Corridor marketing opportunities. AWARENESS/TRIAL

10. Summary from GGS

Global Gaming Solutions, LLC, its business partners, investors and management, are committed to creating a first class entertainment destination in the heart of Sumner County. In support of that commitment, we are dedicated to providing the substantial resources necessary to execute the Pre-Opening and Soft Opening marketing plans we have outlined here.

> We will build and nurture a strong partnership with the local community, supporting local endeavors and maintaining constant open channels of communication with the people of Sumner County.
>
> We intend to be a true partner to the city of Wellington and will work in concert with local officials, local businesses and citizens of Sumner County to improve the community, provide job opportunities, contribute to improved infrastructure, promote tourism and attract future economic growth in the region.

7.2. DSM – POST OPENING

For its Post Opening DSM Marketing Plan, GGS refers to the Marketing Plan it attached to the Performance Matrix. Excerpts from this Marketing Plan that MI believe belong in the Demand Stimulation Post Opening Marketing Plan have been cut-and-pasted into this section. Excerpts from other statements, presentations, and submissions have been cut-and-pasted into this section as well as deemed appropriate.

Note that based upon its own internal financial forecast, GGS proposes to expend $45 million on its overall advertising and promotions budget during the first five years of operations.

7.2.1. Strategy

GGS describes its post-opening Demand Stimulation Marketing Plan as follows (reordered by MI but the verbiage has been left unchanged):

1. Mass advertising to create destination brand awareness and unique gaming offerings (not offered in Oklahoma).
2. Specific weekly promotion and events driven campaigns leveraging promotional credits advantages over neighboring states.
3. Promote group sales including a busing program.
4. Growth of the player development program.
5. Big events marketing to maximize the value of the Entertainment Center.
6. Joint marketing efforts with Travel Plaza/ Hotel/ Golf Course/ Food & Beverage/ etc.
7. Extracting synergies with Applicant's existing properties on the I-35 corridor.

7.2.2. Tactics

1. Ongoing newspaper advertising campaign driven by special events and promotion schedule AWARENESS/TRIAL/REPEAT

2. Use a Internet E-mail blasts, social media (WinStar is the number one Facebook site in Oklahoma and has added 5000 fans in the past three months), post card (10,000 post

cards are mailed each month at their WinStar property) campaigns using call center to handle in-bound responses.

3. Promote games available in Kansas that are not available to GGS's Oklahoma database. GGS estimates that approximately 3% of its database will visit another of their properties. TRIAL/REPEAT

4. Marketing of third-party operated hotel: GGS indicates that "… the booking of the hotel and marketing will entirely (be) the responsibility of casino player development supported by the third-party operator. This is achieved by the casino acquiring and controlling room allocation." GGS anticipates initially using 30% to 40% of the rooms for comped players then in the stabilized year "more like 70%." Use Email blasts and post card campaigns to market the hotel to players in the Loyalty Club and a call center to receive inbound calls. TRIAL/REPEAT/LOYALTY

5. Partnership programs: TRIAL/REPEAT
   - Take advantage of Emerging Brands Jimmy's Egg database for mailers and promotions.
   - Use the WinSpirit Brewhouse as a base for promotions, e.g., a Brewmaster's training center and "Beer Tour." The Brewhouse will also have its own website and E-mail Brew Club.
   - Use the Rock Bottom Restaurant data base to send direct mail pieces that is packaged with hotel and gaming offers.
   - Build an Email club around the Wellington Chop House and Lounge

6. Entertainment and event center: An aggressive event schedule during the first six months of operation and thereafter an-going array of entertainment acts and events. TRIAL/REPEAT/LOYALTY
   - Market local events through the chamber of commerce, smaller corporate events that drive food and beverage revenues, radio station broadcasts, holiday parties, boxing, and tournament events (e.g., poker and table pool).
   - Market the center to VIP providing favored seating
   - Market the Mezzanine Lounge for social and business gatherings
   - Note GGS includes a list of 49 entertainment acts they have held at their other gaming facilities that cover genres such as the Oldies (e.g., Temptations), Oldies Pop (KC and the Sunshine Band), Classic Rock (e.g., Three Dog Night), Classic Country (e.g., Kenny Rogers), Country (Sara Evens), Pop (e.g., Kenny Loggins), and Current Pop (e.g., Train). They also refer to the 49 acts that appeared at their Riverwind Casino in 2009 and 22 acts that appeared at Riverwind so far in 2010.
   - The following other types of events may be offered:
     - Groundbreaking ceremony and celebration
     - Job fairs
     - Golf outings

- Pre-opening Early Member Night(s) as a preview for early Players' Club card signups.
- Exclusive invitation only VIP Night(s) for key suppliers, supporters, local business leaders and the like.
- Grand opening.

7. Use current KOA RV park and future expansion to market to gaming customers via promotions such as "First night on us" billboards, the KOA.com website, RV publications and directories, and direct mailing to RV preference gaming customers.
AWARENESS/TRIAL/REPEAT

8. Build visitation packages around hotel, golf (upgraded Wellington Municipal Golf Course with a new, destination clubhouse), show tickets, and dining. GGS indicates that they currently sell such packages for $800 each and "are in high demand." Market such packages through mass media brand awareness and direct mail postcard offerings and Email blasts to select gaming customers in their database.
TRIAL/REPEAT/LOYALTY

7.3. MI EVALUATION AND COMMENTS RE THE GGS PRE- AND POST OPENING DEMAND STIMULATION MARKETING PROGRAM

While lengthy, the above section was included in this ancillary development review because MI appreciates how important the actual post marketing effort is in using, selling, and promoting the bricks-and-mortar Products and amenities to the Marketplace and Target Market Segments. As MI pointed out in the opening section of this report properly aligned to the Marketplace and Targeted Market Segments Product Marketing will extract the greatest "natural" demand for the gaming facility. Demand Stimulation Marketing takes over where Product Marketing leaves off to extract the remaining demand via an array of motivators: services, perquisites, sales, and incentives (monetary and non-monetary).

Good DSM programs can help to offset a weak Product Marketing program but will not be able to overcome a poor one. On the other hand a good or excellent DSM program can leverage and optimize a good to great Product Marketing program. The hope is for GGS's effort to fall in this latter category.

Demand Stimulation Marketing Plans have a way of taking a Kitchen Sink approach, i.e., throwing everything you can possibly think of into the plan to convince the your boss and/or reader that you know what you are doing and have a comprehensive plan in place. In execution real world realities hit and many plans are compromised, reshaped, substantially changed, and in some cases, ignored. A marketing plan is only as good as its execution. And despite these implied nefarious reasons, there actually are good reasons for changes and modifications to existing plans up to and including total rejection if actual experience indicates that the plan was off-center or simply wrong. Plans are just that, plans.

And so, MI reviewed GSS's Plan for reasonableness.

GGS plans to spend a total of $9.9 million or 7 percent of total revenue on marketing in 2013, and $14.0 million or 8 percent of total revenue on marketing in 2016. This may be further categorized as follows:

	2013	2016
Complimentary expense	$2.1M	$3.1M
Preferred Guest expenses	0.8M	0.9M
Advertising and Promotion expense	7.0M	10.0M
TOTAL	$9.9M	$14.0M

To be candid, the total marketing expense as a percentage of total revenue appears low to MI, not greatly 'low' but lower than expected, something more in the 15 percent range. Regardless, GGS forecasts it will be able to generate $129 million in 2013 and $157 million in annual gaming revenue. Presumably, GGS's Interstate 35 experience in nearby Oklahoma indicates that it can generate this level of revenues with the aforementioned level of marketing expense.

Irrespective of the budget MI concludes that the Plan as assimilated and described above does in total appear to be comprehensive and cover most if not all of the parts that a Demand Stimulation Marketing Plan should include. MI's scope did not contemplate a rigorous review but the GSS Plan certain passes the 30,000 foot pass over test. In other words, it appears that the GSS Demand Stimulation Plan will both appropriately support the Product Marketing Plan (i.e., make the proposed programming work) and provide a viable foundation upon which to market the property after opening.

8. SUM OF THE PARTS

The WinStar Casino appears to MI to be right-aligned to the Midwest, South Central Zone Marketplace, right-sized to anticipated demand levels, prudently right-costed and phased to provide risk management strategies. It may not be a billion dollar Integrated Resort destination that has the potential to draw thousands of visitors from hundreds of miles but the location and raw Marketplace does not provide for that and the dynamics of the intra-Financial Crises period we are in does not allow for it.

The WinStar Casino is a right project backed up by a smart, experienced, and proven casino developer, operator, and marketer. It is a viable candidate for the South Central Zone license.

SECTION 4
PENINSULA GAMING PARTNERS, LLC
KANSAS STAR CASINO, HOTEL & EVENT CENTER

References directly used in this section:

Performance Matrix – Updated
Follow-up Supplement – Response to Questions
Tourist Marketing Materials (from PGP)
Kansas Lottery Commission Presentation 09/10

Other PGP Submission material was referenced as well.

1. GOAL SET

1.1. PENINSULA GAMING PARTNER SUBMISSION

Peninsula Gaming Partners, LLC or (“PGP”) in their Submission takes care to restate their understanding of the goals of the KLGFRB:

1. Maximize gaming revenue, which will maximize revenue to the State.
2. Maximize tourist visits to South Central Kansas from across the region and the country.
3. To build a Lottery Gaming Enterprise that is in the best interests of the Citizens of the State of Kansas.

PGP then provided a rather extensive financial and non-financial Goal Set list which is reproduced below.

1. FINANCIAL GOALS

- *To create a first class regional destination resort in south central Kansas that will generate maximum revenues for the state of Kansas from a mix of residents and tourists.*
- *As part of the Kansas Star project we will develop specific amenities that appeal to carefully defined target audiences so as to capture out of state visitation and promote tourism for the state of Kansas. The Kansas Star will function as an important “export” engine for Sumner County and Kansas.*
- *As a result of our project, stimulate positive economic impact for Sumner County and the state of Kansas.*
- *Provide much needed employment and related benefits to hundreds of families that currently are struggling with a challenging economy.*
- *To capitalize this project appropriately. To have responsible levels of indebtedness to balance the needs of shareholder returns while allowing continued reinvestment in the project and healthy levels of free cash flow.*

2. NON-FINANCIAL GOALS

- *Bring our strong community-minded corporate culture to Sumner County so that we become true partners. The Kansas Star will have a major impact on the surrounding community. Keeping the impact positive will be critical for the long-term success of the property and the community.*
- *Create an educational scholarship fund that provides all students in Sumner County with assistance towards educational expenses.*
- *Build and develop a project featuring high-quality products and amenities that appeal to our target audience. The product and amenities will be routinely refreshed based upon guest feedback and to ensure that the Kansas Star maintains high repeat visitations and continually appeals to new visitors.*

- *Ensure a memorable and superior guest service experience, as any guest would in any of the Peninsula properties, to promote repeat visitation and to maximize a guest's length of stay during each visit.*
- *Build a world class equestrian venue and entertainment center so that the Kansas Star will become a significant and unique regional destination.*
- *To bring our significant experience and established track record of operating in highly regulated gaming markets to Kansas, a newly established regulatory environment.*

1.2. MI EVALUATION AND COMMENTS

PGP's list of Goals met the objective of this request, i.e., it adequately lists a set of appropriate and desirable end results that are consistent with the goals of the Kansas gaming statutes.

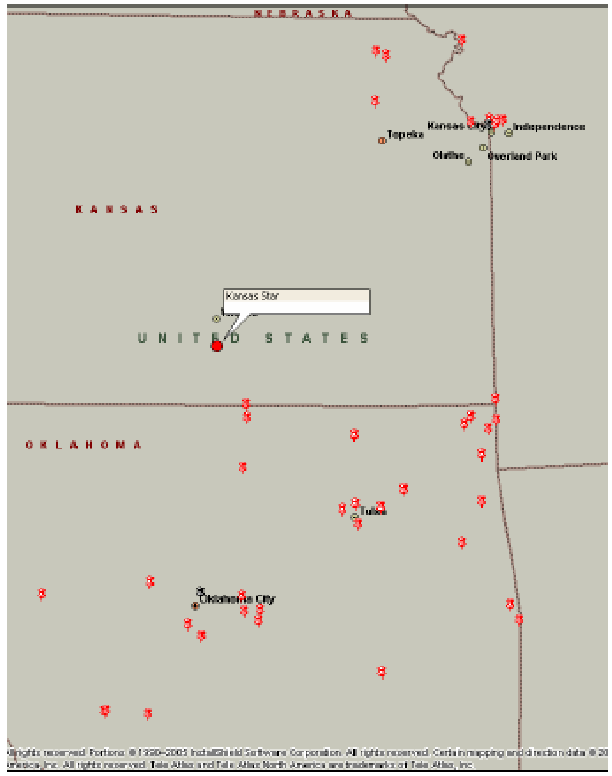
It would be interesting to overlay the internal Goal Set of PGP to the one submitted in the Submission. This is not a skeptical comment about how truly earnest PGP may be in seeking to achieve the above Goal Set because the Submission Goal Set is not mutually exclusive with an internal Goal Set. In fact, one would expect overlap but differences. MI raises this because MI would suspect that PGP has additional Goals for the Kansas Star Casino beyond those above that do not compromise the list but might nevertheless shape and influence the project development, operation, and marketing.

2. EXTERNAL-ITIES

2.1. MI EVALUATION AND COMMENTS

Undoubtedly there were acknowledgements and references to External factors that PGP expects to affect the project, factors that need to be leveraged in a positive sense or mitigated if negative. But, there were no outright declarations of concern for External-ities other than references to seeking to adapt their project to the dynamics and exigencies of the Midwest, Kansas South Central Zone.

Curiously, there was little to no mention of the impact of current or future competition. As can be seen from the graphic below from Morowitz Gaming Advisors feasibility study conducted for PGP, competition is numerous and exists in most of PGP's Outer and to some extend Middle Feeder Markets. This does not mean that this dynamic was not taken into account when developing the Kansas Star Casino project. PGP is an experienced and smart casino owner/developer and successfully operates in competitive environments. But, without going through all of the submissions in detail looking for this one item, MI does not recall any reference to competition.



Source: Morowitz Gaming Advisors feasibility study dated 07/10

And so, this element of the development is for all intents and purposes left blank for MI to "guess" what PGP may have considered.

3. INTERNAL-ITIES

3.1. MI EVALUATION AND COMMENTS

The same condition found in External-ities applies to Internal-ities as well. This could be because PGP does not overtly think in these terms, a declaration of Internal considerations was not directly asked for by the KLGFRB, and/or, in the gamesmanship of bid submissions where the proponent wants to stay as positive as possible, it was not appropriate to address this issue in their Submission. Regardless, knowing what Internal forces shaped their thinking is helpful to understanding the PGP submission but its absence does not preclude a valid review and evaluation of the remainder of their marketing plan outlined below.

4. STRATEGY – DRIVING CONCEPT

4.1. PGP SUBMISSION

PGP stipulates that its driving concept is to position the property as a "regional destination." They go on to state that both the gaming and non-gaming elements will attract a high volume of guests from Kansas and other states throughout the Midwest. Superior service, they claim, will accompany the bricks-and-mortar aspect of customer experience.

In so doing, PGP makes the point that they spent a great deal of time studying the South Central, Kansas, and Midwest market to ensure that the Kansas Star Casino will reflect the "… culture, values, and history of the region." They claim they have developed their amenities to uniquely serve the interests of residents in Kansas and the Midwest and offer the Equestrian Event Center as their primary example.

PGP also emphasizes its commitment to partner with the local community and become its centerpiece.

PGP claims their facility will keep "keep gaming dollars in Kansas that are currently being lost to Oklahoma" and will "draw significant new customers from across Kansas and the Midwest."

4.2. MI EVALUATION AND SUBMISSION

Like their delineation of their Goal Set, PGP's statements about its Driving Concept are helpful. MI has already in this report declared that it believes a South Central Zone casinos should first, second, and third …

Be the Best Locals' Casino You Can Be

and 'fourth' …

Be the Best Regional Casino You Can Be.

Perhaps following the nomenclature established by the KLGRFB interrogatories PGP uses the word "region" to describe one of its primary driving forces – build and operate a regional destination – but MI believes (or wants to believe) that this label is used to wrap around both the Locals' (those residing a one hour drive from the casino) and Regional (those residing a two to three hour drive from the casino) market segments that comprise it, at least by MI's definition.

The more important first step for MI is that PGP recognizes that they are building a "destination" and that they make a strong reference to creating an "experience." MI is also pleased to see a reference to aligning their facility to "the culture, values, and history of the region," another way of agreeing with an MI principle, 'market to market segments,' albeit in a rather circuitous and imprecise way.

The references to partnering with the community and "keeping dollars in Kansas" are byproducts of the Driving Concept and more appropriately belong in the Goal Set section where they already appear.

Even though MI's piecemeal assembly of PGP's Driving Concept does not result in a tight, crisp, and cogent description of what they are trying to do, it is a good starting point that the remainder of their Submission will flesh out and complete.

5. STRATEGY – TARGETED MARKET SEGMENTS

5.1. PGP SUBMISSION

PGP's description of its Target Market Segment strategy is hierarchal.

It begins with disaggregating the marketplace into gaming and non-gaming market segments.

Next, PGP segregates these two initial market segments into what they refer to as "Level of Play" Target Market Segments, i.e., nine levels of play based upon historical daily profitability.

The next levels they describe are a bit obscure on how they are applied and attached to the already established segmentation above but intuitively it would seem likely that the following apply to each branch above in one manner or another:

- Distance the potential customer lives from the facility.
  - Inner Market Players: Players who reside within 50 miles of the property. These players are described as those who are expected to provide the most frequent visitation and therefore generate the most revenue.
  - Outer Market Players: Players who reside greater than 50 miles from the property. These players are expected to visit less frequently than the Inner Market Players, but they often visit from other states and stay longer as a result. Players in this category are expected to use the hotel and the wider variety of food and beverage outlets than the Inner Market Players. Outer Market Players are used by PPG to fill in off peak mid-week periods and to generate revenue for both the hotel and food outlets.
    - A submarket specifically addressed by PPG are those Outer Market Players that are attracted to motor coach operators.

- Trip frequency
  - Low frequency: less than 4 trips per month
  - Medium: greater than 4 trips per month but less than 12 trips per month
  - High: greater than 12 trips per month

The final Target Market Segment designated by PGP is the unrated player, presumably on par structurally with the Level of Play Target Market Segment although in this instance the players are those who are not rated. Note that being unrated does not necessarily mean that the player is of less value than the rated player. The unrated player may be unrated because he or she is on a first visit, is too new to be seen and approached by a PGP marketing staff member for a signup, or simply does not want to sign up for such a program. PGP's goal with the unrated player is convert them to members of the database so that they, too, can receive incentives based on the same criteria as the rated players.

The other components of the non-rated player are those who have an interest in and patronize the following activities (with or without gaming as part of their trip) (shown in the order and using the verbiage from PGP):

- Food and wine
- Equestrian enthusiasts
- Hotel / Business Travelers
- Hotel / Leisure Travelers
- Convert / Live Entertainment Attendees

PGP makes note of their intent to use each of the above Target Market Segments (presumably independently and collectively, directly and indirectly) to create synergy between Kansas Star's gaming and non-gaming amenities. In particular, PGP declares that it will use non-gaming activities to drive visitation.

5.2. MI EVALUATION AND COMMENTS

PGP's use of Inner Market Player – those residing within 50 miles of the project – is akin to MI's "Local Player," those residing within one hour drive of the casino. Likewise, PGP's Outer Market player – those residing greater than 50 miles of the project – splits MI's designation of Regional Player, those residing within 2 to 3 hours of the project with the KLGFRB's use of Outer Market which is greater than 100 miles from the project.

In execution, the overt and conscious definition of Target Market Segments in some companies is more intricately detailed than the introduction to PGP's approach to Target Market Segmentation. But, PGP's submission is an entirely appropriate, a valid start, and ahead of many companies who only have a vague view of the Target Market Segments. For the record, it might be expecting too much to ask a company to go much further at this point because market segments are often uncovered while developing a project and after opening and/or because their market segmentation scheme may be proprietary. In other words, PGP's market segmentation may go far beyond this introduction.

Nevertheless, MI is encouraged by the unaided response to this question and PGP's pre-existing understanding, appreciation for, and ability to articulate a Target Market Segmentation scheme.

6. PRODUCT MARKETING

6.1. STRATEGY

6.1.1. PGP SUBMISSION

Overall, PGP states that the Kansas Star Casino "… will be the premier entertainment complex in the state of Kansas." They state further that "… the hotel will create substantial destination visitation and be instrumental in increasing tourism into the marketplace." And, referring to the indoor event center that will seat 3000 individuals for events and 4200 guests for concerts they state, "… the center will be an important amenity to increase tourism into the market through conferences, trade shows, special events and named entertainers." They also expect the Equestrian Center as an agri-tourism venue will draw over 255,000 visitors annually. They add that the 100 space RV park "… will be paramount in increasing the property's outer market reach." In sum, PGP declares that: "Working in tandem, the casino, hotel, event and equine center, RV park, and food and beverage facilities will make the Kansas Star the premier local and destination entertainment complex in the state."

Service levels, too, are part of the gaming and non-gaming Product. Here, PGP points out that it has a proven service capability listing the following awards earned at its other operations: "best casino in Iowa," customer service awards for "most friendly employees" 9 years in a row, best dealers 5 years in a row, and in 2010 placed in the best categories of favorite casino, best live entertainment, and best sports bar.

The slide below from PGP's September 2010 presentation to the Kansas Lottery Commission is another part of their Submission that describes their Product Marketing strategy.

Proposed Project

The design of the facility will feature a ranch motif, with exterior of the complex built with ruff hewn woods indigenous to the area, uniquely finished metals, and Silverdale limestone mined from local quarries. Incorporating prairie-style architecture and meticulously landscaped, Kansas Star Casino, Hotel , and Event Center will be seamlessly integrated into the surrounding environment. Kansas Star's interior will incorporate a richness of design, natural woods, specially treated metals, and attention to details that will create a memorable experience for our customers.

- 2,000 Slots and 50 Table Games
- 10 Table Poker Room
- Multiple Dining Options
- 4,200 Seat Event Center
- World Class Equine Complex
- 300 Room Hotel
- RV Park

PENINSULA GAMING, LLC

The PGP development plan takes a phased approach beginning with what is accurately labeled an interim casino. This term is no doubt chosen carefully as the more common term used is a "temporary casino" which has some embedded connotations and perceptions within the gaming industry. A temporary or interim casino can range anywhere from an opportunistic casino-in-a-tent (albeit typically a semi-rigid sprung structure that can be quite nice) to a facility retrofit into an existing building/structure to a structure that is part of the project's Master Development Plan but for another use. The PGP strategy is to open a gaming facility following the third approach, taking a structure to be used in the overall Master Plan – in this case a large, fixed, permanent building that will be the future Entertainment and Event Center – and temporarily use it for an interim casino with support facilities until the permanent casino can be constructed and occupied. When completed, the interim casino will be dismantled and the space converted to its final and permanent use, the Entertainment and Event Center.

6.1.2. MI EVALUATION AND COMMENTS

At this point MI needs to reiterate what it has already stated previously in this report.

Despite MI's enthusiasm for PGP's reference to its project as a "destination" and the task of creating "experiences" little is said about the gaming portion of this destination and these experiences. MI suspects this is more bid submission strategy than actual management philosophy since approximately percent to 93 percent (2013) to 94 percent (2016) of PGP's forecast total revenue is from gaming and approximately 100 percent of their total departmental income in 2013 and approximately 200 percent in 2016 of the their EBITDA (as determine by MI) is generated by the casino department.

It would appear that PGP is quite capable of creating gaming related entertainment experiences as evidenced by their success with their other Iowa and Louisiana properties but little verbiage is spent on telling us how and how they intend to do that in Kansas.

MI would again like to emphasize that the success of the South Central Zone proponent will depend almost entirely on how well the project caters to the Locals' and Regional feeder markets and the primary major market segment within them, the gamer. Gamers typically look first and foremost for gaming value, i.e., good game selection (i.e., the slot machines and games they want to play), fair rules in table games, competitive "pricing," (par percentages on slot machines, time on device), competitive incentives and loyalty club programs, a safe, clean, and comfortable playing environment (e.g., wide slot aisles and comfortable slot chairs/stools). Secondly, they look for good food. Third, they evaluate everything else which includes other non-gaming besides food amenities.

Given the levels of PGP projected gaming win that range in the $150M to $200M range, it would appear that PGP is quite confident of attracting significant gaming demand.

The point being made here is that for the gamer, the role of non-gaming amenities takes off where the gaming experience ends. A great non-gaming experience will not offset an average or bad gaming experience for the gamer but ironically MI has seen many casinos around the world where an average, good, or great gaming experience can be supported with average non-gaming value. The best of possible worlds is where a good or great non-gaming experience enhances, magnifies, and leverages an average, good, or great gaming experience providing good word-of-mouth advertising and reasons for repeat visitation and ultimately loyalty from the casino's players. When both gaming and non-gaming amenities are optimized, optimal results are achieved.

Of course, for the non-gamer, the non-gaming experience is paramount even if they are casual or indifferent gamers.

Despite MI's somewhat editorial on the absence of references to the development of the gaming Product, nevertheless, the PGP project appears to execute an admirable ancillary amenity Driving Concept as presented and discussed below.

6.2. TACTICS

6.2.1. Design and Theme

See preceding renderings of the exterior of the building.

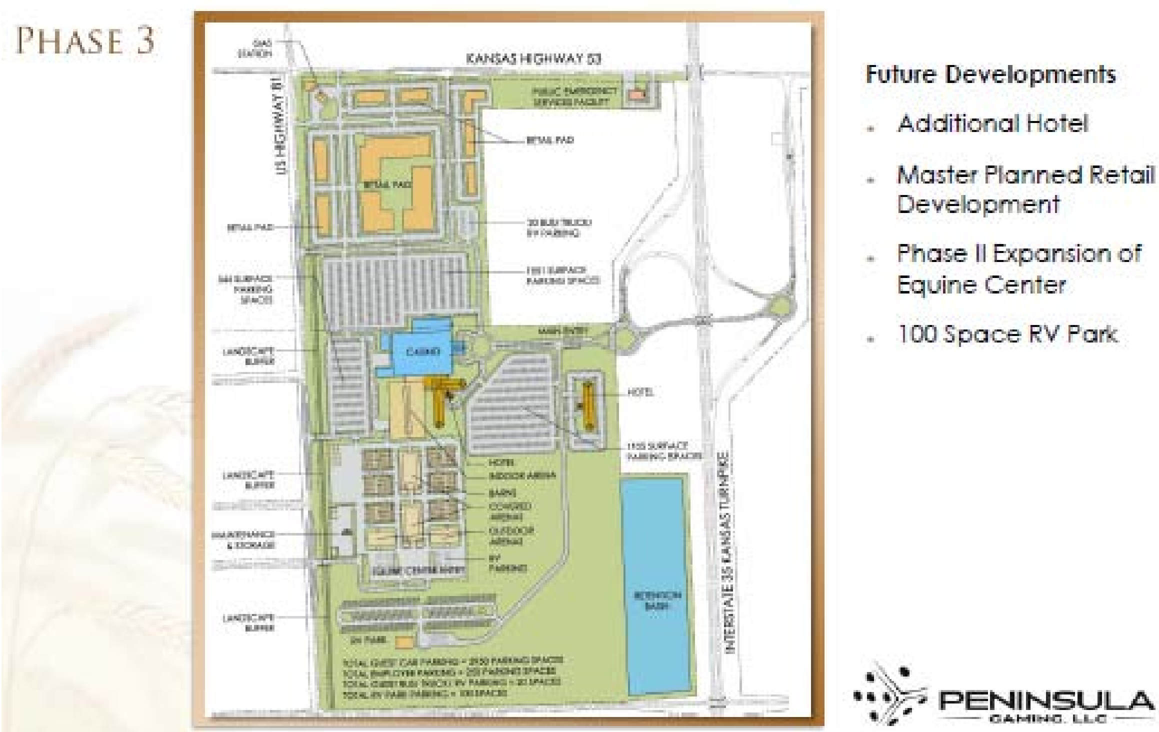
MI Evaluation and Comment: The visuals received by MI concerning the interior and exterior of the proposed Kansas Star Casino were not as numerous as those submitted by the other proponent so MI is left to interpolate PPG's design and theme intention.

Nevertheless, through the renderings MI does have access to and PGP's verbiage indicating that it has studied and will respect the history and culture of the South Central Zone, it is appropriate to conclude that PGP has in mind a driving theme that should fit in well with the Midwest, South Central Zone. MI has also visited PGP's Diamond Jo facility in Dubuque, Iowa recently and found that it fit well into the Midwest/Iowa/Dubuque Marketplace and environment providing additional comfort about PGP's intent.

Execution, of course, is the final arbiter of the quality contemplated by the owner/developer. But after reviewing the renderings above (and others not included) it would appear that the design and theme of the Kansas Star Casino will be a solid 3-star quality property. If it matches their Dubuque Diamond Joe facility MI would say that there is a potential that it might end up being a 3-star^{plus} property. These contentions are supported by the financial investment PGP has committed to make: $284.5 million upon final build out.

6.2.2. Configuration and Layout

The rendering below depicts the site development of the Kansas Star Casino project at full build-out.



It is appropriate at this juncture to point out that PGP has a preferred Site A but if acquisition issues develop for Site A, it has a Site B nearby held as a contingency. The KLGFRB asked PGP to prepare a side-by-side comparison chart that compares the facilities and amenities proposed for both sites and, at least from an ancillary development point of view, MI could not find any difference between the two sites in what is being proposed. This may be an issue to probe further, e.g., review both architectural concept site Master Plans in detail, but at this point in the valuation MI is taking the position that for its review the use of Site A or Site B is identical.

MI Evaluation and Comments

It is not possible via the above site plan to evaluate the entire design and layout of the proposed project except in terms of the outside-in view. Nevertheless, what can be seen should be evaluated in terms of satisfying the basic design principles associated with a Locals' / Regional casino, i.e., …

- Multiple entryways
- Easy access from surface and covered parking (this means as short a distance as possible and protected from adverse weather where possible/economically feasible)
- Porte cochere right sized to expected drop-off/pick-up, taxi, shuttle, and valet volumes (again protected from adverse weather where possible/economically feasible)
- Entry's directly onto the casino floor
- Pathways for non-gaming age visitors to circumvent the casino floor or at least spend the minimum amount time on and around it.
- Separate hotel arrival (where possible and economically feasible). If not possible/feasible then a front desk that is within comfortable distance from the entrance and hotel elevator/rooms.
- Table areas typically in the "center" or center of attraction of the casino (notwithstanding the popularity of slot machines, the table games remain "the show")
- Slot areas that provide for wide aisles (to accommodate the walkers and wheelchairs of our aging population)
- Centers of activities and destinations around and through the casino to promote cross traffic
- A center casino bar or its equivalent to add non-gaming energy to the floor
- Possible live entertainment options that can be seen/heard from the casino floor.
- Food and beverage outlets that interact with the casino floor to provide the aforementioned cross traffic but also to provide synergistic energy between the two activities. And, where possible and feasible, food and beverage outlets that provide views if not actual outdoor dining/drink options, particularly during favorable weather months.

- Back of the house configuration that supports target levels of customer service and good employee quality of work life.
- Layout that supports control and integrity of operations (e.g., secured pathways for funds flow, secured back-of-house areas), provision for surveillance, protected shipping/receiving area, and a safe working environment throughout).

Some of the elements above can be gleaned from the above Master Site Plan but much is left to the imagination. MI's recent visit to the Diamond Jo, Dubuque, Iowa PGP casino operation would confirm that at least PGP has demonstrated in one of its properties that it full well understands the basic precepts of casinos design and layout. With the caveat that the following statement would be subject to review of the actual Kansas Star Casino layout and configuration, MI feels comfortable that PGP will and has laid out the Kansas City Star Casino in a manner that will allow it to manifest the raw potential of the ancillary gaming mix described below.

6.2.3. Amenity Mix

PGP indicates they expended some effort to research and understand the dynamics of the Kansas South Central Zone Marketplace. Their amenity list ostensibly was shaped not only by their own experience and management prerogatives but also by the aforementioned Kansas Market Area research.

Excluding gaming, the following constitutes a review of the non-gaming amenities. MI's evaluation and comments are included within each amenity discussion and also in the Sum of the Parts wrap up.

1. Dining

OUTLET	COMMENTS	NO. SEATS	SQ. FT.	AVE. COVER	DAILY COVERS
Snack Bar	Quick food	0	500	$ 7.00	278
Food Court	2 outlets, leased	40	3,450	$ 8.50	424
Buffet	Prep stations in view	250	12,500	$11.39	1,070
Steakhouse	Intimate dining	140	5,800	$43.19	74
TOTAL		**430**	**22,250**	**~$ 9.00**	**1,846**

PGP does not offer a lot in the way of additional description in their Submission but does indicate that ...

- The snack bar will be a place "… to pick up a quick sandwich or snack."
- The steakhouse will have "… the style and warmth that makes it perfect for an evening with friends or an intimate dinner for two with a cozy, fireside, atmosphere."

MI Evaluation and Comments

The above four outlets provide a range of dining options that satisfy the 24-hour breakfast, lunch, dinner, snack/coffee needs of the Kansas City Star Casino visitor. The dining offerings also offer a range of price points, service levels (serve yourself to linen table service), and formality (a food court to a steakhouse).

The forecast cover count would suggest that PGP will use the Buffet as the high volume food outlet. Indeed, the buffet constitutes 58 percent of the total covers and is a preferred food outlet for casinos for players to use their Loyalty Club points.

With respect to the price a point, the above average check forecast for each facility except for the steakhouse (but which only constitutes 74 of the daily average of 1,846 covers) are low relative to what MI would otherwise expect.

Insight into this can be gained by looking at their food department profit margin which is approximately -46 percent in 2013 and -34 percent in 2016. These are low margins by any standard and suggest a premeditated marketing philosophy of using food as a loss leading marketing tool. Some $3.5M of food revenue in 2013 – 55 percent of the Kansas City Star's total annual food revenue – is comprised of comp food. As a frame of reference the breakeven average check should be $14 not $9 as it stands suggesting PGP is willing to discount its pricing 32 percent to use food as a key marketing tool.

MI is encouraged by this since conventional wisdom is that besides creating a great gaming experience, the second most important consideration for Locals' is a great food experience that has price-value. It will remain to be seen whether this price-value is accompanied by a great food Experience as well.

In terms of ability of the capacity to accommodate the projected demand, using an MI inspired assumption of 30 percent of the visitors taking 1.1 meals per day then on an average day the dining facilities would be utilized in the 65 percent to 85 percent range based upon MI's assumptions about reasonable potential turnover for each facility. However, if peak days (e.g., weekends and holidays) are approximately 50 percent greater than an average day, utilization would climb to 85 percent and approaching 100 percent levels. If off peak periods (e.g., midweek and adverse weather days) under this same period would show utilization in the 40 percent to 60 percent range. The high utilization in 2016 for the average day and the high utilization numbers in both years during peak periods does not bother MI, per se, first because its demand assumptions may be high and secondly because there are stretch areas in the existing food areas, particularly the buffet and to a lesser but still significant degree, the food court. And, PGP can also add food carts and take other steps to provide food before it becomes clear that additional dining options should be made available.

The PGP array of food options certainly 'covers the bases' in terms of the food needs of the forecast visitor and seem to be aligned well with the marketplace. The almost overzealous commitment to low food prices (subsidized no doubt by points earned by gaming through the Loyalty Club) is actually encouraging in the context it aligns with a proven marketing technique for Locals' oriented casinos. It is unclear whether any of the food options provide views or allow for outdoor dining, thereby becoming something more than a restaurant, they become a Hot Spot and a Wow! Factor another MI preference where architecturally possible and economically feasible.

2. Bars and Lounges

OUTLET	NO. SEATS*	SQ. FT.
Casino bar with stage	35	2,500
Sports bar	150	3,500
TOTAL	**185**	**6,000**

* Excludes 'stand up' capacity at bar front.

Here again, PGP does not offer a great deal of description of these two outlets but does offer the following comments:

- Casino bar: "Get in touch with nature. We got the environment in mind with this beautifully decorated bar made from reclaimed wood and lumber."
- Sport bar: "Your favorite place to watch the big game, play pool and darts with friends."

MI's Evaluation and Comments

MI assumes that the above list of beverage opportunities excludes any casino floor serve-yourself coffee and soda stations that are common practice in casinos throughout Indian Country and in mid-market casinos these days. It may or may not include cocktail service through cocktail waitresses. Regardless of whether cocktail service is provided or not, MI will presume that PGP would react to the demands of the Marketplace.

As already stated, MI is a great believer in the convenience of beverage/bar service provided by a casino center bar (i.e., keeps players from leaving the casino floor) but as more importantly, MI likes the energy center it creates that permeates the entire casino floor. Loaded with flat screen televisions and other promotional tools, the center bar is active even when not heavily patronized. It also acts as a lighthouse destination and social gathering place that takes the edge off the gaming taking place around it. In many locals' casino, the center bar is THE meeting spot for the area. It is unclear whether the PGP Casino Bar is in the center of the casino or located in another strategic location but the reference to a stage indicates that the sound and visuals from live acts will project outward and create energy no matter where it is located.

The sports bar is a casino classic, these days not just a "bar for the guys" but also a meeting place for adults of all ages, sports fans or otherwise. The visuals of the multiplicity of TV screens typically found in sports bars not to mention the yells that accompany touchdowns and home runs as well as the well meaning groans when "your quarterback" drops the ball also create and project energy, an insatiable entertainment "food source" for casino gamers.

Of course it's not just all about atmosphere with bar beverages, particularly those of the alcoholic type. While not expressly noted, the departmental margin provides some insight into beverage pricing. PGP's beverage department pro forma shows a 10 percent profit marking in 2013 and 16 percent in 2016, both lower than they could be. This may suggest lower than 'market' pricing. Interestingly, no comp revenue is shown for beverage.

In all, the bar and lounge options at the proposed Kansas Star Casino appear to be aligned correctly to the needs of the marketplace. Whether they are more than bars and lounges and become Hot Spots and Wow! Factors for the property will be a function of execution.

With respect to capacity, MI again used certain assumptions to test utilization and here again during average days utilization of beverages not taken on-the-casino floor (i.e., from serve yourself stations and/or cocktail service) could be in the 50 percent to 70 percent range. These utilization numbers jump to 75 percent to in the 100 percent range on peak days but drop to 40 percent to 60 percent during off peak periods. As before, MI is not concerned about the high utilization rates because of MI's uncertainty about its assumptions and the ability to add stretch in the bar capacity via adding bar backs, more bartenders, portable bars, and opening other bar venues.

In all, MI has cause to speculate that PGP is positioning its beverage/bar/lounge service to align to a classic Locals' casino marketing model.

3. Entertainment

PGP is proposing a 100,000 square foot Indoor Event and Equine Center with a one-time maximum capacity of 3000 for seated events and 4200 for events such as concerts.

In a subsequent phase the Equine portion of the Event Center is expanded with additional outdoor facilities and infrastructure. The cost of Equine Center is estimated at $25 million by PGP, approximately 9 percent of its total contemplated investment.

MI EVALUATION AND COMMENTS

MI is a believer in entertainment as a marketing tool for Locals', Regional, and Outer Markets. MI has seen large, flexible event centers domestically and around the world be very effective marketing tools.

PGP has added a bit of a quirk to the Event Center concept by programming the design of the Event Center to be a world class Equestrian Center as well. PGP goes to some length to explain how this Equine Center is aligned to the Target Markets of the Midwest in general and the Market Area of a Kansas South Central Zone facility. PGP points out that the Equestrian Center character of this complex will enable it to draw attendance from both within and, beneficially to Kansas and Sumner County, from the Outer Market area as well.

This notwithstanding, MI is more interested in the Event Center character of the dual-use and takes comfort in knowing it is available for an array of entertainment events that goes beyond equine related activities.

To tell us more about the upside of an Equine Center, PGP engaged Crossroads Consulting Services – an expert in event centers as well as equine-based events – to complete a rather extensive market analysis and feasibility study. It is reasonably detailed and MI learned much about the upside of such a center in reading it. But, the end-product of the study was of most interest to MI: Crossroads forecasts that the from 81 to 95 equine-based event days could be held at the Event/Equine Center capable of attracting between 215,700 and 255,150 attendee days in a stabilized year of operation. This is a significant volume of demand.

As a cross check and to attempt to ascertain how much of the Center usage would be equine based versus concert/non-equine event driven, MI undertook some pro forma cross checks. MI assumed a $35 average ticket price and applied that to the $3.1M entertainment revenue for 2013 and almost $7 million in 2016 shown in PGP's pro forma. Assuming an average of 2500 attendees per show due to the large one-time capacity of the center results in approximately 35 to 79 event days or about one event per week on average. Dropping the ticket price to $22.50 to reflect what MI would perceive to be the lower admission price of an Equestrian event increases the event days to 55 to 124 event days in 2013 and 2016, respectively. Dropping both the ticket price to $22.50 and assuming an average attendance of 1500 to reflect a greater variety of small, medium, and large events increases the event days further to a range of 90 to 200 event days.

MI would speculate that PGP is assuming something in the 100 to low 100 event days in a stabilized year composed of a combination of entertainment driven events and equine-driven events. In a second phase the Equestrian Center expands to include an outer covered area which could allow entertainment and equestrian events to take place over the same weekend or period.

The pro forma shows the entertainment department operating at a 26 percent loss in 2013 and an 8 percent loss in 2016 suggesting PPG will use it as a loss leader to drive business. Perhaps even more telling 53 percent or $1.6 million in 2013 and 39% or $2.7 million comp entertainment revenue is projected as well. This suggests the heavy use of entertainment as a marketing tool, another component of a classical marketing plan for a Locals'/Regional oriented casino.

While not an expert in equestrian-driven event centers MI is headquartered in Las Vegas and has seen firsthand the ability of the National Finals Rodeo to generate demand during the otherwise slow early Christmas period. While the National Finals Rodeo is clearly a one-of-a-kind event, Las Vegas also has a casino-hotel that offers a successful state-of-the-art air conditioned 4,600 seat combined event and equestrian center at the South Point Casino.

Notwithstanding the long and seemingly rather strong overall drawing power of the Entertainment/Equine Center results in a forecast 255,000 visitors per year, this would represent approximately 10 percent of PGP's forecast 2016 total visitation. Similarly, the combined Entertainment Revenue of approximately $7 million would represent approximately 3 percent of the total revenue for 2016 and 39 percent of this amount is comped, i.e., an expense to the host department, presumably the casino.

The point is that amenities like the Entertainment/Equine Center are part of the compendium of amenities and activities and part of an overall Demand Stimulation Marketing Effort but the casino still drives the ultimate sustainable success of a the casino licensee in Sumner County. MI believes that the dual use nature of the Event/Equine Center will be a very useful marketing tool for the Kansas Star Casino, one use filling in for the other in off peak times and fighting for usage during the peak periods.

4. Meeting and Convention

PGP's Submission lists 65,400 square feet of convention space, 1200 square feet comprising two break-out rooms, and 31,700 square feet of pre-function and back-of-the-house area.

MI Evaluation and Comments

Ostensibly the above meeting and convention space is the same ascribed to the Event/Equine Center indoor complex making the Event/Equine Center now a triple-use facility. This is not a bad thing for a property like the Kansas City Star whose primary business will never be meetings and conventions. Rather, meetings and conventions may be used to more fully utilize the Event/Equine Center, to further drive off-peak demand in general and for the 300 room hotel in the specific. The multi-use of the Center will no doubt cause scheduling conflicts from time-to-time and some lost business as well but this is a compromise to avoid having to have three dedicated facilities which is simply not prudent in this location and in today's economy.

In all, MI feels PGP's approach to a multi-use event, equine, and meeting/convention center is the right one to position the property to serve the Local, Regional, and Outer Market regions.

5. Hotel

PGP to open with a 150 room, "3-star hotel" patterned after a Holiday Inn Express, Hilton Garden Inn, and their equivalents. The hotel will subsequently be expanded to 300 rooms. When full developed, the hotel will offer 260 standard rooms that are oversized at 450 square feet and 40 premium rooms at 900 square feet each.

The cost of the first phase of the hotel is expected to be in the $20 million range and when the expansion is completed the 300 room hotel will constitute a $38.3 million dollar investment or approximately a development cost of $125,000 which puts it in the 3-star cost range.

PGP is projecting an expected occupancy of 85 percent in a stabilized year with an $81 average daily rate.

The 450 square foot proposed standard room is oversized in MI's experience for a 3-star hotel and an $81 average daily rate. As such, both the standard and premium rooms at 900 square feet should represent a value added marketing opportunity for the Loyalty Club and Host staff to use.

Their visitation projections suggest a mix of 97 percent Leisure and 3 percent Business guests. They further forecast 26 percent of the Leisure guests will be residents (i.e., within a 100 mile range) with the remaining 74 percent being tourists (i.e., beyond a 100 mile radius of the site). The same resident/tourist mix is applied to the Business hotel guest. This mix seems appropriate.

The pro forma does not provide any insight to the comp usage because zero revenue and expenses are shown because the hotel is expected to be owned and operated by a third party although PGP expects to invest $2.5 million in the endeavor. PGP did respond to an interrogatory from the KLGFRB stating that they expect to block 5 rooms midweek and 10 rooms on weekends. But, they expect comp customers to comprise 7 percent to 10 percent of the room inventory and discounted cash customers to take an additional 20 percent for a total of approximately 30 percent of the rooms used for direct casino marketing purposes, an average of 90 rooms per night.

In all, PGP proposes a 300 room hotel that will be aggressively used for comp customers and has the remaining capacity to accommodate a substantial overnight visitor count for patrons attending a Entertainment/Equine Center event, a meeting or convention, a dining package, or there to try the casino out. MI believes the strategy of moving quickly to a 300 room hotel will be proven right.

6. RV Park

Knowing that those that attend equine events have a propensity to bring their RVs to such events plus seeking to accommodate the inherent other Midwest RV traffic, PGP is proposing a 100 space RV park with water and electric hookups. PGP indicates that during large equestrian events, PGP has an overflow area where additional RVs can be parked.

MI Evaluation and Comments

MI has stated previously that its experience is that RV owners are, for the most part, value driven, price-conscious visitors who do indeed patronize the casino but have relatively low daily budgets. MI understands, however, the mechanical need to offer a rather substantial RV park to support the equine nature of the Event Center.

In total then, MI feels that RV guests will be an incremental albeit marginal Target Market Segment but a critical element that leads to the sustainable success of the Event/Equine Center.

7. Retail

PGP proposes one, 650 square foot gift shop. Even though it does not explicitly say so, MI presumes that the gift shop would offer logo/merchandise, sundry items, and perhaps local oriented gifts.

MI Evaluation and Comments

A property of this size and position needs a gift shop to offer logo items, sundries, and local oriented gifts. The pro forma shows $160,875 in cash revenue in 2013 and $175,792 in 2016 an expected amount. However, for the same years, it shows $911,625 and $996,157, respectively, as retail comp revenue. This suggests to MI that PGP has a merchandise/catalogue-type program for its Loyalty Club members and this is where PGP shows the comp revenue associated with the redemption of points for merchandise. This once again demonstrates PGP’s aggressive use of comps, database, and in general, its Loyalty Club.

8. Parking

The PGP submission lists the parking options as follows:

Total parking	3,965 spaces
Surface	3,370 spaces
Valet	200 spaces
RV parking	100 spaces
Employee	295 spaces

MI Evaluation and Comments

As already stated, parking at a Locals'/Regional casino is a surprisingly important element, including valet parking and in some locales, a designated self-parking area with limited card access provided to Loyalty Club members or, at least, the upper segments of the Club.

Based upon some rough assumptions about visitors per car and using PGP's annual visitor projections, it would appear that utilization would be approximately in the 40 to 50 percent range on an average day, potentially in the 60 percent to 70 percent range on a peak day, and 30 percent to 40 percent on an off-peak day. The 3965 available spaces appear to provide some cushion for parking demand even on peak event days that could push parking needs beyond what has been projected. There is still some stretch in the parking capacity (e.g., employee parking can be turned over to guest parking on overflow days with shuttles provided to remote parking areas for employees) and PGP has access to additional, undeveloped land that presumably could be quickly converted to temporary dirt or 'thinly surfaced' paved parking.

9. A REVIEW OF COMPED ANCILLARY AMENITIES

It is apparent that PGP intends to make aggressive use of comps to aggressively market the casino to new but more importantly the core, avid, repeat loyal players who in situations like this often comprise only 30 percent or so of the gamer headcount but represent 85 percent of the profits.

The chart below depicts the forecast comp amounts:

	2013	% of Activity Revenue	2016	% of Activity Revenue
Food	$3.5M	55%	$4.8M	55%
Entertainment	1.6M	53%	2.7M	39%
Retail	0.9M	85%	1.0M	85%
Total	$6.0M		$8.5M	

% Gaming Rev.	4%	4%
% Total Rev.	4%	4%

MI Evaluation and Comments

The ratio of comps to Gaming Revenue is not great compared to other gaming venues when taken independently. However, in PGP's pro forma under the General and Administrative Advertising and Promotion expense line, PGP forecast expending another $19.3M in 2013 and $25.2M in 2016. Depending upon how the Loyalty Club points are redeemed (cash, free play, comps, and/or redemption for merchandise) the value of these rewards may go in the promotion not the comp line. MI suspects that is partially why this Advertising and Promotion expense level is so high. MI is encouraged by it.

MI also includes $0.2M in Bad Debt Expense and $0.2M for the same years as a marketing expense, although some would just label as an accounting loss. MI counters by assuming this is a premeditated and manageable loss the cost-benefit, risk-reward nature of which is accepted because credit can be used as an effective marketing tool.

In total, the two additional marketing categories amount to 12 percent of Total Revenue. MI would suspect that some of the Advertising and Promotion dollars may also be going toward marketing the hotel by PGP even though the hotel is owned and operated by a third party. Some of these Advertising and Promotion dollars may also be spent on marketing the Event/Equestrian Center and to a lesser extent food, beverage, and other non-gaming activities. Even so, that still keeps the combined total marketing expenditure including comps in the 15% range. This is close to a Locals'/Regional casino average in many venues and continues to imply to MI that PGP is taking an aggressive Demand Stimulation Marketing posture in promoting the Kansas Star Casino. This is a good thing.

6.2.4. Phasing

PGP intends to follow what is essentially a three-phased development plan to full build out.

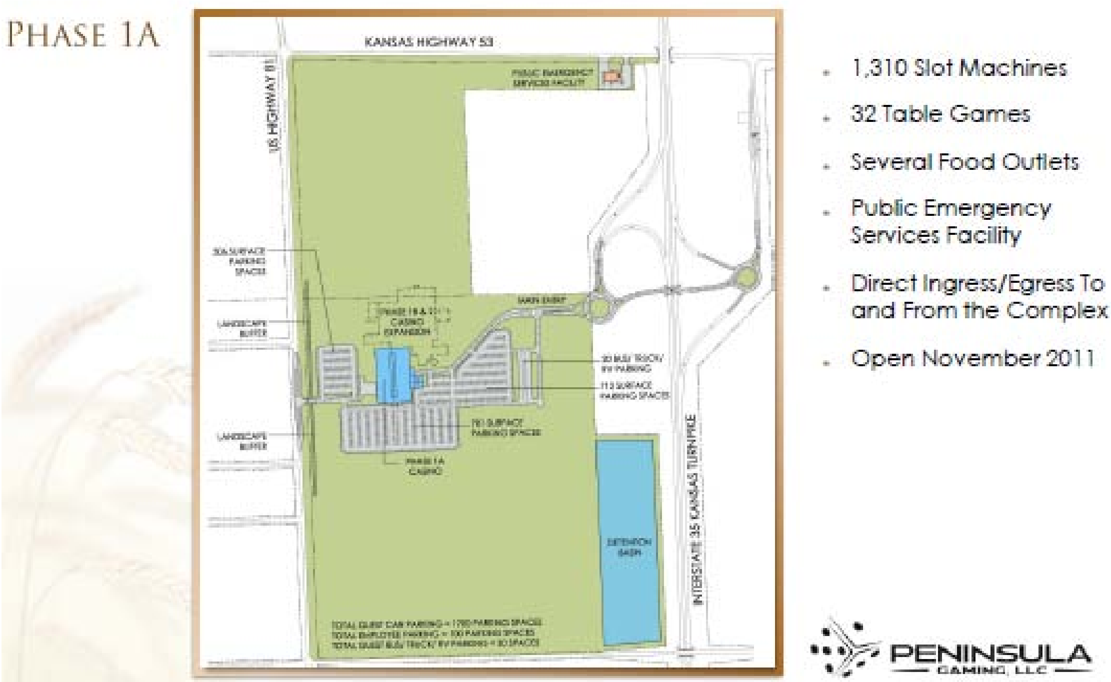
The first phase will take 9 months to open and is centered on the interim facility that will be executed within the permanent Event/Equine Center as described earlier. PGP states clearly that the goal is to begin generating revenue for itself and the State as well as create jobs for Kansas citizens in the shortest possible time. The interim facility would open with 1310 slot machines, 32 table games, a 50 seat snack bar, and several food and beverage kiosks.

Construction of Phase 1B would begin approximately 3 months after the start of Phase 1. When open, the casino will include a high limit slot area, 1500 slot machines, 42 table games, a dedicated 10 table poker room, buffet, steakhouse, food court, 150 room hotel, and the 100,000 square foot Entertainment/Equine Center that formerly housed the interim casino.

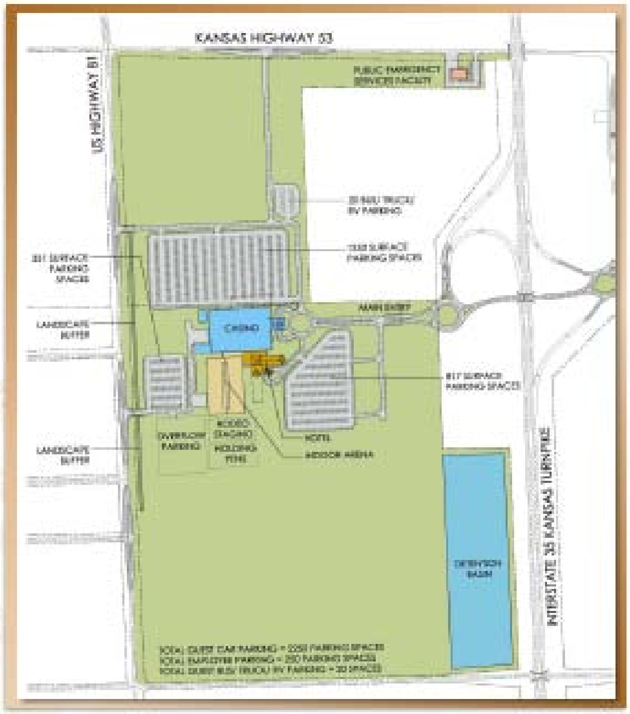
Phase 2 will be completed 2 years following the completion of Phase 1B and will include 2000 slot machines, 50 table games, the full 300 room hotel, sports bar, RV park, and expanded equine complex.

In all, PGP's complete build out of its Master Plan and expenditure of its full $284.5 million proposed investment will be finished in four years, presumably on or around the end of 2014.

The phasing is presented visually in the phasing plan provided by PGP shown below.



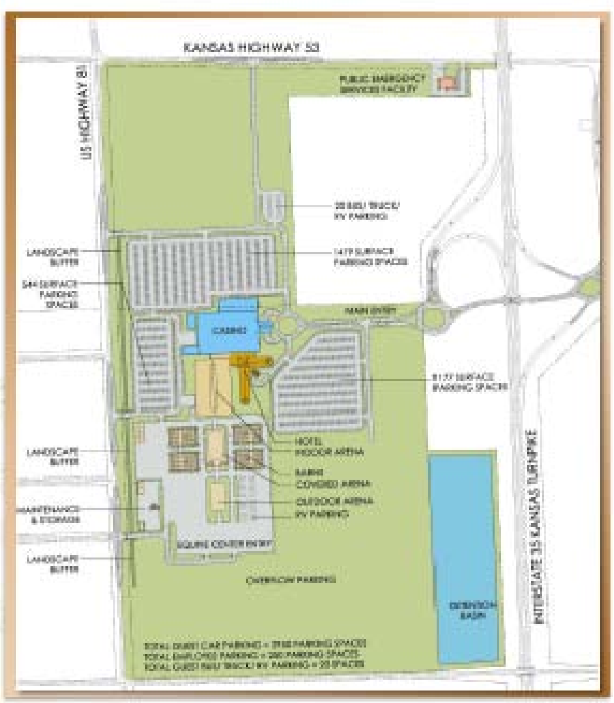
PHASE 1B



- 1,500 Slots
- 42 Table Games
- 40 Slot VIP Lounge
- 10 Table Poker Room
- 250 Seat Buffet
- 110 Seat Steakhouse
- 2 Outlet Food Court
- 100,000 SF Indoor Arena
- 150 Room Hotel
- 20 Space RV Park
- Open November 2012

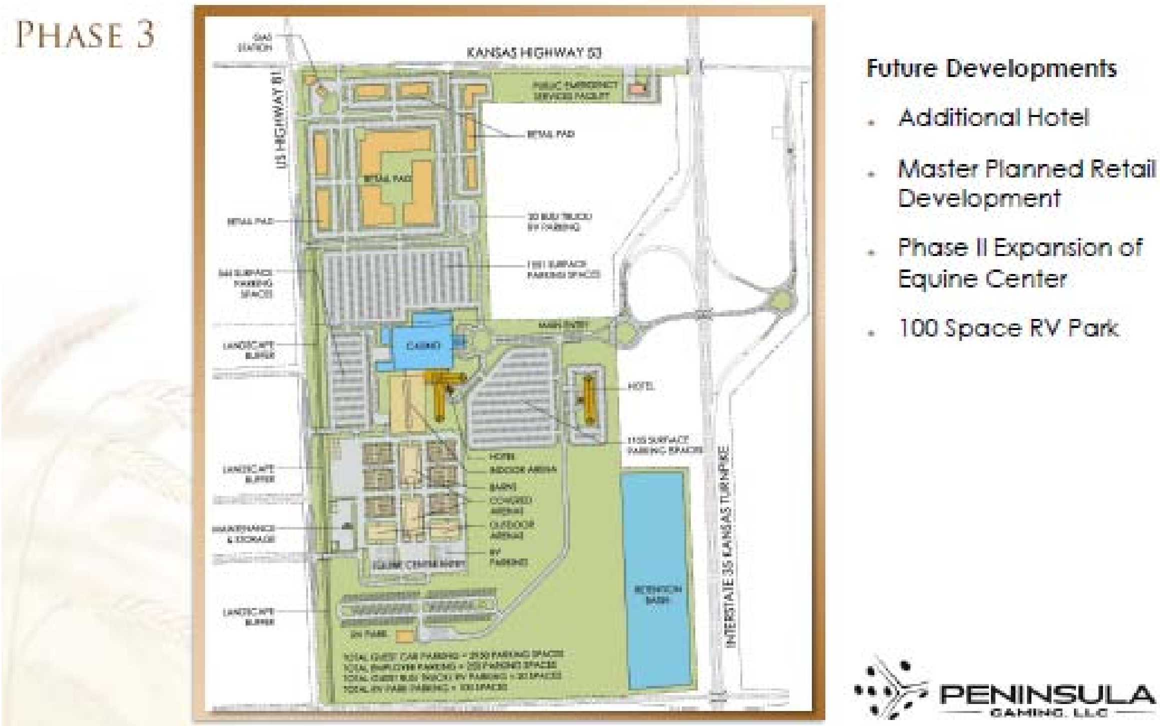
PENINSULA GAMING, LLC

PHASE 2



- 2,000 Slots
- 50 Table Games
- 300 Total Hotel Rooms
- 24 Acre Equine / Rodeo Center Expansion
- 40 Space RV Park
- Open November 2014

PENINSULA GAMING, LLC



MI Evaluation and Comments

MI's sole purpose in reviewing the proposed PGP phasing plan is to ensure that the ancillary development balances with the gaming and other aspects to open with each phase. While MI did not make a detailed analysis, based upon the PGP narrative, it appears that the PGP's phasing plan provides for an appropriate amount of food, beverage, entertainment, hotel, and other ancillary and support space.

6.2.5. Sum of the Parts – Product Marketing

All things being equal and for the benefit of the State of Kansas, MI would like to see a bigger, slightly higher quality than a solid 3-star facility that might be better able to draw more visitors, create more jobs, and theoretically generate more revenue for the State. But, all things are not equal and the PGP Product Marketing strategy is a prudent plan for a casino-centric property for the Kansas South Central Zone given the exigencies of this specific Marketplace and the dynamics of the intra-Financial Crises period the economy is still locked into.

7. DEMAND STIMULATION MARKETING ("DMS")

7.1. DSM – PRE-OPENING

7.1.1. Strategy

PGP emphasizes the importance of acquiring substantial database prior to opening. They state that in past openings they have been able to secure over 9000 names prior to opening and at Kansas Star plan to have captured 7500 names prior to opening.

MI Evaluation and Comments

MI agrees that database marketing in terms of creating a list of names and contact points of your rated players (and even more importantly, the core avid, loyal, repeat rated player) is one of the most critical pre-opening functions. But, there is more. Database marketing and development of a Loyalty Club needs initial Trial to begin the rating, identification, and subsequent tracking/reward process. And, prior to Trial, there must be Awareness so that potential visitors/players in the Marketplace know the Kansas Star Casino exists and is about to open. Preceding Awareness, the casino pre-opening Team needs to create the Brand that people are to be made aware of and all of the support elements needed to create that Brand (e.g., logo, advertising templates, rack brochures, and the like). There is also the Internal/Employee Marketing Initiatives that must also be coordinated which means in addition to teaching each employee their primary job duties, each and every one of them must be turned into a Marketeer for the property.

MI knows PGP to be a smart, experienced, and capable casino owner, developer, operator, and marketer. The absence of explicit verbiage describing an overall pre-opening Demand Stimulation Marketing Plan that includes all of the pre-opening strategies is probably more a function of PGP not knowing they were supposed to provide such information and/or PGP not thinking about this phase of the business in the same structured way that MI does and/or not wanting to reveal competitive information. Regardless, based upon PGP's entire Submission MI, the Tactic/Execution list below, and PGP's success in other markets MI is not too concerned that PGP's Submission was light on explicit verbiage about their pre-opening Demand Stimulation Marketing strategies.

7.1.2. Tactics and Execution

MI has annotated each tactic with its assessment of which phase of the Demand Cycle each tactic appears to try to address.

1. Use mass media to introduce brand into the marketplace. AWARENESS

2. Use regional print and broadcast media to create Awareness of the project. AWARENESS

3. Use mass media to aid capturing pre-opening database employing the message, "Get Carded." TRIAL

4. Use a teaser campaign to motivate people to visit their website, www.kansasstarcasino.com. AWARENESS/TRIAL

5. Use of their website AWARENESS/TRIAL/REPEAT/LOYALTY
   - Educate potential Loyalty Club members of their project.
   - Sign-ups for those who want to receive project updates.
   - Free Loyalty Club membership.
   - Pre-opening website Loyalty Club signups will receive $10 in free play for their first visit plus extra entries into a "Members Only Drawing" for a $1000 in free play and a chance to win a "Golden Ticket," an exclusive invitation to a private Grand Opening party.

6. Formation of a Relationship Marketing Team, e.g., Kansas Star team members who will speak at local service organization meetings and chamber events to inform people about the project, update them on progress, promote the Loyalty Club, and encourage attendees to "Get Carded." AWARENESS

7. Conduct focus groups with known local gamers, tour bus operators, and key community leaders to receive input on their specific interest regarding the facility.

MI Evaluation and Comments

As expected, a list of pre-opening Demand Stimulation tactical/execution programs could be found laced throughout PGP's Submission. And, working backwards, the Tactics and execution plan suggests that PGP has a broad based strategy set. But, the above list is not "long." This saved MI from having to recount it all here for the reader but MI would have preferred to have seen more. MI's guess is that there is more but it was just not included in the Submission. The longer post-opening list suggests this.

For the record, a couple of examples of missing elements of a comprehensive pre-opening tactical/execution plan is the absence of any reference to sales efforts by sales teams, e.g., hotel sales, group sales, tour and travel/wholesaler sales, and similar such efforts. Similarly, there is not a lot of reference to actual preparation and implementation steps for the creation and operation of the Loyalty Club. Nor was there a reference to an internal marketing effort.

7.2. DSM – POST OPENING

7.2.1. Strategy

Referring to their Target Marketing Segmentation structure described previously, PGP states that the primary component of their Demand Stimulation Marketing Plan will be to "… utilize their database to identify segments that can best be reached through our direct mail efforts."

PRG will also target non-rated visitors to promote Trial, Repeat Visitation, and Loyalty.

MI Evaluation and Comments

Here again, in scouring PGP's submission, MI could not find a great deal of verbiage that directly and explicitly referenced PGP's post opening Demand Stimulation Marketing Program. See Tactics below to glean what strategies might actually be part of the PGP overall marketing but simply not enunciated. Same song, different verse.

7.2.2. Tactics

1. Database Marketing AWARENESS/TRIAL/REPEAT/LOYALTY
   - Analyze Kansas Star database to help determine how to incentivize additional trips.
   - Provide incentives/rewards with high perceived value
     - For those who live less than 50 miles from the property offer hotel stays, food, gifts, free play, entertainment, and more.
     - For those who live more than 50 miles from the property, in addition to the appropriate free play offer add a buffet comp, discounted hotel offer during off-peak periods and, if warranted, a comp room to be used at the player's discretion.
   - Constantly update promotions to continue or increase playing level and/or trip frequency.
   - Constantly analyze the database to identify revenue maximization opportunities.

2. PGP will partner with local retailers and implement a program where Kansas Star Loyalty Club members may redeem their points at the area stores.

3. Work with tour operators to bring motor coach groups to fill off-peak periods using the 300 room hotel and Kitchen Buffet as motivators. TRIAL/REPEAT

4. To key markets outside the 100 mile range, use direct mail, television, and outdoor advertising. Note: PGP submitted a document entitled "Tourist Marketing Materials" that including the following types of initiatives and samples of advertising and promotional efforts that accompanied each initiative:

- E-mail blasts to corporate meeting planners, corporate groups, tour operators,
- Advertising promoting property venues sent to corporate event planners
- Meeting advertising in various association guide books and meeting trade magazines
- Property brochures produced by their local Convention and Visitors Bureau that highlights their property
- A joint venture postcard campaign with their adjacent partner hotel that was sent to their joint outer market database.
- Outer Market Loyalty Club monthly database mailers with enhanced incentives.
- Outer Market Loyalty Club postcards promoting specific hotel and other offers.
- Website information geared to outer market visitors, e.g., shows information and contact points for partner hotels, local attractions/hotels/restaurants/events as well as directions to the casino from outer destinations.
- A partnership advertising program with another local casino to jointly promote their city as an entertainment and gaming destination.
- Advertisement in a 60 plus page State Guide distributed to all inquiries at the Tourism Region office and at Welcome Centers.
- Advertisements at gas stations in the outer market and adjacent states using gas pump ‘toppers.’
- Advertisement in Chamber magazines distributed at the Chamber offices and at Welcome Centers.
- Rack card advertisement/promotional material distributed to people who contact their casino looking for information and brochure distribution sites in adjacent states.
- Outer market newspaper advertisements.
- Advertisement promoting banquet facilities in outer market cities.
- Other advertisements placed in visitor guides distributed to all hotels, Convention and Visitor Bureaus, Chambers of Commerce, and rest stops.

5. Non-rated players
   - Create awareness via TV, print, radio, and outdoor advertising focusing on upcoming entertainment, their food product, and casino promotions. The objective will be to deliver the message that the Kansas Star is the “premier destination attraction in the region.” AWARENESS
   - Use market research to better formulate promotions that will engender loyalty. TRIAL/LOYALTY

6. Budget for various Demand Stimulation Programs (percentages shown represent the percent of the expense to Gross Gaming Revenue):
   - Promotional expense 4.5%
   - Comp expense 3.0%
   - Adverting 1.5%
   - Production expense 1.0%
   - Total 10.0%

7. Advertising budget (percentages represent percent of total advertising budget):

• Radio	30%
• Outdoor	25%
• Print	20%
• TV	15%
• In-house	5%
• Internet	5%
• Total	100%

MI Evaluation and Comments

To recap the pro forma marketing expenses presented previously here for reference, PGP plans to spend a total of $25.5 million or 16 percent of total revenue on marketing in 2013, and $25.5 million or percent of total revenue on marketing in 2016. This may be further categorized as follows:

	2013	2016
Complimentary expense	$ 6.0M	$ 8.5M
Bad Debt expense (considered "marketing")	0.2M	0.2M
Advertising and Promotion expense	19.3M	25.2M
TOTAL	$25.5M	$33.9M

PGP's 2013 and 2016 overall marketing expenditure of $25.5 million and $33.9 million, respectively, is a substantial sum and at approximately 15 percent of total revenue is in line with an aggressive marketing effort for a Locals'/Regional oriented casino. The verbiage found in PGP's Submission explains part of it but MI would speculate not all of it. The "Tourist Marketing Materials" information sent to the KLGFRB is an example of finding out more about their marketing program when explicit requests are made rather than interpreting responses to broad interrogatories put forth by the KLGFRB review process.

Regardless, the annual total marketing sum and the verbiage that was found give MI comfort that PGP will effectively execute a comprehensive post opening Demand Stimulation Marketing Plan that will support the ancillary development activities embedded into the property.

8. SUM OF THE PARTS

The Kansas City Star appears to MI to be right-aligned to the Midwest, South Central Zone Marketplace, right-sized to anticipated demand levels, prudently right-costed and phased to provide risk management strategies. As stated with the other project, it may not be a billion dollar Integrated Resort destination that has the potential to draw thousands of visitors from hundreds of miles but the location and raw Marketplace does not provide for that and the dynamics of the intra-Financial Crises period we are in does not allow for it.

The Kansas City Star is a right project backed up by a smart, experienced, and proven casino developer, operator, and marketer. It is a viable candidate for the South Central Zone license.

SECTION 5
COMPARISION AND RATING OF THE TWO PROPONENT PROJECTS

1. COMPARING THE TWO PROJECTS

It may seem to the reader to be a coward's way out to conclude evaluation and review of each project in the Sum of the Parts end section by essentially using the same verbiage, but MI did that intentionally.

After reviewing both projects in detail and writing a rather lengthy review, MI would be remiss if it did not conclude that these are two "right" projects for the Kansas South Central Zone gaming license. As stated, they have been right-aligned to the character, dynamics, and exigencies of the Midwest/Kansas/Sumner County marketplace, right-sized in terms of capacity and capital expenditure, prudently phased to provide some good risk management practices, and yet will still offer excitement and verve to the local/regional community, create a substantial number of good paying jobs, generate a substantial amount of income for the State of Kansas, and provide an attractive return to the owner/developer/operator.

MI is reminded of comparison car tests that take place in car enthusiast magazines wherein they engage several test drivers and ask them to rate similar cars. More often than not the subjective evaluation and score is close. And, despite one car in the test always winning, more often than not one or more of the testers prefers one of the cars that did not win due to their own nuanced taste and preferences.

MI feels much the same way about the GGS and the PPG Submission. They both earn the right to the license. The selection defaults to some means to compare two qualified applicants, identify the nuances, discuss the pros/cons of potential preferences, and then see if a scoring system provides any additional insight to the process.

Even though each project has its own character and attributes, they have much in common. So the first step was for MI to list the comparisons and segregate those attributes that are full all intents and purposes "equivalent" and separately show the "differences." Equivalencies are shown in the first table to follow and Differences in the second.

MI goes further in the second table and where it feels a difference results in a positive for one project or another, it shows such attribute description in red. If like attributes are both in red, it means that they are both desirable but for different reasons and it is up to the reader to determine which reason is more attractive to them. Where no red designation is shown, that is meant to suggest MI feels that this attribute constitutes a difference but the difference is not material enough to create an advantage, it is just a difference.

The next section will invent, describe, and apply a rating scheme.

Please note that MI has intentionally omitted any comparison of each applicant's Goal Set, referencing to consideration of External-ities and Internal-ities, and certain big-picture strategic statements because MI found (or speculates) that reference to these Marketing Plan elements were not explicitly requested in most instances by the KLGFRB process, each company may not 'think' about the development process in these terms but, perhaps most importantly, it is the tactics and execution that in the final analysis are most important and telling about the applicant's development, operating, and marketing process.

GGS	PGP
EQUIVALENCIES (or close to it)	
TARGET MARKET SEGMENTS	
Both proponents spend a large amount of verbiage indicating how they will market to the Outer Market but in reality both proponents are concentrating on marketing to …	
"The Region," i.e., … Locals' (1 to 2 hr. drive) and Regional (2 to 3 hr. drive) (MI definitions)	"The Region," i.e., … Locals' (1 to 2 hr. drive) and Regional (2 to 3 hr. drive) (MI definitions)
Total visitor count: 2.0M in 2013 2.4M in 2016	Total visitor count: 2.2M in 2013 2.9M in 2016
Actual Forecast Visitor Mix: Locals (within 100 mile radius): ~85% of forecast visitor demand Tourists (beyond 100 mile radius): ~15% of forecast visitor volume	Actual Forecast Visitor Mix: Locals (within 100 mile radius): ~90% of forecast visitor demand Tourists (beyond 100 mile radius): ~10% of forecast visitor volume
PRODUCT MARKETING	
OVERALL CONCEPT, POSITIONING, AND THEME	
Basic Product: an entertainment experience providing entertainment value	Basic Product: a destination resort
An "entertainment destination"	A "regional destination," the "premiere entertainment complex in Kansas"
Mid-market	Mid-market
Theme adopted to Midwest/South Central Zone	Theme adopted to Midwest/South Central Zone
PROJECT QUALITY	
$280M total investment over the life of the contract	$285 total investment over the life of the contract
3-star hotel (at an investment of approximately $100,000 per room) with a $90 average daily rate.	3-star hotel (at an investment of approximately $125,000 per room at full build out) and a forecast $81 ADR
ACTIVITY AND AMENITY MIX	
Casino: 2000 slots, 40 table games, and 20 poker tables at full build out	Casino: 2000 slots, 50 table games, and 10 poker tables at full build out
4 dining outlets with a total of 510 seats offering an array of meal options	4 dining outlets with a total of 430 seats offering an array of meal options
2 bars with a total of 140 seats (one with live entertainment)	2 bars with a total of 185 seats (one with live entertainment)
Large, multi-use 1400 seat event center	Entertainment Event/Equine Center venue with a capacity of 3000 seats for seated events and 4200 for concerts
Meeting & Convention: use of event center plus 8,000 sq. ft. of dedicated convention space (4 breakout rooms) and pre-function space	Meeting & Convention: use of 65,000 sq. ft. of flex space in the Event/Equine Center (includes two break out rooms and 31,700 sq. ft. of pre-function space)
90-stall "RV Park" operated by local KOA operator (opens with existing 37 space RV park and adds 60 spaces in Year 10).	100 space RV parking "hook ups" and "RV park"
1 relatively small logo, sundry retail store	1 relatively small logo, sundry, gift store
DEMAND STIMULATION MARKETING ("DMS")	
Pre-opening: a rather well defined and comprehensive pre-opening DMS program	Pre-opening: a rather well defined and comprehensive pre-opening DMS program
Post-opening: a rather well defined and comprehensive pre-opening DMS program	Post-opening: a rather well defined and comprehensive pre-opening DMS program
CITIZENSHIP	
Community partners/partnering	Community partners/partnering
EXECUTION	
Record of success in opening, operating and marketing multiple Midwest, mid-market projects	Record of success in opening, operating, and marketing multiple projects I-35/Oklahoma projects
Record of working in regulated environments (albeit Tribal)	Record of working in highly regulated environments

GGS	PGP
(REAL) DIFFERENCES	
PRODUCT MARKETING	
ACTIVITY MIX AND CAPACITY	
80 to 100 room "3-star" hotel aka Holiday Inn Express or LaQuinta Suites	**A 150 room, Phase 1 "3-star" aka Holiday Inn Express or Hilton Garden In**
Second 120 key, "4-star" hotel to open in Year 10 if market conditions so dictate	**Hotel expands to 300 rooms in Phase 2**
Food and beverage partners with regional/national third parties who have their own large database	Operate their own F&B
2,357 parking spaces in opening phases	3,965 surface parking spaces at opening
966 space parking garage opens Year 8, post 2016 or earlier "if needed"	
Association with upgraded municipal golf course, 1 to 2 miles from site	Equestrian Center - Phase 1B
Speedway - opens in Year 10, post 2016	
Travel/truck plaza - Phase 1B	
Control an additional 420 acres for additional development	
PRICE - VALUE	
$13 average food check, + 25% profit margin* 2013, + 25% in 2016 (see also comp expense below)	**$9 average food check, - 46% profit margin 2013, - 34% in 2016 (see also comp expense below)**
Beverage department profit margin* of 72% in 2013, 73% in 2016	**Beverage department profit margin of 10% in 2013, 16% in 2016**
* Some reason for the disparity in margin may be due to the GGS's use of third-parties but it is not clear how much if any might be attributed to this.	
DEMAND STIMULATION MARKETING	
$ 9.9M marketing budget in 2013, 7% of total revenue $14.0M marketing budget in 2016, 9% of total revenue	**$25.5M marketing budget in 2013, 16% of total revenue and $33.9M marketing budget in 2016, 15% of total revenue**
$ 2.9M comp* expense in 2013 $ 4.0M comp* expense in 2016 * includes preferred guest expense. Not stated how distributed	**$ 6.0M comp expense* n 2013 $ 8.5M comp expense* in 2016 * food, entertainment, and retail (merchandise)**
$ 7.0M advertising/promotion expense 2013 $10.0M advrtising /promotion expense 2016	**$19.3M advrtsing/promo. expense 2013 $25.2M advrtsing/promo. expense 2016**
$ 1.6M entertainment revenue 2013 $ 1.9M entertainment revenue 2016	**$ 3.1M entertainment revenue 2013 $ 7.0M entertainment revenue 2016**
80 to 100 room hotel with 52% occupancy in 2013, 71% in 2016	**150 rm. Hotel, 85% occupancy in 2013, 300 rm. Hotel, 85% occupancy in 2016**
30% to 40% rooms comped for players increasing to 70% in stabilized year	**10% of rooms to be comped and another 20% offered at a discount for a total of 30% of the rooms used in direct marketing***
	* 30% of 300 rooms is greater than 70% of 100 rooms
CITIZENSHIP	
	Educational Scholarship Fund that will provide all students in Sumner County with assistance towards educational expenses.
EXECUTION	
Primarily involved in Native American venues	**Involved only in state regulated venues**

GGS

	Total Revenue /		$ EBITDA	Margin
2013	$141.3M	/	$57.1M	40%
2016	$180.9M	/	$67.4M	37%
Visitor Volume		<100 mi.	>100 mi	
2013	2.0M	~85%	~15%	
2016	2.4M	~85%	~15%	
Jobs				
2013	1,033			
2016	1,103			

PGP

	Total Revenue /		$ EBITDA	Margin
2013	$163.0M	/	$36.9M	23%
2016	$225.9M	/	$58.8M	26%
Visitor Volume		<100 mi.	>100 mi	
2013	2.2M	~90%	~10%	
2016	2.9M	~90%	~10%	
Jobs				
2013	798			
2016	870			

SUM OF THE PARTS / RESULTS

2. RATING OF THE TWO PROJECTS

The following rating scheme was developed by MI to provide a quantitative means of comparing the two proponents.

Please be aware, however that this rating scheme has been created by MI and areas deemed important by MI may not be deemed as important among other stakeholders.

MI has also applied a weighting to each area reflecting MI's appraisal of the importance of each area. Here again, other stakeholders may feel a different weighting is more appropriate.

Finally, MI has included its "scores." Other stakeholders might score the same information differently.

Scores should be evaluated in relative not absolute terms.

MI scores were determined in the context of the goals of the State of Kansas.

RATING SCHEME

Category	Weight		GGS Score	GGS Result		PGP Score	PGP Result	
GOAL SET	0%	*	2	n.a.		7	n.a.	
EXTERNAL-ITIES	0%	*	2	n.a.		2	n.a.	
INTERNAL-ITIES	0%	*	2	n.a.		0	n.a.	
DRIVING CONCEPT	0%	*	8	n.a.		8	n.a.	
PRODUCT MARKETING	**50%**			**6.5**	**3.3**		**7.4**	**3.7**
Casino	0%	**	n.a.	n.a.		n.a.	n.a.	
Food	25%		8	2.0		8	2.0	
Beverage	15%		7	1.1		7	1.1	
Entertainment	20%		8	1.6		9	1.8	
Meeting / Convention	3%		4	0.1		4	0.1	
Hotel	20%		3	0.6		6	1.2	
RV Park	5%		7	0.4		7	0.4	
Retail	2%		5	0.1		5	0.1	
Other (cumulative) ***	10%		7	0.7		8	0.8	
Subtotal - Product Marketing	100%							
DEMAND STIMULATION MARKETING	**25%**			**7.4**	**1.9**		**7.6**	**1.9**
Pre-opening	40%		8	3.2		7	2.8	
Post opening	60%		7	4.2		8	4.8	
	100%							
SUM OF THE PARTS	**25%**			**8**	**2.0**		**8**	**2.0**
TOTAL	**100%**				**7.1**			**7.6**

* Note: MI has intentionally omitted any comparison of each applicant's Goal Set, referencing to consideration of External-ities and Internal-ities, and certain big-picture strategic statements because MI found (or speculates) that reference to these Marketing Plan elements were not explicitly requested in most instances by the KLGFRB process, each company may not 'think' about the development process in these terms but, perhaps most importantly, it is the tactics and execution that in the final analysis are most important and telling about the applicant's development, operating, and marketing process.

** Note: The casino is not rated because MI scope of responsibility for this engagement did not include a review of the gaming activities.

*** GGS: Other includes the golf course upgrade, travel/fuel plaza, speedway

*** PGP: Other includes the Equine Center

The final score was 7.1 for GGS and 7.6 for PGP. On a relative basis, if PGP is a "100" then GGS's score would be a "93" reflecting MI's perception that both projects are very close in terms of what they offer the State of Kansas and Sumner County. Essentially, PGP earns its leads for the following reasons.

Essentially MI believes both GGS and PGP compare equally in terms of being able to provide the core product and experience. It is a small cluster of other considerations that tip MI toward preferring PGP.

1. It commits, without an escapes, to completing its project full build out in four years.
2. PGP appears to be willing to use subsidized pricing to provide price-value to the Marketplace a valuable attribute any time for a Locals' / Regional casino but particularly appropriate in the tough times of this intra-Financial Crisis we are in.
3. PGP appears to have made a stronger commitment to food, entertainment, and retail/merchandise as a marketing tool, typically a critical element of a successful Locals' / Regional casino.
4. PGP proposes a larger hotel and commits to building it to the full 300 rooms during the four year development period versus the open ended nature of GGS's proposal.
5. PGP generates more revenue.
6. PGP is willing to devote a substantially larger portion of its gaming revenue toward marketing which will help it to accelerate and grow its business.
7. MI believes the triple use of the larger Event/Equine/Convention Center provides not only some unique opportunities to market the property to Locals and Regional Target Market Segments but creates more numerically opportunities to keep this facility utilized.
8. In terms of comparison, MI believes that PGP capital spent on a larger hotel and Event/Equine/Convention center will be more productive to marketing to the Outer Market/tourists than the compilation of enhancing a public golf course, a travel/fuel plaza, and a speedway. Coincidentally, MI believes PGP could easily add a travel/fuel plaza (at least on Site A) out of cash flow once revenues are stabilized thus removing this competitive advantage. Likewise, PGP should also be able to find public and private golf courses for its players to use if there is demand shown. Finally, MI believes that while a NASCAR mega-facility is a desirable amenity to any casino, a speedway aimed at sports cars in the middle of Kansas is not.

APPENDIX

APPENDIX - A PREAMBLE
DEVELOPMENT THEORY AND THE ROLE OF NON-GAMING ACTIVITIES IN GAMING CENTRIC PROJECTS

> Note: *Those who are experienced in the development, operation, and marketing of casinos most likely do not need to read this section. It does, however, provide a background and a rationale for MI's review and evaluation process to follow.*

1. CASINO GAMING – A MACRO VIEW

Gaming is a business.

Casino gaming is one form of gaming.

Like any other business, casino gaming has a Product. More accurately, casinos typically offer a compendium of gaming and gaming related Products.

At its core the gaming product – what casinos "sell" and consumers come to "buy" – is an experience, an adult gaming-related leisure, entertainment experience.

Depending upon the visitor, these experiences may be a leisure time, entertainment, a pure gambling experience, or some combination or derivative thereof.

There are a number of non-gaming related Products (experiences) that are needed to support gaming or that can operate with gaming to synergistically benefit gaming as well as act as independent marketing and profit centers.

The gaming and non-gaming Products are aggregated, conceptualized, produced, and delivered in fixed, bricks-and-mortar buildings which are typically referred to depending upon their overall nature as casinos, casino and entertainment center, casino-hotels, casino-resorts, and the like.

Around the world, casino gaming must be permitted, typically through a formal licensing process. Such licensure determines what and how gaming may be operated often times directing where casinos may be located and dictating how many casinos may be licensed. As such, the casino customer must be motivated to visit the casino, the casino gaming Product cannot be manufactured, packaged, and delivered to its customers.

The development of a casino is akin to developing the Product(s) for any business, i.e. development follows the Product Marketing Axiom: "Develop a good or service that meets or exceeds the needs, wants, and expectations of the consumer at a price that creates a real or perceived value."

While it may not outwardly appear so, casinos market to market segments, groups of people with like needs, wants, and expectations. Problematically, there are multiple market segments that exist within a given marketplace, people belong to more than one market segment at one time, and people shift back and forth between market segments over short, medium, and long term periods.

Because casinos typically operate in competitive environments (even in monopolies, duopolies, and oligopolies, casinos must compete with other forms of leisure and entertainment activities for the consumer's time and disposable income), the following supplement must be added to the Product Marketing Axiom: "… in a manner that niches or beats the competition."

And, because most casinos exist with a capitalistic driven profit motive, yet another supplement must be added to the Product Marketing Axiom as well: "… in a manner that achieves both financial and non-financial performance goals."

2. THE DEVELOPMENT OF A CASINO GAMING PROJECT

2.1. STEP ONE – ESTABLISHING THE GOAL SET

While admittedly many casino projects begin with a developer's vision or concept already in mind, ideally the development of a casino project should begin with the Owner's and in many cases (e.g., in a bid process) the other Stakeholder's Goal Set.

2.2. STEP TWO – IDENTIFYING AND ASSESSING EXTERNAL AND INTERNAL FORCES

The next step is to assess the external forces and dynamics that can influence and affect the project. In parallel, the developers should assess the internal forces and dynamics that their company and other participatory entities may exert on the project.

2.3. STEP THREE – ALIGN PROJECT CONCEPT TO THE MARKETPLACE (TARGETED MARKET SEGMENTS)

Once the Goal Set is established and the External-ities and Internal-ities have been determined the 'real' work begins, the conceptualization of the Product. The concept development goal is to align the Product or development to the needs, wants, and expectations of the Marketplace – or more accurately, Targeted Market Segments – so as to extract the greatest natural demand from the Marketplace. This process may be referred to as Product Marketing. In architectural terms this is often referred to as programming, i.e., concept, positioning, amenity mix/capacity/price-value proposition, design, production and delivery (of the Experience"), X-factors, and the sum-of-the-parts.

2.4. STEP FOUR – DEVELOP DRIVING DEMAND STIMULATION MARKETING STRATEGIES

Leading up to and after the Product is launched (or the casino is open) other marketing initiatives are engaged to extract the remaining demand potential from the Marketplace or in execution, from Targeted Market Segments. This process may be referred to as Demand Stimulation Marketing.

Demand Stimulation Marketing initiatives typically involve one or more of the following: (1) extracting latent demand from current Targeted Market Segments; (2) where peak demand exceeds supply, moving peak demand to off-peak periods to make room for un-served demand; (3) taking market share away from the competition; and/or (4) identifying and targeting new Target Market Segments.

Many Demand Stimulation Marketing Plans are formulated around the consumer's Decision Cycle: i.e., (1) Create Awareness, (2) Motivate Trial; (3) Spur Repeat Visitation, and (4) Engender Loyalty.

Demand Stimulation Marketing Plans rely on such marketing tools as: press and public relations, advertising, sales teams, promotions, events, loyalty programs, other database marketing initiatives, third-party marketing resources (e.g., travel agents, group wholesalers, meeting/convention brokers), and for the casino perquisites, promotions, invitation driven special events, hosts, complimentaries, credit, casino-focused loyalty clubs/database marketing, satellite marketing offices, and third-party junket representatives).

It should be noted that the Marketing Plan comprised of the Product Marketing Plan and Demand Stimulation Marketing Plan are dynamic not static. These plans at every point in the development, pre-opening, and post opening process must be continuously monitored and measured, evaluated, and iterated shaped by market dynamics, competition, and new events and refined by experience and actual results. Marketing is a never ending process.

2.5. REMAINING DEVELOPMENT TASKS

Note: *These tasks involve matters that do not involve the evaluation of ancillary amenities but are included here for completeness.*

Once the Product and Demand Stimulation Marketing Plans have been formulated the remainder of the Business Plan must be completed, e.g., funding, obtaining remaining approvals, construction, organization/staffing, accounting/audit, operations (policies, procedures, systems, technology, and supplies), controls, training, opening (loading, dry runs, and opening events), schedule, and budget.

3. THE MULTIPLICITY OF GAMING DEVELOPMENT OPTIONS

Depending upon the Marketplace (Target Market Segments), the primary motivation for the trip (or purchase) may be a pure gaming experience wherein non-gaming activities play either a utility, supportive role (e.g., a place to park their car or the need to satisfy hunger) or a complimentary role (e.g., "I have finished gambling and now I feel like a great dinner and a glass of wine to relax"). In many venues and/or target market segments, however, gaming may be a secondary, tertiary, or even incidental motivation for the trip. For example, a visitor may be a more casual gambler seeking a dining, lounge, or entertainment experience where the visit is considered a complete gaming-centric but entertainment package. For others, the visitor may view the trip as a leisure experience of which gaming is a part but relaxing by the pool, playing a round of golf, shopping, or attending a show are activities equally important. For still others, they may be visiting a casino complex to attend a meeting, convention, or exhibition. After these responsibilities are completed they may find themselves wandering through the casino and impulsively choosing to play a slot machine "for the fun of it" thus embellishing their visit. For casinos that serve local/regional communities, entire families may visit casino complexes that have movie theaters, bowling alleys, arcades, supervised day care, and special events that provide something for each age group. Gaming has evolved into multiple dimensions wherein gaming may be the sole, supportive, ancillary, or incidental reason for patronage.

Likewise, from the owner, operator, and stakeholder's perspective, gaming may be the dominant, virtually independent marketing and profit engine for a given project or, in other situations, gaming may be more reliant on synergistic non-gaming activities to generate casino players and/or serve already dedicated players. In either scenario, it is also possible that non-gaming activities can be justified as independent profit centers, not relying on casino players for success but benefiting from having them available. And, like the consumer, there may be owners for whom gaming is but one piece of an overall resort or mixed use real estate development but not the dominant or even major element.

4. IN THE FINAL ANALYSIS IT IS THE SUM OF THE PARTS THAT DETERMINES THE EFFICACY OF A GIVEN PROJECT.

Various dynamics determine what is potentially possible among these matrices of consumer/owner possibilities. Gaming development has become so varied, large, and in some cases complex, that there may be multiple development scenarios that lead to sustainable success. Having participated in or observed hundreds of casinos around the world, MI has come to conclude it is the Sum of the Parts that often dictate the sustainable success of a gaming project. One must be careful of so called Development Axioms that ostensibly apply to all venues, all projects. Equally so, one must be careful of decrying a project based upon one element rather than evaluating all elements in combination. And, given the evolving, innovative, and creative nature of gaming, leisure, and entertainment there is always something new that might work as a catalyst that grabs the hearts, minds, and pocketbook of the consumer. In this context, it should be noted that not all of the elements that produce and deliver the gaming and non-gaming experience have to do with bricks-and-mortar execution. Indeed, the softer aspects of operations, service, and employee contact not to mention marketing programs and X-Factors (e.g., becoming known as the "hip" place to see and be seen) can play a large or even greater role in aligning a gaming project to the marketplace.

Bottom line: there is more than one "solution" or, put another way, viable development plan for a given opportunity.

5. MI EVALUATION STRUCTURE

MI will use the following structure to review and evaluate each proponent's ancillary development:

1. Goal Set
2. External-ities
3. Internal-ities
4. Product Marketing
5. Demand Stimulation Marketing
6. The Sum of the Parts
7. MI's Evaluation and Comments

Since each owner/developer has their own way of viewing development, it is not a surprise to MI that the Submissions were not structured, per se, in a manner that mimics the above structure. This is not deemed a deficiency. It is simply another way of looking at the process of development. However, to have an apples-to-apples comparison MI has disaggregated all of the Submission material where necessary and re-assembled it into the above structure. In some instances, where MI template issues were not directly addressed or inadequately addressed even within the total compendium of the Submission, MI may interpolate what the owner/developer had in mind. MI will identify those instances where it is interpolating.

MI will offer a compare-and-contrast review, evaluation, and "score" for both projects.

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Financial Suitability Analysis

South Central Zone (Sumner County) – Global Gaming

Union Gaming Analytics

November 2010

Introduction

We were retained by the State of Kansas to provide a financial suitability analysis of the applicants for the Sumner County gaming license. Herein, we analyze the party involved in the proposed WinSpirit Casino ("WSC") to be owned and operated by Global Gaming KS, LLC ("GGK"). While certain financial data was made available to us and to the state of Kansas, we have attempted to respect the private nature of the Chickasaw Nation ("CN") by not publishing this data within this report at their request.

Executive summary

Project scope and funding

The proposed project scope is $181mm for Phase 1, which is contemplated to exist for a period of five years prior to the opening of a $106mm Phase 2. The total investment in Phases 1 and 2 is therefore $287mm, which is not inclusive of the $25mm privilege fee to the state. For the purposes of this report, we have examined GGK's current and near-term financial position relative to its projected Phase 1 budget, while for the potential Phase 2 budget we have used projected cash flows generated from operations as an additional source of funding. For Phase 1, GGK intends to finance the $181mm budget (or $206mm when including the $25mm privilege fee) via a roughly even split between debt (52%) and cash equity (48%).

Conclusions

It is our opinion that GGK is sufficiently capitalized to fund the projected Phase 1 budget and privilege fee of $206mm given current cash on hand and pre-arranged debt financing relative to other financial commitments over the development period (2011 / 2012). We also believe there is sufficient financial capacity to absorb cost overruns. With respect to Phase 2, we believe that GGK will likely be in a position to fund any equity component via cash generated from operations (from existing assets and from WSC) along with a potential debt component.

Ownership structure

Global Gaming KS, LLC is owned by Global Gaming Solutions, LLC, which is in turn owned by the Chickasaw Nation. We consider these entities to be one-in-the-same for the purposes of this financial feasibility analysis. The entities discussed herein are privately held.

Figure 1: Ownership structure

Source: company data

Project budget

The total project budget for Phase 1 of WSC inclusive of the $25mm privilege fee is $206.0m, while the budget for Phase 2 is $106.0mm. The total budget is detailed as follows:

Figure 2: Project budget (Phase 1, 2 and total)

Project budget:	Phase 1	Phase 2	Total
Land	7,000,000	na	7,000,000
Design, development and construction	138,000,000	106,000,000	244,000,000
Furniture, fixture and equipment	20,000,000	na	20,000,000
Pre-opening	16,000,000	na	16,000,000
Privilege fee	25,000,000	na	25,000,000
Funds needed for development	**206,000,000**	**106,000,000**	**312,000,000**

Source: company data

Financing preference

GGK intends to finance the project's Phase 1 budget with both cash equity and debt financing. The components of the Phase 1 budget will likely be split as follows (per GGK): Cash Equity (48%), Debt Financing (52%). Relative to the projected $206mm budget, this would imply cash equity of approximately $98.9mm and debt financing of $107.1mm.

Figure 3: Funding allocation

Financing sources	Ratio
Cash equity	48.0%
Debt	52.0%

Financing amounts	Phase 1	Phase 2	Total
Cash equity	98,880,000	50,880,000	149,760,000
Debt	107,120,000	55,120,000	162,240,000
Total GGK	**206,000,000**	**106,000,000**	**312,000,000**

Source: Union Gaming Analytics, company data

Financial capacity / Liquidity analysis (Phase 1)

GGK has provided us and the state of Kansas with audited current financial statements, as well as a debt financing commitment letter from Jefferies Finance, LLC. Noted above, and to respect the privacy concerns of GGK and its ultimate parent CN, we are not disclosing specific financial data. That said, we believe CN has significant financial resources at its disposal, largely due to the successful operation of its existing gaming properties in Oklahoma.

Cash component

In Figure 3 above, we have assumed GGK will fund the Phase 1 cash equity component of approximately $98.9mm via existing cash on hand. Following an examination of the current CN balance sheet as of September 30, 2010 we are comfortable in GGK's ability to financing the cash equity portion of the development cost. This is in conjunction with certain other financial commitments and capital expenditure projects at its existing gaming facilities. Ultimately, we believe GGK's financial position is such that it can make the $98.9mm cash equity contribution, its other financial commitments over 2011 / 2012 development timeline of WSC (e.g. maintenance capital expenditures at its existing facilities) and still remain in a strong financial position.

Debt component

The debt component of WSC is projected to be approximately $107.1mm. GGK has shared with us a commitment letter from Jefferies Finance, LLC, which details that firm's commitment to the debt financing component of WSC. Given the current state of capital markets, particularly relative to 2008 and 2009, we are comfortable with GGK's ability to raise this debt capital.

Financial capacity / Liquidity analysis (Phase 2)

As we contemplate the financing of WSC's Phase 2 ($106.0mm as noted in Figure 3) , it is important to note there are several variables involved that could impact the financing of this component. First, we note that CN/GGS has very limited debt carried on its balance sheet and therefore does not have much refinance risk. Second, we believe that CN/GGS will likely generate notable amounts of free cash flow at its existing assets over the near and medium term, some of which could ultimately be allocated towards funding WSC Phase 2. Third, we estimate that WSC should generate a significant amount of cash flow from operations, which we believe would be sufficient to finance a significant portion of Phase 2 (depending on its timing). Finally, we believe there could be remaining capacity available from the debt financing arranged from Jefferies Finance, LLC that might be allowed to finance a portion of Phase 2 costs.

Additional thoughts

Cash flow generated from operations

We believe that CN / GGS generates significant amounts of free cash flow from its existing gaming assets. We also think cash flows could increase notably in a period of economic recovery. This is a function of gaming facilities being largely fixed-cost operations. Simply put, as customers' personal finances improve and they spend more money (gaming and non-gaming alike), gaming operators generally do not need to add additional costs (e.g. staffing) to accommodate the increase in revenues. The result is that most of the incremental revenues in an economic recovery environment will drop to the bottom line.

Capital markets update

While 2009 was the year to recapitalize distressed equities, 2010 has been a year of the opportunistic financing in both the debt and equities markets. Capital markets have been "open for business" most of the year, with particular strength in the high yield market. The equity markets followed suit beginning in the spring, and were generally open to casino operators with just a few notable exceptions. It is important to note that a few greenfield projects were financed throughout the year, namely the Gun Lake tribal casino in Michigan and Midwest Gaming's development in suburban Chicago. MGM Resorts International was the poster child for opportunistic financing, completing a $588.9mm equity transaction and a $500mm unsecured bond deal shortly thereafter. Hong-Kong based Melco-Crown also completed an equity offering in 2010, taking advantage of strength in Asian markets.

UNION GAMING ANALYTICS

Financial Suitability Analysis

South Central Zone (Sumner County) – Peninsula Gaming

Union Gaming Analytics

November 2010

Introduction

We were retained by the State of Kansas to provide a financial suitability analysis of the applicants for the Sumner County gaming license. Herein, we analyze the party involved in the proposed “Kansas Star Casino” (“KSC”) to be owned and operated by Peninsula Gaming Partners, LLC (“PGP”).

Executive summary

Project scope and funding

The proposed project scope is $225.7mm for Phase 1, which for the purposes of this analysis is contemplated to exist for a period of four to five years prior to the completion of a $58.8mm Phase 2. The total investment in Phases 1 and 2 is therefore $284.5mm, which is inclusive of the $25mm privilege fee to the state. For the purposes of this report, we have examined PGP’s current and near-term financial position relative to its projected Phase 1 budget, while for the Phase 2 budget we have also considered projected cash flows generated from operations as an additional source of equity financing. For Phase 1, PGP intends to finance the $225.7mm budget via a split between debt (51.5%), cash equity (35.0%), and financing provided by a 3rd party hotel developer/operator (13.5%). For the purposes of this analysis, we have conservatively assumed that PGP is unable to secure a 3rd party hotel developer/operator and thus incurs this cost itself. As such, we have increased the debt and equity splits relative to their current proportions to 59.5% debt and 40.5% cash.

Conclusions

It is our opinion that PGP is sufficiently capitalized to fund the projected Phase 1 budget of $225.7mm given current cash on hand and pre-arranged debt financing relative to other financial commitments over the development period (2011 / 2012). We also believe there is sufficient financial capacity to absorb cost overruns. With respect to Phase 2, we believe that PGP will likely be in a position to fund this portion of the project (assuming certain financial engineering over the medium-term), although we believe it is likely that the company will use cash generated from operations at KSC to fund at least a part of Phase 2.

Project budget

The total project budget for Phase 1 of KSC is $225.7m, while the budget for Phase 2 is $58.8mm. The total budget of $284.5mm is detailed as follows:

Figure 1: KSC project budget (Phase 1, 2 and total)

Project budget:	Phase 1	Phase 2	Total
Land	20,250,000	0	20,250,000
Design, development and construction	163,230,343	46,835,233	210,065,576
Furniture, fixture and equipment	42,187,378	12,000,000	54,187,378
Funds needed for development	**225,667,721**	**58,835,233**	**284,502,954**

Source: company data

Financing preference

PGP intends to finance the project's Phase 1 and 2 budgets with both cash equity and debt financing, as well as financing committed by a 3rd party hotel developer/operator. The components of the Phase 1 and 2 budgets will be split as follows: Cash Equity (35.0%), Debt Financing (51.5%), and a 3rd party hotel developer/operator (13.5%). Relative to the projected $284.5mm total Phase 1 and 2 combined budget, this would imply cash equity of approximately $100mm, debt financing of $147mm and a 3rd party commitment of $38mm.

Figure 2: KSC funding allocation (with 3rd party hotel developer/operator)

Financing sources	Ratio
Cash equity	35.0%
Debt	51.5%
3rd party hotel	13.5%

Financing amounts	Phase 1	Phase 2	Total
Cash equity	83,380,003	16,219,458	99,599,461
Debt	122,687,718	23,865,775	146,553,493
3rd party hotel	19,600,000	18,750,000	38,350,000
Total Peninsula (excluding 3rd party)	**206,067,721**	**40,085,233**	**246,152,954**

Source: Union Gaming Analytics, company data

However, we are assuming that PGP does not utilize a 3rd party hotel developer/operator and as such is responsible for this component of the project themselves. In this case, we have assumed that PGP's cash equity contribution will approximate 40.5% with the debt contribution of 59.5%.

Figure 3: KSC funding allocation (without 3rd party hotel developer/operator)

Financing sources			Ratio
Cash equity			40.5%
Debt			59.5%

Financing amounts	Phase 1	Phase 2	Total
Cash equity	91,310,639	23,806,164	115,116,802
Debt	134,357,082	35,029,069	169,386,152
Total Peninsula	**225,667,721**	**58,835,233**	**284,502,954**

Source: Union Gaming Analytics, company data

Financial capacity / Liquidity analysis (Phase 1)

Based on our conservative assumption that PGP moves forward without a 3rd party hotel developer/operator, PGP would be responsible for a Phase 1 cost of $225.7mm, of which the implied cash / debt split is $91.3mm / $134.4mm. Based on PGP's current cash balance and our estimate of free cash flow generated from its existing operations over the next two years, we think the cash / debt split might skew slightly more towards debt than currently proposed, although we do not believe this presents a problem as it relates to funding the project. Given the current state of capital markets, particularly relative to 2008 and 2009, as well as PGP's current debt burden (which is in good shape), we are comfortable with the company's ability to raise this debt capital.

With a 3rd party hotel developer/operator

Should PGP secure a 3rd party developer/operator for Phase 1, the total project budget attributable to PGP would be $206.1mm (Figure 2). We estimate that the combination of 1) PGP's cash on hand, 2) cash generated from its existing operations over the next two years, 3) available capacity on its credit facility, 4) an add-on senior secured debt offering and 5) vendor financing, would suggest total available liquidity of $286.3mm. This suggests a cushion of $80.2mm relative to the projected Phase 1 budget (Figure 4).

Without a 3rd party hotel developer/operator

Should PGP not be able to secure a 3rd party developer/operator for Phase 1, the total project budget attributable to PGP would be $225.7mm (Figure 3). We estimate that the combination of 1) PGP's cash on hand, 2) cash generated from its existing operations over the next two years, 3) available capacity on its credit facility, 4) an add-on senior secured debt offering and 5) vendor financing, would suggest total available liquidity of $286.3mm. This suggests a cushion of $60.6mm relative to the projected Phase 1 budget (Figure 4).

Figure 4: KSC Phase 1 liquidity analysis with and without a 3rd party hotel developer / operator

Item	With 3rd party hotel developer As of 9/30/10	Without 3rd party hotel developer As of 9/30/10
Cash ($mm)	23,572,000	23,572,000
Credit facility (excess capacity)	56,800,000	56,800,000
Term loan (excess capacity)	65,929,000	65,929,000
Slot/Equipment financing	42,000,000	42,000,000
Senior notes add-on	50,000,000	50,000,000
Total liquidity	**238,301,000**	**238,301,000**
Commitments		
Maintenance capex (2011, 2012)	18,000,000	18,000,000
Total commitments	**18,000,000**	**18,000,000**
Net liquidity	220,301,000	220,301,000
Plus free cash flow (2011, 2012)	66,000,000	66,000,000
Net liquidity plus free cash flow (2011, 2012)	**286,301,000**	**286,301,000**
Phase 1 development cost	206,067,721	225,667,721
Liquidity cushion	**80,233,279**	**60,633,279**

Source: Union Gaming Analytics, company data

Financial capacity / Liquidity analysis (Phase 2)

As we contemplate the financing of KSC's Phase 2, it is important to note the many variables involved that could impact the financing of this component. First, PGP has several debt maturities in the 2015+ timeframe that could potentially impact the company's liquidity picture during the Phase 2 build-out. The state of capital markets in the 2014 timeframe will play a part in the ability of PGP to refinance its debt maturities. Second, while we forecast PGP to close out 2012 with between $60mm and $80mm in cash and equivalents, the company could have other uses for this liquidity following the opening of KSC Phase 1. Third, and most importantly, PGP should generate a significant amount of cash flow from operations (existing assets and KSC) which we believe could alone be sufficient to finance Phase 2.

With a 3rd party hotel developer/operator

Should PGP secure a 3rd party developer/operator for Phase 2, the total project budget attributable to PGP would be $40.1mm (Figure 2). We estimate that the combination of 1) PGP's cash (and equivalents) on hand and 2) cash generated from its existing operations between 2013 to 2015 from its existing assets and from KSC would suggest total available liquidity of $173.2mm. This suggests a cushion of $133.1mm relative to the projected Phase 2 budget (Figure 5).

Without a 3rd party hotel developer/operator

Should PGP not be able to secure a 3rd party developer/operator for Phase 2, the total project budget attributable to PGP would be $58.8mm (Figure 3). We estimate that the combination of 1) PGP's cash (and equivalents) on hand and 2) cash generated from its existing operations between 2013 to 2015 from its existing assets and from KSC would suggest total available liquidity of $153.6mm. This suggests a cushion of $94.8mm relative to the projected Phase 2 budget (Figure 5).

Figure 5: KSC Phase 2 liquidity analysis with and without a 3rd party hotel developer / operator

Item	With 3rd party hotel developer 12/31/2012	Without 3rd party hotel developer 12/31/2012
Cash and equivalents ($mm)	80,233,279	60,633,279
Commitments		
Assumes all debt maturities are refinanced	0	0
Maintenance capex existing assets (2013, 2014, 2015)	27,000,000	27,000,000
Maintenance capex KSC (2013, 2014, 2015)	15,000,000	15,000,000
Total commitments	**42,000,000**	**42,000,000**
Net liquidity	38,233,279	18,633,279
Plus free cash flow (2013, 2014, 2015)	135,000,000	135,000,000
Net liquidity plus free cash flow (2013, 2014, 2015)	**173,233,279**	**153,633,279**
Phase 2 development cost	40,085,233	58,835,233
Liquidity cushion	**133,148,046**	**94,798,046**

Source: Union Gaming Analytics, company data

Additional thoughts

Cash flow generated from operations

We believe that our estimated free cash flow for PGP (Figures 4 and 5) for the company's existing assets and KSC is likely conservative. This estimate is essentially based on current run-rates at its existing assets, which we think could increase notably in a period of economic recovery. This is a function of gaming facilities being largely fixed-cost operations. Simply put, as customers' personal finances improve and they spend more money (gaming and non-gaming alike), gaming operators generally do not need to add additional costs (e.g. staffing) to accommodate the increase in revenues. The result is that most of the incremental revenues in an economic recovery environment will drop to the bottom line.

PGP's leverage is acceptable

PGP's pro-forma leverage was 5.2x as of 6/30/2010. We define leverage as net debt divided by EBITDA (with EBITDA, "Earnings Before Interest, Taxes and Depreciation/Amortization" as a proxy for cash flows). It is a common metric often used to gauge the probability of a company defaulting on its debt. A high leverage ratio would suggest that a company might have too much debt relative to the cash flows it generates. In the case of PGP, we believe that its leverage ratio is such that the company is in a good financial position and is unlikely to default on its debt.

Figure 6: PGP leverage relative to its peers

PGP*	Ameristar	Boyd	Harrah's	Isle of Capri	MGM	Penn Nat'l	Pinnacle
5.2x	4.6x	6.8x	10.9x	7.3x	9.3x	3.0x	4.4x

* company data as of 6/30/2010

** all other data as of 9/30/2010 and Union Gaming estimates

Source: Union Gaming Analytics, company data

Capital markets update

While 2009 was the year to recapitalize distressed equities, 2010 has been a year of the opportunistic financing in both the debt and equities markets. Capital markets have been "open for business" most of the year, with particular strength in the high yield market. The equity markets followed suit beginning in the spring, and were generally open to casino operators with just a few notable exceptions. It is important to note that a few greenfield projects were financed throughout the year, namely the Gun Lake tribal casino in Michigan and Midwest Gaming's development in suburban Chicago. MGM Resorts International was the poster child for opportunistic financing, completing a $588.9mm equity transaction and a $500mm unsecured bond deal shortly thereafter. Hong-Kong based Melco-Crown also completed an equity offering in 2010, taking advantage of strength in Asian markets.

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Objectively Managing Building Costs

PROJECT NAME: **Sumner County Casino Hotel Development**
Kansas Star Proposal - WinSpirit Proposal

DATE: 11/23/2010

NOTES REGARDING THIS COST REVIEW

These Cost Model Budgets have been based on performance matrix documents, applicant contracts, October 28, 2010 presentations, follow up responses and drawings plan documentation made available to the review team.

These cost models assume a normal market condition.

These cost models assume qualified Contractors competitively bidding on this project.

These budgets assume one contract awarded to one General Contractor.

Costs for items without program or plan detail have been reviewed for scope magnitude only and have been included as proposed by each applicant.

Escalation has been included at 3% for phase one work and 9% for phase 2 work for both applicants to allow consistent review of costs.

THESE COST MODELS EXCLUDES:

1) Professional fees, testing, moving expense, etc. for Owner's account,
2) FF & E (Including furniture, office equipment, hotel and casino housewares, etc.),
3) Gaming equipment,
4) Artwork and sculptures,
5) Soft costs including - professional fee's, legal fee's, management and finance costs,
6) Hazardous material removal and abatement,
7) Land acquisition costs,
8) Construction contingencies.

These cost models are based on preliminary information available at this time. The scope should be reviewed to insure our interpretation of the documents is correct.

These cost models represent our opinion of probable construction cost for this project. We have exercised due professional diligence in the preparation of this estimate. Since we have no control over final material selection, bidding strategies and market conditions, no guarantee is given or implied with this estimate.

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

Kansas Star

Casino, Hotel & Events Center

Sumner County, KS

November 23, 2010

Base Estimate	Total Cost	Cost / SQFT	SQFT
PHASE 1A			
Interim Casino	$25,384,923	$247.67	102,495
EMS Facility	$1,850,145	$260.73	7,096
Sitework	$7,844,866	N/A	N/A
Off-Site Sitework	$19,238,400	N/A	N/A
PHASE 1A - Subtotal	**$54,318,335**		
PHASE 1B			
Indoor Arena	$4,428,241	$44.28	100,013
Permanent Casino	$32,343,342	$241.18	134,106
Hotel	$24,281,822	$211.03	115,061
Sitework	$3,251,003	N/A	N/A
PHASE 1B - Subtotal	**$64,304,408**		
PHASE 2			
Casino Expansion	$8,345,757	$270.99	30,797
Hotel Expansion	$17,713,878	$224.81	78,795
Equine Center	$16,671,017	$83.06	200,708
Sitework	$5,226,274	N/A	N/A
PHASE 2 - Subtotal	**$47,956,926**		
Construction Total	**$166,579,669**		

1815 S. Meyers Rd.
Suite 200
Oakbrook Terrace, IL
60181

800.443.8607
630.678.0808
630.678.0858 fax

WWW.CCSOS.COM

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Kansas Star Casino
Peninsula Gaming

November 23, 2010

Base Estimate	Raw Cost	General Conditions Overhead & Profit		Design Contingency		Escalation		Total	Cost / SQFT	SQFT
PHASE 1A										
Interim Casino	$21,664,112	9.00%	$1,949,770	7.50%	$1,771,041	0.00%	$0	**$25,384,923**	**$247.67**	102,495
EMS Facility	$1,578,959	9.00%	$142,106	7.50%	$129,080	0.00%	$0	**$1,850,145**	**$260.73**	7,096
Sitework	$6,695,000	9.00%	$602,550	7.50%	$547,316	0.00%	$0	**$7,844,866**	**N/A**	N/A
Off-Site Sitework								**$19,238,400**	**N/A**	N/A
PHASE 1A - Subtotal	$29,938,071		$2,694,426		$2,447,437		$0	**$54,318,335**	**$495.65**	109,591
PHASE 1B										
Indoor Arena	$3,669,096	9.00%	$330,219	7.50%	$299,949	3.00%	$128,978	**$4,428,241**	**$44.28**	100,013
Permanent Casino	$26,798,637	9.00%	$2,411,877	7.50%	$2,190,789	3.00%	$942,039	**$32,343,342**	**$241.18**	134,106
Hotel	$20,119,125	9.00%	$1,810,721	7.50%	$1,644,738	3.00%	$707,238	**$24,281,822**	**$211.03**	115,061
Sitework	$2,693,675	9.00%	$242,431	7.50%	$220,208	3.00%	$94,689	**$3,251,003**	**N/A**	N/A
PHASE 1B - Subtotal	$53,280,533		$4,795,248		$4,355,684		$1,872,944	**$64,304,408**	**$184.16**	349,180
PHASE 2										
Casino Expansion	$6,534,378	9.00%	$588,094	7.50%	$534,185	9.00%	$689,099	**$8,345,757**	**$270.99**	30,797
Hotel Expansion	$13,869,225	9.00%	$1,248,230	7.50%	$1,133,809	9.00%	$1,462,614	**$17,713,878**	**$224.81**	78,795
Equine Center	$13,052,708	9.00%	$1,174,744	7.50%	$1,067,059	9.00%	$1,376,506	**$16,671,017**	**$83.06**	200,708
Sitework	$4,091,954	9.00%	$368,276	7.50%	$334,517	9.00%	$431,527	**$5,226,274**	**N/A**	N/A
PHASE 2 - Subtotal	$37,548,265		$3,379,344		$3,069,571		$3,959,746	**$47,956,926**	**$154.55**	310,300
Construction Total	**$120,766,869**		**$10,869,018**		**$9,872,692**		**$5,832,690**	**$166,579,669**		

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1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

WWW.CCSOS.COM

PROJECT NAME: **Kansas Star - 1A - Interim Casino**

ESTIMATE DATE: 11/23/2010

Ph 1A Interim Casino

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1A - Interim Casino
SHELL TYPE : New Building
SHELL COST : $167.81
GROSS AREA: 102495 SF **Date: 11/23/2010**
COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$295,000		$2.88
011 - Standard Foundations	$295,000		$2.88	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$538,099		$5.25
021 - Slab on Grade	$538,099		$5.25	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$2,972,355		$29.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$2,972,355		$29.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$4,647,570		$45.34
041 - Exterior Walls / Canopies	$4,517,370		$44.07	
042 - Exterior Doors & Windows	$130,200		$1.27	
05 - ROOFING		$1,930,830		$18.84
06 - INTERIOR CONSTRUCTION		$4,464,341		$43.56
061 - Partitions	$864,073		$8.43	
062 - Interior Finishes	$1,557,790		$15.20	
063 - Specialties	$2,042,479		$19.93	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$3,920,434		$38.25
081 - Plumbing	$563,723		$5.50	
082 - HVAC	$3,074,850		$30.00	
083 - Fire Protection	$281,861		$2.75	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1A - Interim Casino
SHELL TYPE : New Building
SHELL COST : $167.81
GROSS AREA: 102495 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$2,895,484		$28.25
091 - Service & Distribution	$871,208		$8.50	
092 - Lighting & Power	$896,831		$8.75	
093 - Special Systems	$1,127,445		$11.00	
10 - GENERAL CONDITIONS & PROFIT		$1,949,770		$19.02
NET BUILDING CONSTRUCTION COST	$23,613,882			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$0		$0.00
121 - Site Preparation	$0		$0.00	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$23,613,882			
13 - CONTINGENCIES		$1,771,041		$17.28
131 - Design	$1,771,041		$17.28	
132 - Escalation	$0		$0.00	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$25,384,924**			**$247.67**

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PARAMETER COSTING MODEL

PROJECT NAME: **Kansas Star - 1A - Interim Casino**
SHELL TYPE : **New Building**
SHELL COST : **$167.81**

Date: **11/23/2010**

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	1300	LF	$130.00	$169,000
Column Footings	Column Footing	105	EA	$1,200.00	$126,000
5" SOG, Barrier, Fill	Slab on Grade	102495	SF	$5.25	$538,099
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
N/A	Elevated Floor Structure	0	SF	$0.00	$0
Joists, Decking - 60% / Exposed Wood Trusses - 40%	Roof Structure	102495	SF	$29.00	$2,972,355
N/A	Stairs	0	EA	$0.00	$0
Rustic Woods - 40% / Metal Panel - 30% / Limestone - 30%	Exterior Enclosure	77220	SF	$58.50	$4,517,370
Aluminum Storefronts - Minimal	Window Wall	780	SF	$75.00	$58,500
Pair Aluminum Glass Doors / Pair Hollow Metal Doors	Exterior Doors	15	EA	$4,780.00	$71,700
Covered Drop-Off	Covered Drop-Off	11272	SF	$70.00	$789,040
Membrane Flat Roofing - 60% / Metal Pitched Roofing - 40%	Roofing	102495	SF	$10.00	$1,024,950
Smaller Canopies	Smaller Canopies	581	SF	$40.00	$23,240
Parapet / Coping / Flashing	Roof Edge	1300	LF	$72.00	$93,600
N/A	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	102495	SF	$5.50	$563,723
Allowance for systems cost	H.V.A.C	102495	SF	$30.00	$3,074,850
Allowance for systems cost	Fire Protection	102495	SF	$2.75	$281,861
	ELECTRICAL				
Allowance for systems cost	Service & distribution	102495	SF	$8.50	$871,208
Allowance for systems cost	Lighting & Power	102495	SF	$8.75	$896,831
Allowance for systems cost	Special systems	102495	SF	$11.00	$1,127,445

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$17,199,771**
RATE/SF	**$167.81**

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1A - Interim Casino
SHELL TYPE New Building
SHELL COST $167.81

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Casino Program														
Main Slot Floor	39300	13100	3	229	$220.50	$0.00	$0	$12.55	$10.40	$0.00	$0.00	$199,125	$7,847,509	$199.68
Table Games	4800	2400	2	98	$220.50	$0.00	$0	$12.55	$10.40	$0.00	$0.00	$18,000	$976,870	$203.51
Snack Bars	1700	567	3	48	$220.50	$0.00	$3,000	$6.55	$10.40	$0.00	$0.00	$74,125	$428,970	$252.34
Drinking Bars	1800	1800	1	85	$220.50	$0.00	$3,000	$6.55	$10.40	$0.00	$0.00	$42,250	$396,562	$220.31
Food & Beverage Kiosks	400	100	4	20	$220.50	$0.00	$0	$6.55	$10.40	$0.00	$0.00	$20,500	$112,044	$280.11
Kitchen	2300	575	4	48	$127.50	$0.00	$3,000	$12.00	$10.00	$0.00	$0.00	$1,400,875	$1,873,920	$814.75
Service Bars	1100	550	2	47	$220.50	$0.00	$1,500	$6.55	$10.40	$0.00	$0.00	$27,375	$254,339	$231.22
Self-Serv. Beverage Ctrs	100	50	2	14	$120.00	$0.00	$0	$6.55	$10.40	$0.00	$0.00	$6,125	$27,961	$279.61
Main Cashier Cage	1500	1500	1	77	$120.00	$0.00	$12,300	$4.50	$10.00	$0.00	$0.00	$11,875	$306,881	$204.59
Promotions	600	600	1	49	$220.50	$0.00	$1,400	$6.55	$10.40	$0.00	$0.00	$9,750	$132,811	$221.35
Coat Room	300	300	1	35	$120.00	$0.00	$1,400	$4.50	$10.00	$0.00	$0.00	$5,375	$65,668	$218.89
Public Restrooms	2000	500	4	45	$203.00	$0.00	$1,400	$12.00	$10.00	$0.00	$0.00	$52,500	$474,262	$237.13
Public Circulation	5076	508	10	45	$220.50	$0.00	$2,500	$6.55	$10.40	$0.00	$0.00	$6,345	$1,068,416	$210.48

PARAMETER COSTING MODEL

PROJECT NAME Kansas Star - 1A - Interim Casino
SHELL TYPE New Building
SHELL COST $167.81

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Back of House Program														
Administrative Area	5000	5000	1	141	$120.00	$0.00	$4,000	$4.25	$4.90	$0.00	$0.00	$7,400	$913,124	$182.62
KRGC Office Area	3000	3000	1	110	$120.00	$0.00	$2,600	$4.25	$4.90	$0.00	$0.00	$4,600	$551,282	$183.76
Lottery Commission Ofcs	850	850	1	58	$120.00	$0.00	$1,400	$4.25	$4.90	$0.00	$0.00	$1,750	$160,527	$188.85
Human Resources Area	800	800	1	57	$120.00	$0.00	$2,800	$4.25	$4.90	$0.00	$0.00	$1,700	$152,909	$191.14
Employee Dining Room	1950	1950	1	88	$120.00	$0.00	$2,800	$6.57	$4.90	$0.00	$0.00	$26,250	$389,208	$199.59
Loading Dock / Receiving	1500	1500	1	77	$195.00	$0.00	$10,500	$1.00	$0.00	$0.00	$0.00	$12,050	$290,781	$193.85
Warehouse / Storage	5500	5500	1	148	$195.00	$0.00	$3,000	$1.00	$0.00	$0.00	$0.00	$18,550	$978,870	$177.98
Security Area	1500	1500	1	77	$195.00	$0.00	$4,200	$4.25	$4.90	$0.00	$0.00	$7,650	$292,306	$194.87
Surveillance Area	1700	1700	1	82	$195.00	$0.00	$4,200	$4.25	$4.90	$0.00	$0.00	$7,850	$328,873	$193.45
Electrical Rooms	2650	2650	1	103	$195.00	$0.00	$6,000	$1.00	$0.00	$0.00	$0.00	$2,650	$476,084	$179.65
IT / Telecom / AV Rooms	600	600	1	49	$195.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$600	$112,941	$188.24
Employee Restrooms	1000	500	2	45	$203.00	$0.00	$1,400	$12.00	$10.00	$0.00	$0.00	$26,000	$236,881	$236.88
BOH Circulation	6709	1342	5	73	$120.00	$0.00	$2,500	$4.25	$4.90	$0.00	$0.00	$48,709	$1,292,239	$192.61
Modular Central Plant	2500	2500	1	100	$195.00	$0.00	$3,000	$1.00	$0.00	$0.00	$0.00	$2,500	$447,027	$178.81
Unassigned Shell Space	6260	6260	1	158	$105.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$0	$1,074,846	$171.70
GROSS SF	102495													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$21,664,112	$211.37
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$21,664,112	
G.C.O.H & P	9.00%	$1,949,770	
CONTINGENCY	7.50%	$1,771,041	
ESCALATION	0.00%	$0	
TOTAL PROJECT CONSTRUCTION COST		**$25,384,924**	$247.67

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **Kansas Star - 1A - Emergency Services Facility**

ESTIMATE DATE: 11/23/2010

Emergency Services Facility

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1A - Emergency Services Facility
SHELL TYPE : New Building
SHELL COST : $186.89
GROSS AREA: 7096 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$50,500		$7.12
011 - Standard Foundations	$50,500		$7.12	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$42,576		$6.00
021 - Slab on Grade	$42,576		$6.00	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$177,400		$25.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$177,400		$25.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$376,500		$53.06
041 - Exterior Walls	$236,520		$33.33	
042 - Exterior Doors & Windows	$139,980		$19.73	
05 - ROOFING		$113,280		$15.96
06 - INTERIOR CONSTRUCTION		$252,797		$35.63
061 - Partitions	$133,831		$18.86	
062 - Interior Finishes	$48,669		$6.86	
063 - Specialties	$70,297		$9.91	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$303,354		$42.75
081 - Plumbing	$70,960		$10.00	
082 - HVAC	$212,880		$30.00	
083 - Fire Protection	$19,514		$2.75	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1A - Emergency Services Facility
SHELL TYPE : New Building
SHELL COST : $186.89
GROSS AREA: 7096 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$262,552		$37.00
091 - Service & Distribution	$85,152		$12.00	
092 - Lighting & Power	$70,960		$10.00	
093 - Special Systems	$106,440		$15.00	
10 - GENERAL CONDITIONS & PROFIT		$142,106		$20.03
NET BUILDING CONSTRUCTION COST	$1,721,066			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$0		$0.00
121 - Site Preparation	$0		$0.00	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$1,721,066			
13 - CONTINGENCIES		$129,080		$18.19
131 - Design	$129,080		$18.19	
132 - Escalation	$0		$0.00	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$1,850,146**			**$260.73**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1A - Emergency Services Facility
SHELL TYPE : New Building
SHELL COST : $186.89 **Date:** 11/23/2010

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	365	LF	$100.00	$36,500
Column Footings	Column Footing	20	EA	$700.00	$14,000
5" SOG, Barrier, Fill, 8" Slab at Garage	Slab on Grade	7096	SF	$6.00	$42,576
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
N/A	Elevated Floor Structure	0	SF	$0.00	$0
Beams / Columns / Joists / Decking	Roof Structure	7096	SF	$25.00	$177,400
N/A	Stairs	0	EA	$0.00	$0
Exterior Materials to Match Adjacent Facilities	Exterior Enclosure	5256	SF	$45.00	$236,520
Aluminum Windows	Window Wall	1314	SF	$70.00	$91,980
Aluminum Glass Doors / Hollow Metal Doors / Overhead Doors	Exterior Doors	8	EA	$6,000.00	$48,000
N/A	Covered Drop-Off	0	SF	$0.00	$0
Membrane Flat Roofing - 80% / Metal Pitched Roofing - 20%	Roofing	7096	SF	$10.00	$70,960
Smaller Canopies	Smaller Canopies	401	SF	$40.00	$16,040
Parapet / Coping / Flashing	Roof Edge	365	LF	$72.00	$26,280
N/A	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	7096	SF	$10.00	$70,960
Allowance for systems cost	H.V.A.C	7096	SF	$30.00	$212,880
Allowance for systems cost	Fire Protection	7096	SF	$2.75	$19,514
	ELECTRICAL				
Allowance for systems cost	Service & distribution	7096	SF	$12.00	$85,152
Allowance for systems cost	Lighting & Power	7096	SF	$10.00	$70,960
Allowance for systems cost	Special systems	7096	SF	$15.00	$106,440

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$1,326,162**
RATE/SF	**$186.89**

PARAMETER COSTING MODEL

PROJECT NAME Kansas Star - 1A - Emergency Services Facility
SHELL TYPE New Building
SHELL COST $186.89

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Emergency Services Facility														
Cell	111	111	1	21	$210.00	$0.00	$1,400	$1.00	$10.00	$0.00	$0.00	$833	$28,609	$257.74
Dispatch	117	117	1	22	$115.00	$0.00	$0	$3.00	$4.90	$0.00	$0.00	$9,438	$34,758	$297.08
Garage / Storage	3184	3184	1	113	$234.00	$0.00	$0	$1.00	$0.00	$0.00	$0.00	$14,413	$639,093	$200.72
Hose Tower	158	158	1	25	$115.00	$0.00	$2,800	$1.00	$10.00	$0.00	$0.00	$1,119	$38,060	$240.89
Kitch/Dining/Living/Lounge	623	623	1	50	$166.00	$0.00	$0	$3.00	$4.90	$0.00	$0.00	$8,017	$137,671	$220.98
Lobby	408	408	1	40	$166.00	$0.00	$0	$3.00	$4.90	$0.00	$0.00	$8,106	$94,220	$230.93
Locker Rooms	273	137	2	23	$115.00	$0.00	$1,400	$12.00	$10.00	$0.00	$0.00	$10,205	$75,321	$275.90
Offices	491	123	4	22	$115.00	$0.00	$1,400	$3.00	$4.90	$0.00	$0.00	$368	$111,729	$227.55
Processing	632	632	1	50	$115.00	$0.00	$4,200	$3.00	$4.90	$0.00	$0.00	$6,874	$139,930	$221.41
Single Toilets	79	40	2	13	$203.00	$0.00	$1,400	$12.00	$10.00	$0.00	$0.00	$1,559	$26,139	$330.88
Sleeping / Quiet Rooms	565	283	2	34	$115.00	$0.00	$2,800	$3.00	$10.00	$0.00	$0.00	$2,524	$128,881	$228.11
Storage	79	79	1	18	$115.00	$0.00	$1,500	$3.00	$4.90	$0.00	$0.00	$2,559	$21,518	$272.37
Toilets / Showers	300	150	2	24	$203.00	$0.00	$0	$12.00	$10.00	$0.00	$0.00	$4,225	$76,636	$255.45
Vestibule	76	76	1	17	$286.00	$0.00	$5,000	$25.00	$4.90	$0.00	$0.00	$57	$26,395	$347.30
GROSS SF	7096													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$1,578,959	$222.51
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$1,578,959	
G.C.O.H & P	9.00%	$142,106	
CONTINGENCY	7.50%	$129,080	
ESCALATION	0.00%	$0	
TOTAL PROJECT CONSTRUCTION COST		**$1,850,146**	$260.73

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PROJECT NAME: **Kansas Star - 1A - Sitework**

ESTIMATE DATE: 11/23/2010

Phase 1A Sitework

PARAMETER COSTING MODEL

PROJECT NAME: **Kansas Star - 1A - Sitework**
SHELL TYPE : **N/A**

GROSS AREA: **823000 SF** **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$0		$0.00
011 - Standard Foundations	$0		$0.00	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$0		$0.00
021 - Slab on Grade	$0		$0.00	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$0		$0.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$0		$0.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$0		$0.00
041 - Exterior Walls / Canopies	$0		$0.00	
042 - Exterior Doors & Windows	$0		$0.00	
05 - ROOFING		$0		$0.00
06 - INTERIOR CONSTRUCTION		$0		$0.00
061 - Partitions	$0		$0.00	
062 - Interior Finishes	$0		$0.00	
063 - Specialties	$0		$0.00	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$0		$0.00
081 - Plumbing	$0		$0.00	
082 - HVAC	$0		$0.00	
083 - Fire Protection	$0		$0.00	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1A - Sitework
SHELL TYPE : N/A

GROSS AREA: 823000 SF — **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$0		$0.00
091 - Service & Distribution	$0		$0.00	
092 - Lighting & Power	$0		$0.00	
093 - Special Systems	$0		$0.00	
10 - GENERAL CONDITIONS & PROFIT		$602,550		$0.73
NET BUILDING CONSTRUCTION COST	$602,550			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$6,695,000		$8.13
121 - Site Preparation	$2,346,200		$2.85	
122 - Site Improvements	$3,448,800		$4.19	
123 - Site Utilities	$900,000		$1.09	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$7,297,550			
13 - CONTINGENCIES		$547,316		$0.67
131 - Design	$547,316		$0.67	
132 - Escalation	$0		$0.00	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$7,844,866**			**$9.53**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

Kansas Star - 1A - Sitework

Estimate Level - Concept Date: 11/23/2010

121 SITE PREPARATION

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
121.010	Clearing / Grubbing Earthwork	11,820,000	SQFT	$0.14	$1,654,800
121.020	Temporary Construction Fencing	6,850	LNFT	$10.00	$68,500
121.050	Detention Basin	1,534,000	SQFT	$0.35	$536,900
121.060	Secondary Detention Basins	344,000	SQFT	$0.25	$86,000
	TOTAL				**$2,346,200**

Kansas Star - 1A - Sitework

Estimate Level - Concept Date: 11/23/2010

122 SITE IMPROVEMENTS

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
122.040	Paving - Parking Lots	591,000	SQFT	$3.00	$1,773,000
122.050	Paving - Drives / Streets	232,000	SQFT	$4.00	$928,000
122.060	Curb & Gutter	21,800	LNFT	$16.00	$348,800
122.070	Parking Stalls - Typical	1,800	EACH	$10.00	$18,000
122.080	Parking Stalls - Truck / RV / Bus	20	EACH	$50.00	$1,000
122.090	Pavement Striping / Markings - Allowance	1	LSUM	$25,000.00	$25,000
122.100	Sidewalks - Allowance	1	LSUM	$125,000.00	$125,000
122.110	Directional Signage	1	LSUM	$15,000.00	$15,000
122.130	Landscaping Buffer	110,000	SQFT	$1.50	$165,000
122.140	Landscaping - Misc - Allowance	1	LSUM	$50,000.00	$50,000
	TOTAL				**$3,448,800**

Kansas Star - 1A - Sitework

Estimate Level - Concept Date: 11/23/2010

123 SITE UTILITIES

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
123.010	Parking Storm Drainage	1	LSUM	$650,000.00	$650,000
123.030	Parking Lot Lighting	1	LSUM	$250,000.00	$250,000
	TOTAL				**$900,000**

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **Kansas Star - 1B - Indoor Arena**

ESTIMATE DATE: 11/23/2010

Ph 1B Arena Buildout

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Indoor Arena
SHELL TYPE : Renovate Existing Interim Casino
SHELL COST : $19.09
GROSS AREA: 100013 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$0		$0.00
011 - Standard Foundations	$0		$0.00	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$0		$0.00
021 - Slab on Grade	$0		$0.00	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$747,000		$7.47
031 - Floor Construction	$747,000		$7.47	
032 - Roof Construction	$0		$0.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$45,500		$0.45
041 - Exterior Walls / Canopies	$0		$0.00	
042 - Exterior Doors & Windows	$45,500		$0.45	
05 - ROOFING		$16,720		$0.17
06 - INTERIOR CONSTRUCTION		$1,371,694		$13.72
061 - Partitions	$675,446		$6.75	
062 - Interior Finishes	$142,713		$1.43	
063 - Specialties	$553,535		$5.53	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$575,075		$5.75
081 - Plumbing	$300,039		$3.00	
082 - HVAC	$250,033		$2.50	
083 - Fire Protection	$25,003		$0.25	
084 - Special Systems	$0		$0.00	

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Indoor Arena
SHELL TYPE : Renovate Existing Interim Casino
SHELL COST : $19.09
GROSS AREA: 100013 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$425,055		$4.25
091 - Service & Distribution	$50,007		$0.50	
092 - Lighting & Power	$225,029		$2.25	
093 - Special Systems	$150,020		$1.50	
10 - GENERAL CONDITIONS & PROFIT		$330,219		$3.30
NET BUILDING CONSTRUCTION COST	$3,511,262			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$488,052		$4.88
121 - Site Preparation	$488,052		$4.88	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$3,999,314			
13 - CONTINGENCIES		$428,926		$4.29
131 - Design	$299,949		$3.00	
132 - Escalation	$128,978		$1.29	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$4,428,241**			**$44.28**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Indoor Arena
SHELL TYPE : Renovate Existing Interim Casino
SHELL COST : $19.09
Date: 11/23/2010

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
N/A	Foundation Wall & Footing	0	LF	$0.00	$0
N/A	Column Footing	1	EA	$0.00	$0
N/A	Slab on Grade	0	SF	$0.00	$0
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
Beams / Columns / Decking	Elevated Floor Structure	24900	SF	$30.00	$747,000
Joists, Decking - 80% / Exposed Wood Trusses - 20%	Roof Structure	0	SF	$0.00	$0
N/A	Stairs	0	EA	$0.00	$0
N/A	Exterior Enclosure	0	SF	$0.00	$0
N/A	Window Wall	0	SF	$0.00	$0
Aluminum Glass Doors / Hollow Metal Doors / Overhead Doors	Exterior Doors	8	EA	$5,687.50	$45,500
Exterior Demolition - Allowance	Exterior Demolition	1	LS	$100,000.00	$100,000
N/A	Roofing	0	SF	$0.00	$0
Smaller Canopies	Smaller Canopies	418	SF	$40.00	$16,720
N/A	Roof Edge	0	LF	$0.00	$0
N/A	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	100013	SF	$3.00	$300,039
Allowance for systems cost	H.V.A.C	100013	SF	$2.50	$250,033
Allowance for systems cost	Fire Protection	100013	SF	$0.25	$25,003
	ELECTRICAL				
Allowance for systems cost	Service & distribution	100013	SF	$0.50	$50,007
Allowance for systems cost	Lighting & Power	100013	SF	$2.25	$225,029
Allowance for systems cost	Special systems	100013	SF	$1.50	$150,020

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$1,909,350**
RATE/SF	**$19.09**

PARAMETER COSTING MODEL

PROJECT NAME Kansas Star - 1B - Indoor Arena
SHELL TYPE Renovate Existing Interim Casino
SHELL COST $19.09

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Indoor Arena Program														
Performance Area	40500	40500	1	402	$737.00	$4.00	$10,000	$1.00	$0.00	$0.00	$0.00	$80,375	$1,362,335	$33.64
Bleacher Seating	24900	24900	1	316	$137.00	$4.00	$0	$1.00	$0.00	$0.00	$0.00	$418,675	$1,061,833	$42.64
Staging Area	5450	5450	1	148	$703.00	$4.00	$10,000	$1.00	$0.00	$0.00	$0.00	$4,088	$249,428	$45.77
Snack Bar	500	500	1	45	$259.50	$4.00	$1,400	$1.00	$0.00	$0.00	$0.00	$10,375	$35,498	$71.00
Beverage Bar	1000	1000	1	63	$259.50	$4.00	$1,400	$1.00	$0.00	$0.00	$0.00	$10,750	$52,590	$52.59
Kitchen	2300	2300	1	96	$15.00	$4.00	$5,600	$0.00	$10.00	$0.00	$0.00	$0	$83,149	$36.15
Electrical Room	2650	2650	1	103	$195.00	$4.00	$2,800	$1.00	$0.00	$0.00	$0.00	$1,988	$88,714	$33.48
IT / Telecom / AV Rooms	4600	2300	2	96	$195.00	$4.00	$2,800	$1.00	$0.00	$0.00	$0.00	$3,450	$157,309	$34.20
Storage Room #1	980	980	1	63	$195.00	$4.00	$2,800	$1.00	$10.00	$0.00	$0.00	$5,735	$54,229	$55.34
Storage Room #2	1520	1520	1	78	$195.00	$4.00	$2,800	$1.00	$10.00	$0.00	$0.00	$8,640	$78,468	$51.62
Public Restrooms	3000	500	6	45	$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0	$57,273	$19.09
Public Circulation	12613	12613	1	225	$262.00	$4.00	$16,000	$1.00	$0.00	$0.00	$0.00	$9,460	$388,270	$30.78
GROSS SF	100013													

CONSTRUCTION COST SYSTEMS, INC

SUB TOTAL BUILDING COST		$3,669,096	$36.69
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$3,669,096	
G.C.O.H & P	9.00%	$330,219	
CONTINGENCY	7.50%	$299,949	
ESCALATION	3.00%	$128,978	
TOTAL PROJECT CONSTRUCTION COST		**$4,428,241**	$44.28

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

WWW.CCSOS.COM

PROJECT NAME: **Kansas Star - 1B - Permanent Casino**

ESTIMATE DATE: 11/23/2010

Ph 1B Casino

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Permanent Casino
SHELL TYPE : New Building
SHELL COST : $151.88
GROSS AREA: 134106 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$449,630		$3.35
011 - Standard Foundations	$449,630		$3.35	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$704,057		$5.25
021 - Slab on Grade	$704,057		$5.25	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$3,620,862		$27.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$3,620,862		$27.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$3,120,296		$23.27
041 - Exterior Walls / Canopies	$2,867,176		$21.38	
042 - Exterior Doors & Windows	$253,120		$1.89	
05 - ROOFING		$2,549,699		$19.01
06 - INTERIOR CONSTRUCTION		$6,430,250		$47.95
061 - Partitions	$1,393,696		$10.39	
062 - Interior Finishes	$2,570,421		$19.17	
063 - Specialties	$2,466,133		$18.39	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$5,867,138		$43.75
081 - Plumbing	$938,742		$7.00	
082 - HVAC	$4,559,604		$34.00	
083 - Fire Protection	$368,792		$2.75	
084 - Special Systems	$0		$0.00	

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: **Kansas Star - 1B - Permanent Casino**
SHELL TYPE : **New Building**
SHELL COST : **$151.88**
GROSS AREA: **134106 SF** **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$4,056,707		$30.25
091 - Service & Distribution	$1,374,587		$10.25	
092 - Lighting & Power	$1,206,954		$9.00	
093 - Special Systems	$1,475,166		$11.00	
10 - GENERAL CONDITIONS & PROFIT		$2,411,877		$17.98
NET BUILDING CONSTRUCTION COST	$29,210,514			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$0		$0.00
121 - Site Preparation	$0		$0.00	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$29,210,514			
13 - CONTINGENCIES		$3,132,828		$23.36
131 - Design	$2,190,789		$16.34	
132 - Escalation	$942,039		$7.02	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$32,343,342**			**$241.18**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: **Kansas Star - 1B - Permanent Casino**
SHELL TYPE : **New Building**
SHELL COST : **$151.88**
Date: **11/23/2010**

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	1451	LF	$130.00	$188,630
Column Footings	Column Footing	174	EA	$1,500.00	$261,000
5" SOG, Barrier, Fill	Slab on Grade	134106	SF	$5.25	$704,057
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
N/A	Elevated Floor Structure	0	SF	$0.00	$0
Beams / Columns / Joists / Decking / Expsd Wood Trusses	Roof Structure	134106	SF	$27.00	$3,620,862
N/A	Stairs	0	EA	$0.00	$0
Rustic Woods - 40% / Metal Panel - 30% / Limestone - 30%	Exterior Enclosure	44110	SF	$65.00	$2,867,176
Aluminum Storefronts - Minimal	Window Wall	2322	SF	$75.00	$174,120
Pair Aluminum Glass Doors / Pair Hollow Metal Doors	Exterior Doors	19	EA	$4,157.89	$79,000
Covered Drop-Off	Covered Drop-Off	9505	SF	$75.00	$712,875
Membrane Flat Roofing - 80% / Metal Pitched Roofing - 20%	Roofing	134106	SF	$12.00	$1,609,272
Smaller Canopies	Smaller Canopies	3077	SF	$40.00	$123,080
Parapet / Coping / Flashing	Roof Edge	1451	LF	$72.00	$104,472
N/A	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	134106	SF	$7.00	$938,742
Allowance for systems cost	H.V.A.C	134106	SF	$34.00	$4,559,604
Allowance for systems cost	Fire Protection	134106	SF	$2.75	$368,792
	ELECTRICAL				
Allowance for systems cost	Service & distribution	134106	SF	$10.25	$1,374,587
Allowance for systems cost	Lighting & Power	134106	SF	$9.00	$1,206,954
Allowance for systems cost	Special systems	134106	SF	$11.00	$1,475,166

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$20,368,388**
RATE/SF	**$151.88**

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Permanent Casino
SHELL TYPE New Building
SHELL COST $151.88

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Casino Program														
Main Slot Floor	39300	39300	1	396	$220.50	$0.00	$0	$14.60	$14.40	$0.00	$0.00	$300,000	$7,496,010	$190.74
Table Games	4800	4800	1	139	$220.50	$0.00	$0	$14.60	$14.40	$0.00	$0.00	$35,000	$933,887	$194.56
High Limit Slots	1600	1600	1	80	$220.50	$0.00	$0	$14.60	$14.40	$0.00	$0.00	$20,000	$327,052	$204.41
Poker Room	1500	1500	1	77	$249.50	$0.00	$1,400	$8.60	$14.40	$0.00	$0.00	$20,000	$302,936	$201.96
Buffet Dining	12500	12500	1	224	$279.50	$0.00	$2,600	$10.50	$14.40	$0.00	$0.00	$1,200,625	$3,475,617	$278.05
Steakhouse Dining	5800	5800	1	152	$294.50	$0.00	$7,800	$8.60	$14.40	$0.00	$0.00	$200,000	$1,266,884	$218.43
Food Court Outlet #1	2400	2400	1	98	$220.50	$0.00	$2,800	$10.50	$14.40	$0.00	$0.00	$50,000	$498,688	$207.79
Food Court Outlet #2	1050	1050	1	65	$220.50	$0.00	$2,800	$10.50	$14.40	$0.00	$0.00	$50,000	$252,754	$240.72
Casino Bar with Stage	2500	2500	1	100	$220.50	$0.00	$2,800	$8.60	$14.40	$0.00	$0.00	$150,000	$612,057	$244.82
Service Bars	750	250	3	32	$220.50	$0.00	$1,500	$8.60	$14.40	$0.00	$0.00	$50,000	$206,830	$275.77
Self-Serv Beverage Ctrs	150	50	3	14	$220.50	$0.00	$0	$8.60	$14.40	$0.00	$0.00	$5,000	$40,493	$269.96
Main Cashier Cage	1500	1500	1	77	$120.00	$0.00	$12,300	$4.50	$10.00	$0.00	$0.00	$50,000	$321,114	$214.08
Promotions	450	450	1	42	$220.50	$0.00	$1,400	$8.60	$14.40	$0.00	$0.00	$25,000	$114,358	$254.13
Gift Shop	650	650	1	51	$284.50	$0.00	$5,000	$8.60	$14.40	$0.00	$0.00	$30,813	$163,996	$252.30
Coat Rooms	200	100	2	20	$120.00	$0.00	$1,400	$4.50	$10.00	$0.00	$0.00	$2,000	$42,877	$214.38
Public Restrooms	4000	500	8	45	$203.00	$0.00	$1,400	$12.00	$10.00	$0.00	$0.00	$105,000	$884,811	$221.20
Car Pick-Up Indoor Waiting	200	200	1	28	$220.50	$0.00	$0	$8.60	$14.40	$0.00	$0.00	$5,000	$46,151	$230.75
Public Circulation	8561	571	15	48	$468.00	$0.00	$9,000	$8.60	$14.40	$0.00	$0.00	$50,000	$2,019,131	$235.85

PARAMETER COSTING MODEL

PROJECT NAME Kansas Star - 1B - Permanent Casino
SHELL TYPE New Building
SHELL COST $151.88

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Back of House Program														
Administrative Area	5000	5000	1	141	$120.00	$0.00	$4,000	$3.50	$4.90	$0.00	$0.00	$6,900	$829,234	$165.85
KRGC Office Area	3000	3000	1	110	$120.00	$0.00	$2,600	$3.50	$4.90	$0.00	$0.00	$3,950	$500,598	$166.87
Lottery Commission Ofcs	800	800	1	57	$120.00	$0.00	$1,400	$3.50	$4.90	$0.00	$0.00	$1,750	$138,216	$172.77
Human Resources Area	1000	1000	1	63	$120.00	$0.00	$2,800	$3.50	$4.90	$0.00	$0.00	$1,950	$172,593	$172.59
Employee Dining Room	1550	1550	1	79	$120.00	$0.00	$2,800	$3.50	$4.90	$0.00	$0.00	$19,050	$279,768	$180.50
Loading Dock / Receiving	1500	1500	1	77	$195.00	$0.00	$12,000	$3.50	$0.00	$0.00	$0.00	$7,900	$267,989	$178.66
Warehouse / Storage	10000	10000	1	200	$195.00	$0.00	$6,000	$3.50	$0.00	$0.00	$0.00	$22,550	$1,621,377	$162.14
Security Area	900	900	1	60	$195.00	$0.00	$4,200	$3.50	$4.90	$0.00	$0.00	$1,350	$161,504	$179.45
Surveillance Area	1800	1800	1	85	$195.00	$0.00	$4,200	$3.50	$4.90	$0.00	$0.00	$2,700	$311,984	$173.32
Employee Locker	1000	1000	1	63	$120.00	$0.00	$1,400	$3.50	$4.90	$0.00	$0.00	$13,950	$183,193	$183.19
Engineer & Maintenance	2000	2000	1	89	$195.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$2,000	$326,620	$163.31
Electrical Rooms	2400	800	3	57	$195.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$2,400	$407,164	$169.65
IT / Telecom / AV Rooms	1800	600	3	49	$195.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$1,800	$310,154	$172.31
Employee Restrooms	600	300	2	35	$203.00	$0.00	$1,400	$8.00	$10.00	$0.00	$0.00	$16,600	$135,540	$225.90
BOH Circulation	7845	1308	6	72	$120.00	$0.00	$4,200	$4.50	$4.90	$0.00	$0.00	$7,845	$1,350,148	$172.10
Modular Central Plant	5000	5000	1	141	$195.00	$0.00	$0	$1.00	$0.00	$0.00	$0.00	$5,000	$796,909	$159.38
GROSS SF	134106													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$26,798,637	$199.83
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$26,798,637	
G.C.O.H & P	9.00%	$2,411,877	
CONTINGENCY	7.50%	$2,190,789	
ESCALATION	3.00%	$942,039	
TOTAL PROJECT CONSTRUCTION COST		**$32,343,342**	$241.18

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **Kansas Star - 1B - Hotel**

ESTIMATE DATE: 11/23/2010

Ph 1B Hotel

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Hotel
SHELL TYPE : New Building
SHELL COST : $140.34
GROSS AREA: 115061 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$189,890		$1.65
011 - Standard Foundations	$189,890		$1.65	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$131,990		$1.15
021 - Slab on Grade	$131,990		$1.15	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$3,526,407		$30.65
031 - Floor Construction	$2,697,600		$23.44	
032 - Roof Construction	$678,807		$5.90	
033 - Stair Construction	$150,000		$1.30	
04 - EXTERIOR CLOSURE		$3,228,970		$28.06
041 - Exterior Walls	$2,529,450		$21.98	
042 - Exterior Doors & Windows	$699,520		$6.08	
05 - ROOFING		$537,823		$4.67
06 - INTERIOR CONSTRUCTION		$3,971,010		$34.51
061 - Partitions	$1,665,309		$14.47	
062 - Interior Finishes	$1,596,590		$13.88	
063 - Specialties	$709,111		$6.16	
07 - CONVEYING SYSTEMS		$450,000		$3.91
08 - MECHANICAL		$5,264,041		$45.75
081 - Plumbing	$1,725,915		$15.00	
082 - HVAC	$3,221,708		$28.00	
083 - Fire Protection	$316,418		$2.75	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Hotel
SHELL TYPE : New Building
SHELL COST : $140.34
GROSS AREA: 115061 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$2,818,995		$24.50
091 - Service & Distribution	$1,064,314		$9.25	
092 - Lighting & Power	$834,192		$7.25	
093 - Special Systems	$920,488		$8.00	
10 - GENERAL CONDITIONS & PROFIT		$1,810,721		$15.74
NET BUILDING CONSTRUCTION COST	$21,929,847			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$0		$0.00
121 - Site Preparation	$0		$0.00	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$21,929,847			
13 - CONTINGENCIES		$2,351,976		$20.44
131 - Design	$1,644,738		$14.29	
132 - Escalation	$707,238		$6.15	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$24,281,823**			**$211.03**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Hotel
SHELL TYPE : New Building
SHELL COST : $140.34

Date: 11/23/2010

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	803	LF	$130.00	$104,390
Column Footings	Column Footing	57	EA	$1,500.00	$85,500
5" SOG, Barrier, Fill	Slab on Grade	25141	SF	$5.25	$131,990
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
Floor Structure, Incl. Columns, Beams, Decking	Elevated Floor Structure	89920	SF	$30.00	$2,697,600
Roof Structure, Incl. Columns, Beams, Decking	Roof Structure	25141	SF	$27.00	$678,807
Concrete Filled Metal Pan Stairs, Incl. Landings / Railings	Stairs	2	EA	$75,000.00	$150,000
Exterior Closure to be Consistant with Casino	Exterior Enclosure	50589	SF	$50.00	$2,529,450
Aluminum Windows	Window Wall	9636	SF	$70.00	$674,520
Aluminum Glass Doors / Hollow Metal Doors	Exterior Doors	7	EA	$3,571.43	$25,000
Covered Drop-Off	Covered Drop-Off	2289	SF	$75.00	$171,675
Membrane Flat Roofing - 20% / Metal Pitched Roofing - 80%	Roofing	25141	SF	$12.00	$301,692
Smaller Canopies	Smaller Canopies	166	SF	$40.00	$6,640
Parapet / Coping / Flashing	Roof Edge	803	LF	$72.00	$57,816
6 Stop Electric Elevator	Conveying Systems	3	EA	$150,000.00	$450,000
	MECHANICAL				
Allowance for systems cost	Plumbing	115061	SF	$15.00	$1,725,915
Allowance for systems cost	H.V.A.C	115061	SF	$28.00	$3,221,708
Allowance for systems cost	Fire Protection	115061	SF	$2.75	$316,418
	ELECTRICAL				
Allowance for systems cost	Service & distribution	115061	SF	$9.25	$1,064,314
Allowance for systems cost	Lighting & Power	115061	SF	$7.25	$834,192
Allowance for systems cost	Special systems	115061	SF	$8.00	$920,488

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$16,148,116**
RATE/SF	**$140.34**

PARAMETER COSTING MODEL

PROJECT NAME **Kansas Star - 1B - Hotel**
SHELL TYPE **New Building**
SHELL COST **$140.34**

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Hotel Program														
Typical Guest Rooms	58500	450	130	42	$96.00	$0.00	$4,200	$5.80	$10.00	$0.00	$0.00	$273,000	$10,477,581	$179.10
Premium Guest Suites	18000	900	20	60	$96.00	$0.00	$4,200	$5.80	$10.00	$0.00	$0.00	$80,000	$3,089,791	$171.66
Reception Area	1800	1800	1	85	$241.50	$0.00	$2,800	$8.40	$4.90	$0.00	$0.00	$11,800	$311,687	$173.16
Check-In / Front Desk	450	450	1	42	$241.50	$0.00	$1,400	$8.40	$4.90	$0.00	$0.00	$9,950	$90,633	$201.41
Breakfast Room	1000	1000	1	63	$241.50	$0.00	$2,600	$3.88	$4.90	$0.00	$0.00	$6,000	$172,933	$172.93
Hotel Manager Office	150	150	1	24	$136.00	$0.00	$1,400	$4.25	$4.90	$0.00	$0.00	$150	$27,238	$181.59
Gen Office / Employee Rm	450	450	1	42	$136.00	$0.00	$1,400	$4.25	$4.90	$0.00	$0.00	$950	$75,334	$167.41
Business Center	900	900	1	60	$241.50	$0.00	$1,400	$4.25	$4.90	$0.00	$0.00	$4,400	$154,835	$172.04
Hotel Meeting Rooms	2400	1200	2	69	$145.00	$0.00	$1,400	$4.25	$4.90	$0.00	$0.00	$13,200	$394,795	$164.50
Indoor Pool & Spa	2500	2500	1	100	$157.50	$0.00	$4,000	$6.00	$10.00	$0.00	$0.00	$252,500	$663,110	$265.24
Exercise Room	900	900	1	60	$168.00	$0.00	$2,600	$4.25	$4.90	$0.00	$0.00	$1,900	$149,125	$165.69
Public Restrooms	300	150	2	24	$224.00	$0.00	$1,400	$12.00	$10.00	$0.00	$0.00	$2,300	$64,555	$215.18
Mechanical / Electrical Rm	800	800	1	57	$226.00	$0.00	$2,800	$5.25	$0.00	$0.00	$0.00	$800	$132,957	$166.20
Housekeeping	2700	450	6	42	$87.00	$0.00	$1,500	$3.50	$4.90	$0.00	$0.00	$14,700	$447,233	$165.64
Laundry Room	850	850	1	58	$87.00	$0.00	$1,500	$3.50	$4.90	$0.00	$0.00	$2,850	$135,828	$159.80
Storage / Supplies	900	900	1	60	$136.00	$0.00	$2,800	$3.50	$4.90	$0.00	$0.00	$3,150	$147,980	$164.42
Corridors (6 Floors)	18351	3059	6	111	$87.00	$0.00	$7,800	$6.33	$4.90	$0.00	$0.00	$27,351	$2,913,535	$158.77
Entry Vestibule	180	180	1	27	$305.70	$0.00	$5,000	$25.00	$10.00	$0.00	$0.00	$180	$44,996	$249.98
Elevators	1530	510	3	45	$226.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$1,530	$246,766	$161.29
Stairs	2400	1200	2	69	$226.00	$0.00	$1,500	$1.00	$1.00	$0.00	$0.00	$2,400	$378,213	$157.59
GROSS SF	115061													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$20,119,125	$174.86
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$20,119,125	
G.C.O.H & P	9.00%	$1,810,721	
CONTINGENCY	7.50%	$1,644,738	
ESCALATION	3.00%	$707,238	
TOTAL PROJECT CONSTRUCTION COST		**$24,281,823**	$211.03

C | C | S
CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **Kansas Star - 1B - Sitework**

ESTIMATE DATE: 11/23/2010

Phase 1B SiteWork

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

WWW.CCSOS.COM

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Sitework
SHELL TYPE : N/A

GROSS AREA: 406000 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$0		$0.00
011 - Standard Foundations	$0		$0.00	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$0		$0.00
021 - Slab on Grade	$0		$0.00	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$0		$0.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$0		$0.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$0		$0.00
041 - Exterior Walls / Canopies	$0		$0.00	
042 - Exterior Doors & Windows	$0		$0.00	
05 - ROOFING		$0		$0.00
06 - INTERIOR CONSTRUCTION		$0		$0.00
061 - Partitions	$0		$0.00	
062 - Interior Finishes	$0		$0.00	
063 - Specialties	$0		$0.00	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$0		$0.00
081 - Plumbing	$0		$0.00	
082 - HVAC	$0		$0.00	
083 - Fire Protection	$0		$0.00	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 1B - Sitework
SHELL TYPE : N/A

GROSS AREA: 406000 SF

Date: 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$0		$0.00
091 - Service & Distribution	$0		$0.00	
092 - Lighting & Power	$0		$0.00	
093 - Special Systems	$0		$0.00	
10 - GENERAL CONDITIONS & PROFIT		$242,431		$0.60
NET BUILDING CONSTRUCTION COST	$242,431			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$2,693,675		$6.63
121 - Site Preparation	$338,325		$0.83	
122 - Site Improvements	$1,930,350		$4.75	
123 - Site Utilities	$425,000		$1.05	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$2,936,106			
13 - CONTINGENCIES		$314,897		$0.78
131 - Design	$220,208		$0.54	
132 - Escalation	$94,689		$0.23	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$3,251,003**			**$8.01**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

Kansas Star - 1B - Sitework

Estimate Level - Concept   Date: 11/23/2010

121 SITE PREPARATION

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
121.040	Demo - Paving - Parking Lots	321,000	SQFT	$0.65	$208,650
121.050	Demo - Paving - Drives / Streets	101,000	SQFT	$0.85	$85,850
121.060	Demo - Curb & Gutter	7,530	LNFT	$2.50	$18,825
121.080	Demo - Sidewalks / Misc Hardscape / Misc Landscaping	1	LSUM	$25,000.00	$25,000
	TOTAL				**$338,325**

Kansas Star - 1B - Sitework

Estimate Level - Concept Date: 11/23/2010

122 SITE IMPROVEMENTS

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
122.020	Paving - Parking Lots	290,000	SQFT	$3.00	$870,000
122.030	Paving - Drives / Streets	116,000	SQFT	$4.00	$464,000
122.040	Curb & Gutter	9,100	LNFT	$16.00	$145,600
122.050	Parking Stalls - Typical	1,125	EACH	$10.00	$11,250
122.060	Pavement Striping / Markings - Allowance	1	LSUM	$12,000.00	$12,000
122.070	Sidewalks - Allowance	1	LSUM	$75,000.00	$75,000
122.080	Directional Signage	1	LSUM	$15,000.00	$15,000
122.100	Landscaping - Allowance	1,350,000	SQFT	$0.25	$337,500
	TOTAL				**$1,930,350**

Kansas Star - 1B - Sitework

Estimate Level - Concept

Date: 11/23/2010

123 **SITE UTILITIES**

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
123.010	Parking Storm Drainage	1	LSUM	$300,000.00	$300,000
123.030	Parking Lot Lighting	1	LSUM	$125,000.00	$125,000
	TOTAL				**$425,000**

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **Kansas Star - 2 - Casino Expansion**

ESTIMATE DATE: 11/23/2010

Ph 2 Casino Expansion

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

WWW.CCSOS.COM

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 2 - Casino Expansion
SHELL TYPE : Existing Building Expansion
SHELL COST : $172.09
GROSS AREA: 30797 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$174,050		$5.65
011 - Standard Foundations	$174,050		$5.65	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$161,684		$5.25
021 - Slab on Grade	$161,684		$5.25	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$831,519		$27.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$831,519		$27.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$1,668,160		$54.17
041 - Exterior Walls / Canopies	$1,551,160		$50.37	
042 - Exterior Doors & Windows	$117,000		$3.80	
05 - ROOFING		$503,041		$16.33
06 - INTERIOR CONSTRUCTION		$1,234,608		$40.09
061 - Partitions	$261,229		$8.48	
062 - Interior Finishes	$633,622		$20.57	
063 - Specialties	$339,757		$11.03	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$1,024,000		$33.25
081 - Plumbing	$169,384		$5.50	
082 - HVAC	$769,925		$25.00	
083 - Fire Protection	$84,692		$2.75	
084 - Special Systems	$0		$0.00	

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: **Kansas Star - 2 - Casino Expansion**
SHELL TYPE : **Existing Building Expansion**
SHELL COST : **$172.09**
GROSS AREA: **30797 SF** **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$862,316		$28.00
091 - Service & Distribution	$246,376		$8.00	
092 - Lighting & Power	$261,775		$8.50	
093 - Special Systems	$354,166		$11.50	
10 - GENERAL CONDITIONS & PROFIT		$588,094		$19.10
NET BUILDING CONSTRUCTION COST	$7,047,473			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$75,000		$2.44
121 - Site Preparation	$75,000		$2.44	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$7,122,473			
13 - CONTINGENCIES		$1,223,285		$39.72
131 - Design	$534,185		$17.35	
132 - Escalation	$689,099		$22.38	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$8,345,757**			**$270.99**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: **Kansas Star - 2 - Casino Expansion**
SHELL TYPE : **Existing Building Expansion**
SHELL COST : **$172.09**
Date: **11/23/2010**

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	785	LF	$130.00	$102,050
Column Footings	Column Footing	48	EA	$1,500.00	$72,000
5" SOG, Barrier, Fill	Slab on Grade	30797	SF	$5.25	$161,684
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
N/A	Elevated Floor Structure	0	SF	$0.00	$0
Beams / Columns / Joists / Decking / Expsd Wood Trusses	Roof Structure	30797	SF	$27.00	$831,519
N/A	Stairs	0	EA	$0.00	$0
Rustic Woods - 40% / Metal Panel - 30% / Limestone - 30%	Exterior Enclosure	23864	SF	$65.00	$1,551,160
Aluminum Storefronts - Minimal	Window Wall	1256	SF	$75.00	$94,200
Pair Aluminum Glass Doors / Pair Hollow Metal Doors	Exterior Doors	5	EA	$4,560.00	$22,800
Exterior Demolition / Tie-In - Allowance	Exterior Demolition	1	LS	$75,000.00	$75,000
Membrane Flat Roofing - 80% / Metal Pitched Roofing - 20%	Roofing	30797	SF	$13.00	$400,361
Smaller Canopies	Smaller Canopies	1154	SF	$40.00	$46,160
Parapet / Coping / Flashing	Roof Edge	785	LF	$72.00	$56,520
N/A	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	30797	SF	$5.50	$169,384
Allowance for systems cost	H.V.A.C	30797	SF	$25.00	$769,925
Allowance for systems cost	Fire Protection	30797	SF	$2.75	$84,692
	ELECTRICAL				
Allowance for systems cost	Service & distribution	30797	SF	$8.00	$246,376
Allowance for systems cost	Lighting & Power	30797	SF	$8.50	$261,775
Allowance for systems cost	Special systems	30797	SF	$11.50	$354,166

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$5,299,771**
RATE/SF	**$172.09**

PARAMETER COSTING MODEL

PROJECT NAME **Kansas Star - 2 - Casino Expansion**
SHELL TYPE **Existing Building Expansion**
SHELL COST **$172.09**

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Casino Program														
Main Slot Floor	15000	15000	1	245	$220.50	$0.00	$0	$14.60	$14.40	$0.00	$0.00	$225,000	$3,295,331	$219.69
Table Games	1500	1500	1	77	$220.50	$0.00	$0	$14.60	$14.40	$0.00	$0.00	$20,000	$338,609	$225.74
Sports Bar	3500	3500	1	118	$220.50	$0.00	$2,800	$8.60	$14.40	$0.00	$0.00	$24,375	$735,999	$210.29
Service Bars	250	250	1	32	$220.50	$0.00	$1,500	$8.60	$14.40	$0.00	$0.00	$25,000	$82,328	$329.31
Self-Serv Beverage Ctrs	50	50	1	14	$220.50	$0.00	$0	$8.60	$14.40	$0.00	$0.00	$1,000	$13,841	$276.83
Public Restrooms	1000	500	2	45	$203.00	$0.00	$1,400	$12.00	$10.00	$0.00	$0.00	$26,250	$241,407	$241.41
Public Circulation	639	320	2	36	$468.00	$0.00	$17,500	$8.60	$14.40	$0.00	$0.00	$799	$194,155	$303.84
Back of House Program														
Warehouse / Storage	8000	8000	1	179	$195.00	$0.00	$6,000	$3.50	$0.00	$0.00	$0.00	$16,475	$1,462,078	$182.76
IT / Telecom / AV Rooms	600	600	1	49	$195.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$600	$115,507	$192.51
BOH Circulation	258	258	1	32	$120.00	$0.00	$4,200	$4.50	$4.90	$0.00	$0.00	$258	$55,122	$213.65
GROSS SF	30797													

CONSTRUCTION COST SYSTEMS, INC

SUB TOTAL BUILDING COST		$6,534,378	$212.18
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$6,534,378	
G.C.O.H & P	9.00%	$588,094	
CONTINGENCY	7.50%	$534,185	
ESCALATION	9.00%	$689,099	
TOTAL PROJECT CONSTRUCTION COST		**$8,345,757**	$270.99

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PROJECT NAME: **Kansas Star - 2 - Hotel Expansion**

ESTIMATE DATE: 11/23/2010

Ph 2 Hotel Expansion

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 2 - Hotel Expansion
SHELL TYPE : Existing Building Expansion
SHELL COST : $138.76
GROSS AREA: 78795 SF **Date: 11/23/2010**
COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$96,900		$1.23
011 - Standard Foundations	$96,900		$1.23	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$67,268		$0.85
021 - Slab on Grade	$67,268		$0.85	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$2,560,188		$32.49
031 - Floor Construction	$2,111,424		$26.80	
032 - Roof Construction	$358,764		$4.55	
033 - Stair Construction	$90,000		$1.14	
04 - EXTERIOR CLOSURE		$1,919,700		$24.36
041 - Exterior Walls	$1,512,000		$19.19	
042 - Exterior Doors & Windows	$407,700		$5.17	
05 - ROOFING		$194,956		$2.47
06 - INTERIOR CONSTRUCTION		$2,935,274		$37.25
061 - Partitions	$1,336,518		$16.96	
062 - Interior Finishes	$1,234,461		$15.67	
063 - Specialties	$364,295		$4.62	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$3,920,051		$49.75
081 - Plumbing	$1,497,105		$19.00	
082 - HVAC	$2,206,260		$28.00	
083 - Fire Protection	$216,686		$2.75	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - 2 - Hotel Expansion
SHELL TYPE : Existing Building Expansion
SHELL COST : $138.76
GROSS AREA: 78795 SF **Date:** 11/23/2010
COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$2,099,887		$26.65
091 - Service & Distribution	$827,348		$10.50	
092 - Lighting & Power	$610,661		$7.75	
093 - Special Systems	$661,878		$8.40	
10 - GENERAL CONDITIONS & PROFIT		$1,248,230		$15.84
NET BUILDING CONSTRUCTION COST	$15,042,455			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$75,000		$0.95
121 - Site Preparation	$75,000		$0.95	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$15,117,455			
13 - CONTINGENCIES		$2,596,423		$32.95
131 - Design	$1,133,809		$14.39	
132 - Escalation	$1,462,614		$18.56	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$17,713,878**			**$224.81**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: **Kansas Star - 2 - Hotel Expansion**
SHELL TYPE : **Existing Building Expansion**
SHELL COST : **$138.76**
Date: **11/23/2010**

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	480	LF	$130.00	$62,400
Column Footings	Column Footing	23	EA	$1,500.00	$34,500
5" SOG, Barrier, Fill	Slab on Grade	12813	SF	$5.25	$67,268
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
Floor Structure, Incl. Columns, Beams, Decking	Elevated Floor Structure	65982	SF	$32.00	$2,111,424
Roof Structure, Incl. Columns, Beams, Decking	Roof Structure	12813	SF	$28.00	$358,764
Concrete Filled Metal Pan Stairs, Incl. Landings / Railings	Stairs	1	EA	$90,000.00	$90,000
Exterior Closure to be Consistant with Casino	Exterior Enclosure	30240	SF	$50.00	$1,512,000
Aluminum Windows	Window Wall	5760	SF	$70.00	$403,200
Aluminum Glass Doors / Hollow Metal Doors	Exterior Doors	2	EA	$2,250.00	$4,500
Exterior Demolition / Tie-In - Allowance	Exterior Demolition	1	LS	$75,000.00	$75,000
Membrane Flat Roofing - 20% / Metal Pitched Roofing - 80%	Roofing	12813	SF	$12.00	$153,756
Smaller Canopies	Smaller Canopies	166	SF	$40.00	$6,640
Parapet / Coping / Flashing	Roof Edge	480	LF	$72.00	$34,560
Elevators in Phase 1B	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	78795	SF	$19.00	$1,497,105
Allowance for systems cost	H.V.A.C	78795	SF	$28.00	$2,206,260
Allowance for systems cost	Fire Protection	78795	SF	$2.75	$216,686
	ELECTRICAL				
Allowance for systems cost	Service & distribution	78795	SF	$10.50	$827,348
Allowance for systems cost	Lighting & Power	78795	SF	$7.75	$610,661
Allowance for systems cost	Special systems	78795	SF	$8.40	$661,878

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$10,933,950**
RATE/SF	**$138.76**

PARAMETER COSTING MODEL

PROJECT NAME Kansas Star - 2 - Hotel Expansion
SHELL TYPE Existing Building Expansion
SHELL COST $138.76

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Hotel Program														
Typical Guest Rooms	58500	450	130	42	$96.00	$0.00	$4,200	$5.80	$10.00	$0.00	$0.00	$273,000	$10,385,184	$177.52
Premium Guest Suites	18000	900	20	60	$96.00	$0.00	$4,200	$5.80	$10.00	$0.00	$0.00	$80,000	$3,061,361	$170.08
Corridors (6 Floors)	2295	383	6	39	$87.00	$0.00	$7,800	$6.33	$4.90	$0.00	$0.00	$11,295	$422,679	$184.17
GROSS SF	78795													

CONSTRUCTION COST SYSTEMS, INC

SUB TOTAL BUILDING COST		$13,869,225	$176.02
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$13,869,225	
G.C.O.H & P	9.00%	$1,248,230	
CONTINGENCY	7.50%	$1,133,809	
ESCALATION	9.00%	$1,462,614	
TOTAL PROJECT CONSTRUCTION COST		**$17,713,878**	$224.81

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **Kansas Star Ph 2 Equine Center**

ESTIMATE DATE: 11/23/2010

Equine Center

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star Ph 2 Equine Center
SHELL TYPE :
SHELL COST : $58.39
GROSS AREA: 200708 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$588,100		$2.93
011 - Standard Foundations	$588,100		$2.93	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$1,103,894		$5.50
021 - Slab on Grade	$1,103,894		$5.50	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$2,710,620		$13.51
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$2,710,620		$13.51	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$3,225,000		$16.07
041 - Exterior Walls	$3,150,000		$15.69	
042 - Exterior Doors & Windows	$75,000		$0.37	
05 - ROOFING		$1,807,080		$9.00
06 - INTERIOR CONSTRUCTION		$1,333,706		$6.65
061 - Partitions	$898,990		$4.48	
062 - Interior Finishes	$369,716		$1.84	
063 - Specialties	$65,000		$0.32	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$719,134		$3.58
081 - Plumbing	$126,906		$0.63	
082 - HVAC	$592,228		$2.95	
083 - Fire Protection	$0		$0.00	
084 - Special Systems	$0		$0.00	

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star Ph 2 Equine Center
SHELL TYPE :
SHELL COST : $58.39
GROSS AREA: 200708 SF **Date:** 11/23/2010
COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$1,565,174		$7.80
091 - Service & Distribution	$676,832		$3.37	
092 - Lighting & Power	$507,624		$2.53	
093 - Special Systems	$380,718		$1.90	
10 - GENERAL CONDITIONS & PROFIT		$1,174,744		$5.85
NET BUILDING CONSTRUCTION COST	$14,227,452			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$0		$0.00
121 - Site Preparation	$0		$0.00	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$14,227,452			
13 - CONTINGENCIES		$2,443,565		$12.17
131 - Design	$1,067,059		$5.32	
132 - Escalation	$1,376,506		$6.86	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$16,671,017**			**$83.06**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star Ph 2 Equine Center
SHELL TYPE :
SHELL COST : $58.39 **Date:** 11/23/2010

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
	Basement excavation	0	CY	$0.00	$0
	Mass Excavation	0	CY	$0.00	$0
	Mass Fill	0	CY	$0.00	$0
	Foundation Wall & Footing	3500	LF	$75.00	$262,500
	Column Footing	407	EA	$800.00	$325,600
	Slab on Grade	200708	SF	$5.50	$1,103,894
	Basement Wall w/ Footing	0	LF	$0.00	$0
	Elevated Floor Structure	0	SF	$0.00	$0
	Roof Structure	180708	SF	$15.00	$2,710,620
	Stairs	0	EA	$0.00	$0
	Exterior Enclosure	105000	SF	$30.00	$3,150,000
	Window Wall	0	SF	$0.00	$0
	Exterior Doors	15	EA	$5,000.00	$75,000
	Exterior Demolition	0	SF	$0.00	$0
	Roofing	180708	SF	$10.00	$1,807,080
	Skylight	0	SF	$0.00	$0
	Roof Edge	3500	LF	$0.00	$0
	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	169208	SF	$0.75	$126,906
Allowance for systems cost	H.V.A.C	169208	SF	$3.50	$592,228
Allowance for systems cost	Fire Protection	169208	SF	$0.00	$0
	ELECTRICAL				
Allowance for systems cost	Service & distribution	169208	SF	$4.00	$676,832
Allowance for systems cost	Lighting & Power	169208	SF	$3.00	$507,624
Allowance for systems cost	Special systems	169208	SF	$2.25	$380,718

CONSTRUCTION COST SYSTEMS, INC

TOTAL SHELL COST	**$11,719,002**
RATE/SF	**$58.39**

PARAMETER COSTING MODEL

PROJECT NAME **Kansas Star Ph 2 Equine Center**
SHELL TYPE
SHELL COST **$58.39**

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Indoor Arena														
Indoor Warm Up Arena	26400	26400	1	325	$345.00	$0.00	$1,300	$1.00	$1.00	$0.00	$0.00	$0	$1,707,677	$64.68
Show Office	400	400	1	40	$145.00	$0.00	$1,300	$5.00	$6.00	$0.00	$0.00	$5,000	$39,855	$99.64
Restrooms	800	400	2	40	$145.00	$0.00	$1,300	$11.00	$6.00	$0.00	$0.00	$7,000	$81,511	$101.89
Mech Elect	200	200	1	28	$145.00	$0.00	$1,300	$1.00	$1.00	$0.00	$0.00	$0	$17,438	$87.19
Circulation Aisles	15200	15200	1	247	$145.00	$0.00	$0	$1.00	$1.00	$0.00	$0.00	$0	$953,717	$62.74
Covered Connector	2400	2400	1	98	$0.00	$0.00	$0	$1.00	$1.00	$0.00	$0.00	$0	$144,932	$60.39
Grossing Factor	2270	2270	1	95	$145.00	$0.00	$0	$1.00	$1.00	$0.00	$0.00	$0	$150,856	$66.46
Outdoor Practice Arena	20000	20000	1	283	$0.00	$0.00	$0	$1.00	$0.00	$0.00	$0.00	$10,000	$1,197,766	$59.89
Livestock Pens	10500	10500	1	205	$145.00	$0.00	$0	$1.00	$0.00	$0.00	$0.00	$15,000	$668,302	$63.65
Horse Barns	41600	10400	4	204	$345.00	$0.00	$5,000	$1.00	$0.00	$0.00	$0.00	$20,000	$2,792,074	$67.12
Circulation Areas	56080	14020	4	237	$145.00	$0.00	$0	$1.00	$1.00	$0.00	$0.00	$0	$3,524,037	$62.84
Wash Areas	1600	400	4	40	$145.00	$0.00	$0	$1.00	$8.00	$0.00	$0.00	$4,000	$135,021	$84.39
Dressing Rooms	3360	840	4	58	$145.00	$0.00	$1,300	$1.00	$6.00	$0.00	$0.00	$4,000	$262,545	$78.14
Mechanical Electrical	1200	300	4	35	$145.00	$0.00	$2,500	$1.00	$1.00	$0.00	$0.00	$0	$102,766	$85.64
Manure Storage Bins	3200	800	4	57	$145.00	$0.00	$2,500	$1.00	$0.00	$0.00	$0.00	$0	$233,103	$72.84
Grossing Factor	5352	1338	4	73	$145.00	$0.00	$1,300	$1.00	$1.00	$0.00	$0.00	$0	$370,738	$69.27
Service Building	4546	4546	1	135	$145.00	$0.00	$2,500	$1.00	$1.00	$0.00	$0.00	$0	$296,600	$65.24
Feed Storage	2400	2400	1	98	$145.00	$0.00	$2,500	$1.00	$1.00	$0.00	$0.00	$0	$161,642	$67.35
Arena Storage	3200	3200	1	113	$145.00	$0.00	$2,500	$1.00	$1.00	$0.00	$0.00	$0	$212,128	$66.29
GROSS SF	200708													

CONSTRUCTION COST SYSTEMS, INC 0

SUB TOTAL BUILDING COST		$13,052,708	$65.03
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$13,052,708	
G.C.O.H & P	9.00%	$1,174,744	
CONTINGENCY	7.50%	$1,067,059	
ESCALATION	9.00%	$1,376,506	
TOTAL PROJECT CONSTRUCTION COST		**$16,671,017**	$83.06

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CONSTRUCTION COST SYSTEMS, INC.

PROJECT NAME: **Kansas Star - PH 2 - Sitework**

ESTIMATE DATE: 11/23/2010

Objectively Managing Building Costs

Ph 2 SiteWork

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PARAMETER COSTING MODEL

PROJECT NAME: Kansas Star - PH 2 - Sitework
SHELL TYPE : N/A

GROSS AREA: 801000 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$0		$0.00
011 - Standard Foundations	$0		$0.00	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$0		$0.00
021 - Slab on Grade	$0		$0.00	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$0		$0.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$0		$0.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$0		$0.00
041 - Exterior Walls / Canopies	$0		$0.00	
042 - Exterior Doors & Windows	$0		$0.00	
05 - ROOFING		$0		$0.00
06 - INTERIOR CONSTRUCTION		$0		$0.00
061 - Partitions	$0		$0.00	
062 - Interior Finishes	$0		$0.00	
063 - Specialties	$0		$0.00	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$0		$0.00
081 - Plumbing	$0		$0.00	
082 - HVAC	$0		$0.00	
083 - Fire Protection	$0		$0.00	
084 - Special Systems	$0		$0.00	

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: **Kansas Star - PH 2 - Sitework**
SHELL TYPE : **N/A**

GROSS AREA: **801000 SF** **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$0		$0.00
091 - Service & Distribution	$0		$0.00	
092 - Lighting & Power	$0		$0.00	
093 - Special Systems	$0		$0.00	
10 - GENERAL CONDITIONS & PROFIT		$368,276		$0.46
NET BUILDING CONSTRUCTION COST	$368,276			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$4,091,954		$5.11
121 - Site Preparation	$99,725		$0.12	
122 - Site Improvements	$3,152,229		$3.94	
123 - Site Utilities	$840,000		$1.05	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$4,460,230			
13 - CONTINGENCIES		$766,044		$0.96
131 - Design	$334,517		$0.42	
132 - Escalation	$431,527		$0.54	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$5,226,274**			**$6.52**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

Kansas Star - PH 2 - Sitework

Estimate Level - Concept Date: 11/23/2010

121 SITE PREPARATION

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
121.040	Demo - Paving - Parking Lots	49,000	SQFT	$0.65	$31,850
121.050	Demo - Paving - Drives / Streets	11,000	SQFT	$0.85	$9,350
121.060	Demo - Curb & Gutter	3,410	LNFT	$2.50	$8,525
121.080	Demo - Sidewalks / Misc Hardscape / Misc Landscaping	1	LSUM	$50,000.00	$50,000
	TOTAL				**$99,725**

Kansas Star - PH 2 - Sitework

Estimate Level - Concept Date: 11/23/2010

122 SITE IMPROVEMENTS

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
122.010					
122.020	Paving - Parking Lots	759,000	SQFT	$3.00	$2,277,000
122.030	Paving - Drives / Streets	42,000	SQFT	$4.00	$168,000
122.040	Curb & Gutter	9,000	LNFT	$16.00	$144,000
122.050	Parking Stalls - Typical	600	EACH	$10.00	$6,000
122.060	Pavement Striping / Markings - Allowance	1	LSUM	$24,000.00	$24,000
122.070	Sidewalks - Allowance	1	LSUM	$50,000.00	$50,000
122.080	Directional Signage	1	LSUM	$15,000.00	$15,000
122.100	Landscaping - Allowance	507,000	SQFT	$0.50	$253,500
122.120	Undeveloped / Seeding	5,368,227	SQFT	$0.04	$214,729
	TOTAL				**$3,152,229**

Kansas Star - PH 2 - Sitework

Estimate Level - Concept

Date: 11/23/2010

123 SITE UTILITIES

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
123.010	Parking Lot Storm Drainage	1	LSUM	$600,000.00	$600,000
123.030	Parking Lot Lighting	1	LSUM	$240,000.00	$240,000
	TOTAL				**$840,000**

CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

WinSpirit
Casino, Hotel & Events Center
Sumner County, KS

November 23, 2010

Base Estimate	Total Cost	Cost / SQFT	SQFT
PHASE 1			
Casino	$46,588,248	$235.47	197,851
Hotel	$14,132,702	$236.53	59,750
EMS Facility	$1,114,016	$382.82	2,910
Travel Plaza	$8,269,853	$256.03	32,300
Sitework	$14,944,429	N/A	N/A
Golf Course Reno	$3,000,000	N/A	N/A
Casino Expansion	$4,000,000	N/A	N/A
PHASE 1 - Subtotal	**$92,049,247**		
PHASE 2			
Casino Expansion	$7,833,102	$261.10	30,000
RV Park	$7,000,000	N/A	N/A
Hotel Expansion	$21,672,677	$240.81	90,000
Race Track	$8,327,201	N/A	N/A
Parking Garage	$9,579,056	N/A	N/A
Additional Sitework	$5,000,000	N/A	N/A
PHASE 2 - Subtotal	**$59,412,037**		
Construction Total	**$151,461,284**		

1815 S. Meyers Rd.
Suite 200
Oakbrook Terrace, IL
60181

800.443.8607
630.678.0808
630.678.0858 fax

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WinSpirit Casino
Global Gaming KS

November 23, 2010

Base Estimate	Raw Cost	General Conditions Overhead & Profit		Design Contingency		Escalation		Total	Cost / SQFT	SQFT
PHASE 1										
Casino	$38,601,501	9.00%	$3,474,135	7.50%	$3,155,673	3.00%	$1,356,939	**$46,588,248**	**$235.47**	197,851
Hotel	$11,709,895	9.00%	$1,053,891	7.50%	$957,284	3.00%	$411,632	**$14,132,702**	**$236.53**	59,750
EMS Facility	$923,037	9.00%	$83,073	7.50%	$75,458	3.00%	$32,447	**$1,114,016**	**$382.82**	2,910
Travel Plaza	$6,852,130	9.00%	$616,692	7.50%	$560,162	3.00%	$240,869	**$8,269,853**	**$256.03**	32,300
Sitework	$11,864,130	9.00%	$1,067,772	7.50%	$969,893	7.50%	$1,042,635	**$14,944,429**	**N/A**	**N/A**
Golf Course Reno								**$3,000,000**	**N/A**	**N/A**
Casino Expansion								**$4,000,000**	**N/A**	**N/A**
PHASE 1 - Subtotal	$69,950,693		$6,295,562		$5,718,469		$3,084,522	**$92,049,247**	**$314.36**	292,811
PHASE 2										
Casino Expansion	$6,132,991	9.00%	$551,969	7.50%	$501,372	9.00%	$646,770	**$7,833,102**	**$261.10**	30,000
RV Park								**$7,000,000**		
Hotel Expansion	$16,968,799	9.00%	$1,527,192	7.50%	$1,387,199	9.00%	$1,789,487	**$21,672,677**	**$240.81**	90,000
Race Track	$6,519,850	9.00%	$586,787	7.50%	$532,998	9.00%	$687,567	**$8,327,201**	**N/A**	**N/A**
Parking Garage	$7,500,000	9.00%	$675,000	7.50%	$613,125	9.00%	$790,931	**$9,579,056**	**N/A**	**N/A**
Additional Sitework								**$5,000,000**	**N/A**	**N/A**
PHASE 2 - Subtotal	$37,121,640		$3,340,948		$3,034,694		$3,914,755	**$59,412,037**	**$495.10**	120,000
Construction Total								**$151,461,284**		

C|C|S

CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

WWW.CCSOS.COM

PROJECT NAME: **WinSpirit - 1 - Casino**

ESTIMATE DATE: 11/23/2010

Casino

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Casino
SHELL TYPE : New Building
SHELL COST : $144.86
GROSS AREA: 197851 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$416,660		$2.11
011 - Standard Foundations	$416,660		$2.11	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$933,959		$4.72
021 - Slab on Grade	$933,959		$4.72	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$5,525,409		$27.93
031 - Floor Construction	$598,620		$3.03	
032 - Roof Construction	$4,881,789		$24.67	
033 - Stair Construction	$45,000		$0.23	
04 - EXTERIOR CLOSURE		$3,719,996		$18.80
041 - Exterior Walls / Canopies	$3,422,926		$17.30	
042 - Exterior Doors & Windows	$297,070		$1.50	
05 - ROOFING		$2,857,388		$14.44
06 - INTERIOR CONSTRUCTION		$9,941,412		$50.25
061 - Partitions	$1,553,051		$7.85	
062 - Interior Finishes	$4,588,188		$23.19	
063 - Specialties	$3,800,173		$19.21	
07 - CONVEYING SYSTEMS		$170,000		$0.86
08 - MECHANICAL		$9,051,683		$45.75
081 - Plumbing	$1,582,808		$8.00	
082 - HVAC	$6,924,785		$35.00	
083 - Fire Protection	$544,090		$2.75	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Casino
SHELL TYPE : New Building
SHELL COST : $144.86
GROSS AREA: 197851 SF **Date:** 11/23/2010
COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$5,984,993		$30.25
091 - Service & Distribution	$2,027,973		$10.25	
092 - Lighting & Power	$1,780,659		$9.00	
093 - Special Systems	$2,176,361		$11.00	
10 - GENERAL CONDITIONS & PROFIT		$3,474,135		$17.56
NET BUILDING CONSTRUCTION COST	$42,075,636			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$0		$0.00
121 - Site Preparation	$0		$0.00	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$42,075,636			
13 - CONTINGENCIES		$4,512,612		$22.81
131 - Design	$3,155,673		$15.95	
132 - Escalation	$1,356,939		$6.86	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$46,588,247**			**$235.47**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Casino
SHELL TYPE : New Building
SHELL COST : $144.86

Date: 11/23/2010

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	2132	LF	$130.00	$277,160
Column Footings	Column Footing	93	EA	$1,500.00	$139,500
5" SOG, Barrier, Fill	Slab on Grade	177897	SF	$5.25	$933,959
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
Elevated Slab , incl structure	Elevated Floor Structure	19954	SF	$30.00	$598,620
Beams / Columns / Joists / Decking / Expsd Wood Trusses	Roof Structure	180807	SF	$27.00	$4,881,789
Concrete Filled Metal Pan Stairs, Incl. Landings / Railings	Stairs	3	EA	$15,000.00	$45,000
Rustic Woods - 40% / Metal Panel - 30% / Limestone - 30%	Exterior Enclosure	52660	SF	$65.00	$3,422,926
Aluminum Storefronts - Minimal	Window Wall	2772	SF	$75.00	$207,870
Pair Aluminum Glass Doors / Pair Hollow Metal Doors	Exterior Doors	24	EA	$3,716.67	$89,200
Porte Cochere	Covered Drop-Off	5088	SF	$75.00	$381,600
Membrane Flat Roofing - 80% / Metal Pitched Roofing - 20%	Roofing	180807	SF	$12.00	$2,169,684
Smaller Canopies	Smaller Canopies	3815	SF	$40.00	$152,600
Parapet / Coping / Flashing	Roof Edge	2132	LF	$72.00	$153,504
2 Stop Hydraulic Elevator	Conveying Systems	2	EA	$85,000.00	$170,000
	MECHANICAL				
Allowance for systems cost	Plumbing	197851	SF	$8.00	$1,582,808
Allowance for systems cost	H.V.A.C	197851	SF	$35.00	$6,924,785
Allowance for systems cost	Fire Protection	197851	SF	$2.75	$544,090
	ELECTRICAL				
Allowance for systems cost	Service & distribution	197851	SF	$10.25	$2,027,973
Allowance for systems cost	Lighting & Power	197851	SF	$9.00	$1,780,659
Allowance for systems cost	Special systems	197851	SF	$11.00	$2,176,361

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$28,660,088**
RATE/SF	**$144.86**

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Casino
SHELL TYPE New Building
SHELL COST $144.86

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Casino Program														
Gaming Floor	70790	17698	4	266	$220.50	$0.00	$0	$14.60	$14.40	$0.00	$0.00	$550,000	$13,091,944	$184.94
Poker Room	4119	4119	1	128	$284.50	$0.00	$4,200	$8.60	$14.40	$0.00	$0.00	$55,000	$787,019	$191.07
Show Lounge	3529	3529	1	119	$220.50	$0.00	$4,000	$8.60	$14.40	$0.00	$0.00	$150,000	$772,607	$218.93
Center Bar (50 Seats)	1698	1698	1	82	$255.00	$0.00	$1,400	$8.60	$14.40	$0.00	$0.00	$100,000	$407,331	$239.89
Buffet / Shared Kitchen	7932	7932	1	178	$249.50	$0.00	$11,200	$8.60	$12.20	$0.00	$0.00	$750,000	$2,119,602	$267.22
Sports Bar / Shared Kitch	6802	6802	1	165	$249.50	$0.00	$11,200	$8.60	$12.20	$0.00	$0.00	$650,000	$1,829,166	$268.92
Food Court (4 Venues)	6643	1661	4	82	$220.50	$0.00	$2,800	$15.50	$14.40	$0.00	$0.00	$200,000	$1,444,434	$217.44
Restrooms	5462	910	6	60	$203.00	$0.00	$1,400	$20.60	$10.00	$0.00	$0.00	$81,828	$1,121,653	$205.36
Public Circulation	12595	1574	8	79	$224.50	$0.00	$5,000	$8.60	$14.40	$0.00	$0.00	$100,000	$2,396,042	$190.24
Storage	1740	1740	1	83	$120.00	$0.00	$2,800	$8.60	$10.00	$0.00	$0.00	$5,800	$302,975	$174.12
Ancillary Space Program														
Retail Shopping	1164	1164	1	68	$338.50	$0.00	$5,000	$8.60	$14.40	$0.00	$0.00	$23,955	$247,358	$212.51
Event Center	32899	3290	10	115	$235.00	$0.00	$5,400	$8.60	$18.20	$0.00	$0.00	$1,000,000	$6,971,591	$211.91
Bus Lobby	2076	2076	1	91	$220.50	$0.00	$7,800	$8.60	$14.40	$0.00	$0.00	$15,595	$391,931	$188.79
Player's Club	3175	3175	1	113	$220.50	$0.00	$4,100	$8.60	$14.40	$0.00	$0.00	$7,969	$569,931	$179.51

PARAMETER COSTING MODEL

PROJECT NAME WinSpirit - 1 - Casino
SHELL TYPE New Building
SHELL COST $144.86

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Back of House Program														
Servers / IT	933	933	1	61	$195.00	$0.00	$2,800	$3.50	$4.90	$0.00	$0.00	$1,883	$159,567	$171.03
Telecom / MS	348	348	1	37	$195.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$348	$61,121	$175.64
Stairs	1152	384	3	39	$195.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$1,152	$196,494	$170.57
Mechanical	857	857	1	59	$195.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$857	$140,161	$163.55
Electrical	1367	1367	1	74	$195.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$1,367	$217,983	$159.46
Warehouse	2999	2999	1	110	$195.00	$0.00	$5,600	$1.00	$0.00	$0.00	$0.00	$13,649	$478,124	$159.43
Uniform Issue	1480	1480	1	77	$195.00	$0.00	$2,800	$3.50	$4.90	$0.00	$0.00	$7,680	$252,315	$170.48
Employee Lockers / Toilets	3536	1768	2	84	$154.00	$0.00	$4,000	$7.75	$7.00	$0.00	$0.00	$41,436	$639,678	$180.90
Gaming Commission	200	200	1	28	$120.00	$0.00	$1,400	$3.50	$4.90	$0.00	$0.00	$1,700	$37,111	$185.56
Surveillance Security	1570	785	2	56	$195.00	$0.00	$2,800	$3.50	$4.90	$0.00	$0.00	$7,670	$275,723	$175.62
Admin Offices / Corridors	22785	2279	10	95	$120.00	$0.00	$4,000	$4.00	$4.90	$0.00	$0.00	$32,285	$3,689,637	$161.93
GROSS SF	197851													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$38,601,501	$195.10
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$38,601,501	
G.C.O.H & P	9.00%	$3,474,135	
CONTINGENCY	7.50%	$3,155,673	
ESCALATION	3.00%	$1,356,939	
TOTAL PROJECT CONSTRUCTION COST		**$46,588,247**	$235.47

CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **WinSpirit - 1 - Hotel**

ESTIMATE DATE: 11/23/2010

Ph 1 Hotel

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Hotel
SHELL TYPE : New Building
SHELL COST : $157.48
GROSS AREA: 59750 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$136,360		$2.28
011 - Standard Foundations	$136,360		$2.28	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$114,450		$1.92
021 - Slab on Grade	$114,450		$1.92	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$1,787,100		$29.91
031 - Floor Construction	$1,138,500		$19.05	
032 - Roof Construction	$588,600		$9.85	
033 - Stair Construction	$60,000		$1.00	
04 - EXTERIOR CLOSURE		$2,143,019		$35.87
041 - Exterior Walls	$1,140,552		$19.09	
042 - Exterior Doors & Windows	$1,002,467		$16.78	
05 - ROOFING		$502,322		$8.41
06 - INTERIOR CONSTRUCTION		$2,300,581		$38.50
061 - Partitions	$1,189,394		$19.91	
062 - Interior Finishes	$809,987		$13.56	
063 - Specialties	$301,200		$5.04	
07 - CONVEYING SYSTEMS		$200,000		$3.35
08 - MECHANICAL		$2,987,500		$50.00
081 - Plumbing	$1,150,188		$19.25	
082 - HVAC	$1,673,000		$28.00	
083 - Fire Protection	$164,313		$2.75	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Hotel
SHELL TYPE : New Building
SHELL COST : $157.48
GROSS AREA: 59750 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$1,538,563		$25.75
091 - Service & Distribution	$627,375		$10.50	
092 - Lighting & Power	$433,188		$7.25	
093 - Special Systems	$478,000		$8.00	
10 - GENERAL CONDITIONS & PROFIT		$1,053,891		$17.64
NET BUILDING CONSTRUCTION COST	$12,763,785			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$0		$0.00
121 - Site Preparation	$0		$0.00	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$12,763,785			
13 - CONTINGENCIES		$1,368,916		$22.91
131 - Design	$957,284		$16.02	
132 - Escalation	$411,632		$6.89	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$14,132,701**			**$236.53**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Hotel
SHELL TYPE : New Building
SHELL COST : $157.48

Date: 11/23/2010

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	876	LF	$110.00	$96,360
Column Footings	Column Footing	40	EA	$1,000.00	$40,000
5" SOG, Barrier, Fill	Slab on Grade	21800	SF	$5.25	$114,450
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
Floor Structure, Incl. Columns, Beams, Decking	Elevated Floor Structure	37950	SF	$30.00	$1,138,500
Roof Structure, Incl. Columns, Beams, Decking	Roof Structure	21800	SF	$27.00	$588,600
Concrete Filled Metal Pan Stairs, Incl. Landings / Railings	Stairs	2	EA	$30,000.00	$60,000
Exterior Closure to be Consistant with Casino	Exterior Enclosure	22811	SF	$50.00	$1,140,552
Aluminum Windows	Window Wall	13981	SF	$70.00	$978,667
Aluminum Glass Doors / Hollow Metal Doors	Exterior Doors	6	EA	$3,966.67	$23,800
Porte Cochere	Covered Drop-Off	2950	SF	$75.00	$221,250
Membrane Flat Roofing - 20% / Metal Pitched Roofing - 80%	Roofing	21800	SF	$10.00	$218,000
N/A	Smaller Canopies	0	SF	$0.00	$0
Parapet / Coping / Flashing	Roof Edge	876	LF	$72.00	$63,072
3 Stop Hydraulic Elevator	Conveying Systems	2	EA	$100,000.00	$200,000
	MECHANICAL				
Allowance for systems cost	Plumbing	59750	SF	$19.25	$1,150,188
Allowance for systems cost	H.V.A.C	59750	SF	$28.00	$1,673,000
Allowance for systems cost	Fire Protection	59750	SF	$2.75	$164,313
	ELECTRICAL				
Allowance for systems cost	Service & distribution	59750	SF	$10.50	$627,375
Allowance for systems cost	Lighting & Power	59750	SF	$7.25	$433,188
Allowance for systems cost	Special systems	59750	SF	$8.00	$478,000

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$9,409,314**
RATE/SF	**$157.48**

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Hotel
SHELL TYPE New Building
SHELL COST $157.48

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Hotel Program														
Generic Guest Rooms	25600	320	80	36	$103.00	$0.00	$4,200	$5.80	$10.00	$0.00	$0.00	$157,600	$5,226,158	$204.15
Premium Guest Rooms	12400	620	20	50	$103.00	$0.00	$7,000	$5.80	$10.00	$0.00	$0.00	$74,400	$2,466,048	$198.87
Corridors	3000	1000	3	63	$94.00	$0.00	$2,600	$8.40	$4.90	$0.00	$0.00	$4,500	$542,400	$180.80
Public Areas	5000	2500	2	100	$245.10	$0.00	$2,600	$8.40	$4.90	$0.00	$0.00	$7,000	$915,110	$183.02
Elevators	80	40	2	13	$216.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$80	$18,294	$228.68
Gift Shop	100	100	1	20	$473.70	$0.00	$5,000	$8.40	$4.90	$0.00	$0.00	$7,600	$39,152	$391.52
Hotel Bars					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Hotel Restaurants					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Hotel Meeting Rooms	2500	2500	1	100	$147.40	$0.00	$2,600	$4.25	$4.90	$0.00	$0.00	$8,500	$442,410	$176.96
Retail					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Check-In / Front Desk	100	100	1	20	$241.50	$0.00	$1,400	$8.40	$4.90	$0.00	$0.00	$10,600	$33,908	$339.08
Guest Amenities / Rec	2000	1000	2	63	$136.00	$0.00	$2,600	$4.25	$4.90	$0.00	$0.00	$6,200	$361,792	$180.90
Valet Storage	30	30	1	11	$226.00	$0.00	$1,500	$3.50	$10.00	$0.00	$0.00	$1,730	$10,845	$361.51
Food & Beverage Areas	200	200	1	28	$241.50	$0.00	$1,500	$8.40	$4.90	$0.00	$0.00	$5,200	$47,618	$238.09
Function Support	2000	1000	2	63	$136.00	$0.00	$2,800	$4.25	$4.90	$0.00	$0.00	$3,900	$359,892	$179.95
Executive Offices	100	100	1	20	$136.00	$0.00	$1,400	$4.25	$4.90	$0.00	$0.00	$100	$20,883	$208.83
General Offices	200	100	2	20	$136.00	$0.00	$1,400	$4.25	$4.90	$0.00	$0.00	$200	$41,766	$208.83
Accounting Offices					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Food Service Areas					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Housekeeping / Laundry	1000	500	2	45	$136.00	$0.00	$2,800	$3.50	$4.90	$0.00	$0.00	$5,200	$188,918	$188.92

PARAMETER COSTING MODEL

PROJECT NAME WinSpirit - 1 - Hotel
SHELL TYPE New Building
SHELL COST $157.48

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Hotel Program (Cont.)														
Engineering	100	100	1	20	$216.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$1,050	$24,018	$240.18
Employee Facilities	100	100	1	20	$126.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$600	$21,768	$217.68
Mechanical / Electrical	300	100	3	20	$216.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$300	$69,203	$230.68
Receiving / Purchasing														
Circulation	1740	580	3	48	$126.00	$0.00	$2,600	$8.40	$4.90	$0.00	$0.00	$3,240	$326,338	$187.55
Core														
Stairs	1200	600	2	49	$216.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$1,200	$215,542	$179.62
Shell Space	2000	1000	2	63	$126.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$2,000	$337,832	$168.92
GROSS SF	59750													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$11,709,895	$195.98
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$11,709,895	
G.C.O.H & P	9.00%	$1,053,891	
CONTINGENCY	7.50%	$957,284	
ESCALATION	3.00%	$411,632	
TOTAL PROJECT CONSTRUCTION COST		**$14,132,701**	$236.53

C|C|S
CONSTRUCTION
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Objectively
Managing
Building Costs

PROJECT NAME: **WinSpirit - 1 - Emergency Services Facility**

Emergency Services Facility

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

WWW.CCSOS.COM

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Emergency Services Facility
SHELL TYPE : New Building
SHELL COST : $254.25
GROSS AREA: 2910 SF **Date: 11/23/2010**
COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$31,000		$10.65
011 - Standard Foundations	$31,000		$10.65	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$17,460		$6.00
021 - Slab on Grade	$17,460		$6.00	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$72,750		$25.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$72,750		$25.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$242,000		$83.16
041 - Exterior Walls	$155,520		$53.44	
042 - Exterior Doors & Windows	$86,480		$29.72	
05 - ROOFING		$46,380		$15.94
06 - INTERIOR CONSTRUCTION		$183,162		$62.94
061 - Partitions	$89,792		$30.86	
062 - Interior Finishes	$26,213		$9.01	
063 - Specialties	$67,158		$23.08	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$197,153		$67.75
081 - Plumbing	$101,850		$35.00	
082 - HVAC	$87,300		$30.00	
083 - Fire Protection	$8,003		$2.75	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Emergency Services Facility
SHELL TYPE : New Building
SHELL COST : $254.25
GROSS AREA: 2910 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$133,133		$45.75
091 - Service & Distribution	$43,650		$15.00	
092 - Lighting & Power	$34,920		$12.00	
093 - Special Systems	$54,563		$18.75	
10 - GENERAL CONDITIONS & PROFIT		$83,073		$28.55
NET BUILDING CONSTRUCTION COST	$1,006,110			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$0		$0.00
121 - Site Preparation	$0		$0.00	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$1,006,110			
13 - CONTINGENCIES		$107,905		$37.08
131 - Design	$75,458		$25.93	
132 - Escalation	$32,447		$11.15	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$1,114,016**			**$382.82**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Emergency Services Facility
SHELL TYPE : New Building
SHELL COST : $254.25

Date: 11/23/2010

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	240	LF	$100.00	$24,000
Column Footings	Column Footing	10	EA	$700.00	$7,000
5" SOG, Barrier, Fill, 8" Slab at Garage	Slab on Grade	2910	SF	$6.00	$17,460
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
N/A	Elevated Floor Structure	0	SF	$0.00	$0
Steel Beams / Columns / Joists / Decking	Roof Structure	2910	SF	$25.00	$72,750
N/A	Stairs	0	EA	$0.00	$0
Exterior Materials to Match Adjacent Facilities	Exterior Enclosure	3456	SF	$45.00	$155,520
Aluminum Windows	Window Wall	864	SF	$70.00	$60,480
Aluminum Glass Doors / Hollow Metal Doors / Overhead Doors	Exterior Doors	4	EA	$6,500.00	$26,000
N/A	Covered Drop-Off	0	SF	$0.00	$0
Membrane Flat Roofing - 80% / Metal Pitched Roofing - 20%	Roofing	2910	SF	$10.00	$29,100
N/A	Smaller Canopies	0	SF	$0.00	$0
Parapet / Coping / Flashing	Roof Edge	240	LF	$72.00	$17,280
N/A	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	2910	SF	$35.00	$101,850
Allowance for systems cost	H.V.A.C	2910	SF	$30.00	$87,300
Allowance for systems cost	Fire Protection	2910	SF	$2.75	$8,003
	ELECTRICAL				
Allowance for systems cost	Service & distribution	2910	SF	$15.00	$43,650
Allowance for systems cost	Lighting & Power	2910	SF	$12.00	$34,920
Allowance for systems cost	Special systems	2910	SF	$18.75	$54,563

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$739,875**
RATE/SF	**$254.25**

PARAMETER COSTING MODEL

PROJECT NAME WinSpirit - 1 - Emergency Services Facility
SHELL TYPE New Building
SHELL COST $254.25

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Emergency Services Facility														
Cell	80	80	1	18	$210.00	$0.00	$1,400	$1.00	$10.00	$0.00	$0.00	$810	$27,210	$340.13
Dispatch	85	85	1	18	$115.00	$0.00	$0	$3.00	$4.90	$0.00	$0.00	$9,414	$33,767	$397.26
Garage / Storage	1150	1150	1	68	$234.00	$0.00	$0	$1.00	$0.00	$0.00	$0.00	$12,888	$322,340	$280.30
Hose Tower	120	120	1	22	$115.00	$0.00	$2,800	$1.00	$10.00	$0.00	$0.00	$1,090	$38,250	$318.75
Kitch/Dining/Living/Lounge	200	200	1	28	$144.00	$0.00	$0	$3.00	$4.90	$0.00	$0.00	$7,700	$64,163	$320.81
Lobby	100	100	1	20	$144.00	$0.00	$0	$3.00	$4.90	$0.00	$0.00	$7,875	$36,970	$369.70
Locker Rooms	200	100	2	20	$115.00	$0.00	$1,400	$12.00	$10.00	$0.00	$0.00	$10,150	$72,801	$364.00
Offices	150	75	2	17	$115.00	$0.00	$1,400	$3.00	$4.90	$0.00	$0.00	$113	$46,145	$307.64
Processing	100	100	1	20	$115.00	$0.00	$1,400	$3.00	$4.90	$0.00	$0.00	$6,475	$36,390	$363.90
Single Toilets	80	40	2	13	$203.00	$0.00	$1,400	$12.00	$10.00	$0.00	$0.00	$1,560	$31,738	$396.73
Sleeping / Quiet Rooms	230	115	2	21	$115.00	$0.00	$1,400	$3.00	$10.00	$0.00	$0.00	$2,273	$71,371	$310.31
Storage	70	70	1	17	$115.00	$0.00	$1,500	$3.00	$4.90	$0.00	$0.00	$2,553	$24,358	$347.97
Toilets / Showers	275	138	2	23	$203.00	$0.00	$0	$12.00	$10.00	$0.00	$0.00	$4,206	$89,514	$325.50
Vestibule	70	70	1	17	$181.00	$0.00	$5,000	$25.00	$4.90	$0.00	$0.00	$53	$28,020	$400.29
GROSS SF	2910													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$923,037	$317.19
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$923,037	
G.C.O.H & P	9.00%	$83,073	
CONTINGENCY	7.50%	$75,458	
ESCALATION	3.00%	$32,447	
TOTAL PROJECT CONSTRUCTION COST		**$1,114,016**	$382.82

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **WinSpirit - 1 - Travel Plaza**

ESTIMATE DATE: 11/23/2010

Travel Plaza

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Travel Plaza
SHELL TYPE : New Building / Sitework
SHELL COST : $105.12
GROSS AREA: 32300 SF
Date: 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$106,450		$3.30
011 - Standard Foundations	$106,450		$3.30	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$169,575		$5.25
021 - Slab on Grade	$169,575		$5.25	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$646,000		$20.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$646,000		$20.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$572,920		$17.74
041 - Exterior Walls / Canopies	$362,880		$11.23	
042 - Exterior Doors & Windows	$210,040		$6.50	
05 - ROOFING		$422,840		$13.09
06 - INTERIOR CONSTRUCTION		$675,400		$20.91
061 - Partitions	$208,400		$6.45	
062 - Interior Finishes	$284,700		$8.81	
063 - Specialties	$182,300		$5.64	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$960,925		$29.75
081 - Plumbing	$226,100		$7.00	
082 - HVAC	$646,000		$20.00	
083 - Fire Protection	$88,825		$2.75	
084 - Special Systems	$0		$0.00	

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Travel Plaza
SHELL TYPE : New Building / Sitework
SHELL COST : $105.12
GROSS AREA: 32300 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$516,800		$16.00
091 - Service & Distribution	$226,100		$7.00	
092 - Lighting & Power	$161,500		$5.00	
093 - Special Systems	$129,200		$4.00	
10 - GENERAL CONDITIONS & PROFIT		$616,692		$19.09
NET BUILDING CONSTRUCTION COST	$4,687,602			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$2,781,220		$86.11
121 - Site Preparation	$295,000		$9.13	
122 - Site Improvements	$1,621,220		$50.19	
123 - Site Utilities	$865,000		$26.78	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$7,468,822			
13 - CONTINGENCIES		$801,031		$24.80
131 - Design	$560,162		$17.34	
132 - Escalation	$240,869		$7.46	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$8,269,853**			**$256.03**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 1 - Travel Plaza
SHELL TYPE : New Building / Sitework
SHELL COST : $105.12
Date: 11/23/2010

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	720	LF	$90.00	$64,800
Column Footings	Column Footing	49	EA	$850.00	$41,650
5" SOG, Barrier, Fill	Slab on Grade	32300	SF	$5.25	$169,575
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
N/A	Elevated Floor Structure	0	SF	$0.00	$0
Steel Beams / Columns / Joists / Decking	Roof Structure	32300	SF	$20.00	$646,000
N/A	Stairs	0	EA	$0.00	$0
Exterior Materials to Match Adjacent Facilities	Exterior Enclosure	10368	SF	$35.00	$362,880
Aluminum Storefronts	Window Wall	2592	SF	$70.00	$181,440
Pair Aluminum Glass Doors / Pair Hollow Metal Doors	Exterior Doors	8	EA	$3,575.00	$28,600
N/A	Covered Drop-Off	0	SF	$0.00	$0
Membrane Flat Roofing - 80% / Metal Pitched Roofing - 20%	Roofing	32300	SF	$10.00	$323,000
Smaller Canopies	Smaller Canopies	1200	SF	$40.00	$48,000
Parapet / Coping / Flashing	Roof Edge	720	LF	$72.00	$51,840
N/A	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	32300	SF	$7.00	$226,100
Allowance for systems cost	H.V.A.C	32300	SF	$20.00	$646,000
Allowance for systems cost	Fire Protection	32300	SF	$2.75	$88,825
	ELECTRICAL				
Allowance for systems cost	Service & distribution	32300	SF	$7.00	$226,100
Allowance for systems cost	Lighting & Power	32300	SF	$5.00	$161,500
Allowance for systems cost	Special systems	32300	SF	$4.00	$129,200

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$3,395,510**
RATE/SF	**$105.12**

PARAMETER COSTING MODEL

PROJECT NAME **WinSpirit - 1 - Travel Plaza**
SHELL TYPE **New Building / Sitework**
SHELL COST **$105.12**

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Travel Plaza														
Retail	25000	4167	6	129	$115.00	$0.00	$0	$3.50	$4.90	$0.00	$0.00	$145,000	$3,072,114	$122.88
Public Restrooms	1800	900	2	60	$278.00	$0.00	$1,500	$12.00	$10.00	$0.00	$0.00	$31,800	$296,983	$164.99
BOH / MEP	1500	500	3	45	$190.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$1,500	$194,736	$129.82
Circulation	4000	1000	4	63	$115.00	$0.00	$5,000	$3.50	$4.90	$0.00	$0.00	$4,000	$507,077	$126.77
GROSS SF	32300													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$4,070,910	$126.03
SITE PREPARATION		$295,000	
SITE IMPROVEMENTS		$1,621,220	
SITE UTILITIES		$865,000	
NET PROJECT COST		$6,852,130	
G.C.O.H & P	9.00%	$616,692	
CONTINGENCY	7.50%	$560,162	
ESCALATION	3.00%	$240,869	
TOTAL PROJECT CONSTRUCTION COST		**$8,269,853**	$256.03

WinSpirit - 1 - Travel Plaza

Estimate Level - Concept | Date: 11/23/2010

121 **SITE PREPARATION**

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
121.010	Clearing / Grubbing Vegetation & Debris	1,016,000	SQFT	$0.25	$254,000
121.020	Temporary Construction Fencing	4,100	LNFT	$10.00	$41,000
	TOTAL				**$295,000**

WinSpirit - 1 - Travel Plaza

Estimate Level - Concept Date: 11/23/2010

122 SITE IMPROVEMENTS

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
122.030	Paving - Parking Lots	236,000	SQFT	$3.00	$708,000
122.040	Paving - Drives / Streets	189,000	SQFT	$4.00	$756,000
122.050	Curb & Gutter	4,325	LNFT	$16.00	$69,200
122.060	Parking Stalls - Typical	118	EACH	$10.00	$1,180
122.070	Parking Stalls - Truck / RV / Bus	64	EACH	$50.00	$3,200
122.080	Pavement Striping / Markings - Allowance	1	LSUM	$10,000.00	$10,000
122.090	Sidewalks - Allowance	1	LSUM	$20,000.00	$20,000
122.100	Directional Signage	1	LSUM	$5,000.00	$5,000
122.120	Landscaping - Allowance	1	LSUM	$25,000.00	$25,000
122.140	Undeveloped / Seeding	591,000	SQFT	$0.04	$23,640
	TOTAL				**$1,621,220**

WinSpirit - 1 - Travel Plaza

Estimate Level - Concept

Date: 11/23/2010

123 SITE UTILITIES

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
123.010	Site Storm Drainage	1	LSUM	$300,000.00	$300,000
123.030	Site RV Connections	1	LSUM	$90,000.00	$90,000
123.050	Fueling Station	1	LSUM	$350,000.00	$350,000
123.070	Site Lighting	1	LSUM	$125,000.00	$125,000
	TOTAL				**$865,000**

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **WinSpirit - - Sitework**

ESTIMATE DATE: 11/23/2010

SiteWork

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - - Sitework
SHELL TYPE : N/A

GROSS AREA: 1012000 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$0		$0.00
011 - Standard Foundations	$0		$0.00	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$0		$0.00
021 - Slab on Grade	$0		$0.00	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$0		$0.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$0		$0.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$0		$0.00
041 - Exterior Walls / Canopies	$0		$0.00	
042 - Exterior Doors & Windows	$0		$0.00	
05 - ROOFING		$0		$0.00
06 - INTERIOR CONSTRUCTION		$0		$0.00
061 - Partitions	$0		$0.00	
062 - Interior Finishes	$0		$0.00	
063 - Specialties	$0		$0.00	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$0		$0.00
081 - Plumbing	$0		$0.00	
082 - HVAC	$0		$0.00	
083 - Fire Protection	$0		$0.00	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - - Sitework
SHELL TYPE : N/A

GROSS AREA: 1012000 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$0		$0.00
091 - Service & Distribution	$0		$0.00	
092 - Lighting & Power	$0		$0.00	
093 - Special Systems	$0		$0.00	
10 - GENERAL CONDITIONS & PROFIT		$1,067,772		$1.06
NET BUILDING CONSTRUCTION COST	$1,067,772			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$11,864,130		$11.72
121 - Site Preparation	$1,307,000		$1.29	
122 - Site Improvements	$8,257,130		$8.16	
123 - Site Utilities	$2,300,000		$2.27	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$12,931,902			
13 - CONTINGENCIES		$2,012,527		$1.99
131 - Design	$969,893		$0.96	
132 - Escalation	$1,042,635		$1.03	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$14,944,429**			**$14.77**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME **WinSpirit - - Sitework**
SHELL TYPE **N/A**
SHELL COST

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
GROSS SF	1012000													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$0	
SITE PREPARATION		$1,307,000	
SITE IMPROVEMENTS		$8,257,130	
SITE UTILITIES		$2,300,000	
NET PROJECT COST		$11,864,130	
G.C.O.H & P	9.00%	$1,067,772	
CONTINGENCY	7.50%	$969,893	
ESCALATION	7.50%	$1,042,635	
TOTAL PROJECT CONSTRUCTION COST		**$14,944,429**	$14.77

WinSpirit - - Sitework

Estimate Level - Concept

Date: 11/23/2010

121 SITE PREPARATION

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
121.010	Clearing / Grubbing , Earthwork	3,428,000	SQFT	$0.25	$857,000
121.050	Water Detention	1	LSUM	$450,000.00	$450,000
	TOTAL				**$1,307,000**

WinSpirit - - Sitework

Estimate Level - Concept Date: 11/23/2010

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
122	**SITE IMPROVEMENTS**				
122.030	Paving - Parking Lots	725,000	SQFT	$3.00	$2,175,000
122.040	Paving - Drives / Streets	287,000	SQFT	$4.00	$1,148,000
122.050	Curb & Gutter	28,000	LNFT	$16.00	$448,000
122.060	Parking Stalls - Typical	2,330	EACH	$10.00	$23,300
122.070	Parking Stalls - Truck / RV / Bus	27	EACH	$50.00	$1,350
122.080	Pavement Striping / Markings - Allowance	1	LSUM	$25,000.00	$25,000
122.090	Sidewalks - Allowance	1	LSUM	$125,000.00	$125,000
122.100	Directional Signage	1	LSUM	$15,000.00	$15,000
122.120	Landscaping - Allowance	1,000,000	SQFT	$0.75	$750,000
122.140	Undeveloped / Seeding	1,162,000	SQFT	$0.04	$46,480
122.160	Re-work I-35 Ramps - , widen 160, traffic signals, access roads etc	1	LSUM	$3,500,000.00	$3,500,000
	TOTAL				**$8,257,130**

WinSpirit - - Sitework

Estimate Level - Concept Date: 11/23/2010

123 SITE UTILITIES

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
123.010	Site Parking Stormwater	1	LSUM	$750,000.00	$750,000
123.030	Incoming Utilities				
123.050	Sanitary Sewer Connection	1	LSUM	$450,000.00	$450,000
123.060	Water Connection	1	LSUM	$300,000.00	$300,000
123.070	Gas Service	1	LSUM	$200,000.00	$200,000
123.090	Electric Service	1	LSUM	$200,000.00	$200,000
123.110	Site Lighting	1	LSUM	$400,000.00	$400,000
	TOTAL				**$2,300,000**

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **WinSpirit - 2 - Casino Expansion**

ESTIMATE DATE: 11/23/2010

Ph 2 Casino Expansion

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 2 - Casino Expansion
SHELL TYPE : Existing Building Expansion
SHELL COST : $157.18
GROSS AREA: 30000 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$166,050		$5.54
011 - Standard Foundations	$166,050		$5.54	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$157,500		$5.25
021 - Slab on Grade	$157,500		$5.25	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$810,000		$27.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$810,000		$27.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$1,266,572		$42.22
041 - Exterior Walls / Canopies	$1,180,043		$39.33	
042 - Exterior Doors & Windows	$86,529		$2.88	
05 - ROOFING		$442,920		$14.76
06 - INTERIOR CONSTRUCTION		$1,417,449		$47.25
061 - Partitions	$132,699		$4.42	
062 - Interior Finishes	$864,750		$28.83	
063 - Specialties	$420,000		$14.00	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$952,500		$31.75
081 - Plumbing	$30,000		$1.00	
082 - HVAC	$840,000		$28.00	
083 - Fire Protection	$82,500		$2.75	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 2 - Casino Expansion
SHELL TYPE : Existing Building Expansion
SHELL COST : $157.18
GROSS AREA: 30000 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$870,000		$29.00
091 - Service & Distribution	$240,000		$8.00	
092 - Lighting & Power	$285,000		$9.50	
093 - Special Systems	$345,000		$11.50	
10 - GENERAL CONDITIONS & PROFIT		$551,969		$18.40
NET BUILDING CONSTRUCTION COST	$6,634,960			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$50,000		$1.67
121 - Site Preparation	$50,000		$1.67	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$6,684,960			
13 - CONTINGENCIES		$1,148,142		$38.27
131 - Design	$501,372		$16.71	
132 - Escalation	$646,770		$21.56	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$7,833,102**			**$261.10**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 2 - Casino Expansion
SHELL TYPE : Existing Building Expansion
SHELL COST : $157.18

Date: 11/23/2010

S.O.G.	BASEMENT AREA	BSMT DEPTH	EXCAV.		FILL	SUSPENDED SLAB	BAY SIZE
30000	0	0	0.00		0.00	0	900
PERIMETER	**ROOF AREA**	**ROOF EDGE**	**EXT WALL PERIMETER**	**BLDG. HT.**	**WINDOWS**	**SKYLIGHT**	**GROSS AREA**
735	30000	735	735	26.00	5%	0	30000

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	735	LF	$130.00	$95,550
Column Footings	Column Footing	47	EA	$1,500.00	$70,500
5" SOG, Barrier, Fill	Slab on Grade	30000	SF	$5.25	$157,500
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
N/A	Elevated Floor Structure	0	SF	$0.00	$0
Steel Beams / Columns / Joists / Decking / Expsd Wood Trusses	Roof Structure	30000	SF	$27.00	$810,000
N/A	Stairs	0	EA	$0.00	$0
Rustic Woods - 40% / Metal Panel - 30% / Limestone - 30%	Exterior Enclosure	18155	SF	$65.00	$1,180,043
Aluminum Storefronts - Minimal	Window Wall	956	SF	$75.00	$71,663
Pair Aluminum Glass Doors / Pair Hollow Metal Doors	Exterior Doors	4	EA	$3,716.67	$14,867
Exterior Demolition / Tie-In Allowance	Exterior Demolition	1	LS	$50,000.00	$50,000
Membrane Flat Roofing - 80% / Metal Pitched Roofing - 20%	Roofing	30000	SF	$13.00	$390,000
N/A	Smaller Canopies	0	SF	$0.00	$0
Parapet / Coping / Flashing	Roof Edge	735	LF	$72.00	$52,920
N/A	Conveying Systems	0	EA	$0.00	$0
	MECHANICAL				
Allowance for systems cost	Plumbing	30000	SF	$1.00	$30,000
Allowance for systems cost	H.V.A.C	30000	SF	$28.00	$840,000
Allowance for systems cost	Fire Protection	30000	SF	$2.75	$82,500
	ELECTRICAL				
Allowance for systems cost	Service & distribution	30000	SF	$8.00	$240,000
Allowance for systems cost	Lighting & Power	30000	SF	$9.50	$285,000
Allowance for systems cost	Special systems	30000	SF	$11.50	$345,000

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$4,715,542**
RATE/SF	**$157.18**

PARAMETER COSTING MODEL

PROJECT NAME WinSpirit - 2 - Casino Expansion
SHELL TYPE Existing Building Expansion
SHELL COST $157.18

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Casino Expansion														
Gaming Floor	29125	14563	2	241	$220.50	$0.00	$0	$14.60	$14.40	$0.00	$0.00	$400,000	$5,928,911	$203.57
Public Circulation	875	438	2	42	$314.50	$0.00	$0	$8.60	$14.40	$0.00	$0.00	$20,000	$204,080	$233.23
GROSS SF	30000													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$6,132,991	$204.43
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$6,132,991	
G.C.O.H & P	9.00%	$551,969	
CONTINGENCY	7.50%	$501,372	
ESCALATION	9.00%	$646,770	
TOTAL PROJECT CONSTRUCTION COST		**$7,833,102**	$261.10

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CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

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PROJECT NAME: **WinSpirit - 2 - Hotel Expansion**

ESTIMATE DATE: 11/23/2010

Ph 2 Hotel Expansion

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 2 - Hotel Expansion
SHELL TYPE : New / Existing Building Expansion
SHELL COST : $151.73
GROSS AREA: 90000 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$205,200		$2.28
011 - Standard Foundations	$205,200		$2.28	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$172,463		$1.92
021 - Slab on Grade	$172,463		$1.92	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$2,661,450		$29.57
031 - Floor Construction	$1,714,500		$19.05	
032 - Roof Construction	$886,950		$9.86	
033 - Stair Construction	$60,000		$0.67	
04 - EXTERIOR CLOSURE		$3,221,444		$35.79
041 - Exterior Walls	$1,718,640		$19.10	
042 - Exterior Doors & Windows	$1,502,804		$16.70	
05 - ROOFING		$710,490		$7.89
06 - INTERIOR CONSTRUCTION		$3,312,753		$36.81
061 - Partitions	$1,682,758		$18.70	
062 - Interior Finishes	$1,202,845		$13.36	
063 - Specialties	$427,150		$4.75	
07 - CONVEYING SYSTEMS		$200,000		$2.22
08 - MECHANICAL		$4,117,500		$45.75
081 - Plumbing	$1,350,000		$15.00	
082 - HVAC	$2,520,000		$28.00	
083 - Fire Protection	$247,500		$2.75	
084 - Special Systems	$0		$0.00	

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 2 - Hotel Expansion
SHELL TYPE : New / Existing Building Expansion
SHELL COST : $151.73
GROSS AREA: 90000 SF **Date:** 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$2,317,500		$25.75
091 - Service & Distribution	$945,000		$10.50	
092 - Lighting & Power	$652,500		$7.25	
093 - Special Systems	$720,000		$8.00	
10 - GENERAL CONDITIONS & PROFIT		$1,527,192		$16.97
NET BUILDING CONSTRUCTION COST	$18,445,991			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$50,000		$0.56
121 - Site Preparation	$50,000		$0.56	
122 - Site Improvements	$0		$0.00	
123 - Site Utilities	$0		$0.00	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$18,495,991			
13 - CONTINGENCIES		$3,176,687		$35.30
131 - Design	$1,387,199		$15.41	
132 - Escalation	$1,789,487		$19.88	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$21,672,678**			**$240.81**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 2 - Hotel Expansion
SHELL TYPE : New / Existing Building Expansion
SHELL COST : $151.73
Date: 11/23/2010

S.O.G.	BASEMENT AREA	BSMT DEPTH	EXCAV.		FILL	SUSPENDED SLAB	BAY SIZE
32850	0	0	0.00		0.00	57150	900
PERIMETER	**ROOF AREA**	**ROOF EDGE**	**EXT WALL PERIMETER**	**BLDG. HT.**	**WINDOWS**	**SKYLIGHT**	**GROSS AREA**
1,320	32850	1,320	1,320	42.00	38%	0	90000

DESCRIPTION	ITEM	QUANTITY	UNIT	UNIT PRICES	TOTAL
	GENERAL WORK				
N/A	Basement excavation	0	CY	$0.00	$0
N/A	Mass Excavation	0	CY	$0.00	$0
N/A	Mass Fill	0	CY	$0.00	$0
Continuous Wall Footing & Foundation Wall	Foundation Wall & Footing	1320	LF	$110.00	$145,200
Column Footings	Column Footing	60	EA	$1,000.00	$60,000
5" SOG, Barrier, Fill	Slab on Grade	32850	SF	$5.25	$172,463
N/A	Basement Wall w/ Footing	0	LF	$0.00	$0
Floor Structure, Incl. Columns, Beams, Decking	Elevated Floor Structure	57150	SF	$30.00	$1,714,500
Roof Structure, Incl. Columns, Beams, Decking	Roof Structure	32850	SF	$27.00	$886,950
Concrete Filled Metal Pan Stairs, Incl. Landings / Railings	Stairs	2	EA	$30,000.00	$60,000
Exterior Closure to be Consistant with Casino	Exterior Enclosure	34373	SF	$50.00	$1,718,640
Aluminum Windows	Window Wall	21067	SF	$70.00	$1,474,704
Aluminum Glass Doors / Hollow Metal Doors	Exterior Doors	8	EA	$3,512.50	$28,100
Porte Cochere	Covered Drop-Off	2950	SF	$75.00	$221,250
Membrane Flat Roofing - 20% / Metal Pitched Roofing - 80%	Roofing	32850	SF	$12.00	$394,200
Exterior Demolition / Tie-In Allowance	Exterior Demolition	1	LS	$50,000.00	$50,000
Parapet / Coping / Flashing	Roof Edge	1320	LF	$72.00	$95,040
3 Stop Hydraulic Elevator	Conveying Systems	2	EA	$100,000.00	$200,000
	MECHANICAL				
Allowance for systems cost	Plumbing	90000	SF	$15.00	$1,350,000
Allowance for systems cost	H.V.A.C	90000	SF	$28.00	$2,520,000
Allowance for systems cost	Fire Protection	90000	SF	$2.75	$247,500
	ELECTRICAL				
Allowance for systems cost	Service & distribution	90000	SF	$10.50	$945,000
Allowance for systems cost	Lighting & Power	90000	SF	$7.25	$652,500
Allowance for systems cost	Special systems	90000	SF	$8.00	$720,000

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

TOTAL SHELL COST	**$13,656,047**
RATE/SF	**$151.73**

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 2 - Hotel Expansion
SHELL TYPE New / Existing Building Expansion
SHELL COST $151.73

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
<u>Hotel Program</u>														
Generic Guest Rooms	35840	320	112	36	$103.00	$0.00	$4,200	$5.80	$10.00	$0.00	$0.00	$220,640	$7,110,749	$198.40
Premium Guest Rooms	17360	620	28	50	$103.00	$0.00	$7,000	$5.80	$10.00	$0.00	$0.00	$104,160	$3,352,748	$193.13
Corridors	6000	2000	3	89	$94.00	$0.00	$2,600	$8.40	$4.90	$0.00	$0.00	$7,500	$1,030,601	$171.77
Public Areas	7500	2500	3	100	$245.10	$0.00	$2,600	$8.40	$4.90	$0.00	$0.00	$10,500	$1,329,584	$177.28
Elevators	80	40	2	13	$216.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$80	$17,835	$222.93
Gift Shop	250	250	1	32	$473.70	$0.00	$5,000	$8.40	$4.90	$0.00	$0.00	$10,250	$71,667	$286.67
Hotel Bars					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Hotel Restaurants					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Hotel Meeting Rooms	5000	2500	2	100	$147.40	$0.00	$2,600	$4.25	$4.90	$0.00	$0.00	$17,000	$856,099	$171.22
Retail					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Check-In / Front Desk	200	200	1	28	$241.50	$0.00	$1,400	$8.40	$4.90	$0.00	$0.00	$13,200	$54,369	$271.84
Guest Amenities / Rec	3000	1000	3	63	$136.00	$0.00	$2,600	$4.25	$4.90	$0.00	$0.00	$9,300	$525,456	$175.15
Valet Storage	45	45	1	13	$226.00	$0.00	$1,500	$3.50	$10.00	$0.00	$0.00	$1,745	$13,619	$302.63
Food & Beverage Areas	350	350	1	37	$241.50	$0.00	$1,500	$8.40	$4.90	$0.00	$0.00	$5,350	$73,547	$210.14
Function Support	4000	1000	4	63	$136.00	$0.00	$2,800	$4.25	$4.90	$0.00	$0.00	$7,800	$696,807	$174.20
Executive Offices	200	100	2	20	$136.00	$0.00	$1,400	$4.25	$4.90	$0.00	$0.00	$200	$40,617	$203.08
General Offices	500	100	5	20	$136.00	$0.00	$1,400	$4.25	$4.90	$0.00	$0.00	$500	$101,542	$203.08
Accounting Offices					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Food Service Areas					$0.00	$0.00	$0	$0.00	$0.00	$0.00	$0.00	$0		
Housekeeping / Laundry	1800	600	3	49	$136.00	$0.00	$2,800	$3.50	$4.90	$0.00	$0.00	$8,100	$324,733	$180.41

PARAMETER COSTING MODEL

PROJECT NAME WinSpirit - 2 - Hotel Expansion
SHELL TYPE New / Existing Building Expansion
SHELL COST $151.73

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
Hotel Program (Cont.)														
Engineering	150	150	1	24	$216.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$1,100	$31,994	$213.29
Employee Facilities	150	150	1	24	$126.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$650	$29,384	$195.89
Mechanical / Electrical	450	150	3	24	$216.00	$0.00	$2,800	$1.00	$0.00	$0.00	$0.00	$450	$93,132	$206.96
Receiving / Purchasing														
Circulation	2625	875	3	59	$126.00	$0.00	$2,600	$8.40	$4.90	$0.00	$0.00	$4,125	$467,441	$178.07
Core														
Stairs	1500	750	2	55	$216.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$1,500	$257,361	$171.57
Shell Space	3000	1000	3	63	$126.00	$0.00	$1,500	$1.00	$0.00	$0.00	$0.00	$3,000	$489,516	$163.17
GROSS SF	90000													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$16,968,799	$188.54
SITE PREPARATION		$0	
SITE IMPROVEMENTS		$0	
SITE UTILITIES		$0	
NET PROJECT COST		$16,968,799	
G.C.O.H & P	9.00%	$1,527,192	
CONTINGENCY	7.50%	$1,387,199	
ESCALATION	9.00%	$1,789,487	
TOTAL PROJECT CONSTRUCTION COST		**$21,672,678**	$240.81

C|C|S

CONSTRUCTION COST SYSTEMS, INC.

Objectively Managing Building Costs

PROJECT NAME: **WinSpirit - 2 - Race Track**

ESTIMATE DATE: 11/23/2010

Ph 2 Race Track

1815 S.Meyers Rd
Suite 200
Oakbrook Terrace

800.443.8607
630.678.0808
630.678.0858 Fax

WWW.CCSOS.COM

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 2 - Race Track
SHELL TYPE : N/A

GROSS AREA: 2168000 SF **Date: 11/23/2010**

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
01 - FOUNDATIONS		$0		$0.00
011 - Standard Foundations	$0		$0.00	
012 - Special Foundations	$0		$0.00	
02 - SUBSTRUCTURE		$0		$0.00
021 - Slab on Grade	$0		$0.00	
022 - Basement Excavation	$0		$0.00	
023 - Basement Walls	$0		$0.00	
03 - SUPERSTRUCTURE		$0		$0.00
031 - Floor Construction	$0		$0.00	
032 - Roof Construction	$0		$0.00	
033 - Stair Construction	$0		$0.00	
04 - EXTERIOR CLOSURE		$0		$0.00
041 - Exterior Walls / Canopies	$0		$0.00	
042 - Exterior Doors & Windows	$0		$0.00	
05 - ROOFING		$0		$0.00
06 - INTERIOR CONSTRUCTION		$0		$0.00
061 - Partitions	$0		$0.00	
062 - Interior Finishes	$0		$0.00	
063 - Specialties	$0		$0.00	
07 - CONVEYING SYSTEMS		$0		$0.00
08 - MECHANICAL		$0		$0.00
081 - Plumbing	$0		$0.00	
082 - HVAC	$0		$0.00	
083 - Fire Protection	$0		$0.00	
084 - Special Systems	$0		$0.00	

PARAMETER COSTING MODEL

PROJECT NAME: WinSpirit - 2 - Race Track
SHELL TYPE : N/A

GROSS AREA: 2168000 SF

Date: 11/23/2010

COST SUMMARY

DESCRIPTION	TOTAL COST		RATE/SF	
09 - ELECTRICAL		$0		$0.00
091 - Service & Distribution	$0		$0.00	
092 - Lighting & Power	$0		$0.00	
093 - Special Systems	$0		$0.00	
10 - GENERAL CONDITIONS & PROFIT		$586,787		$0.27
NET BUILDING CONSTRUCTION COST	$586,787			
11 - EQUIPMENT		$0		$0.00
111 - Fixed & Movable Equipment	$0		$0.00	
112 - Furnishings	$0		$0.00	
113 - Special Construction	$0		$0.00	
12 - SITEWORK		$6,519,850		$3.01
121 - Site Preparation	$991,580		$0.46	
122 - Site Improvements	$4,928,270		$2.27	
123 - Site Utilities	$600,000		$0.28	
124 - Off-site Work	$0		$0.00	
NET PROJECT CONSTRUCTION COST	$7,106,637			
13 - CONTINGENCIES		$1,220,565		$0.56
131 - Design	$532,998		$0.25	
132 - Escalation	$687,567		$0.32	
133 - Construction	$0		$0.00	
TOTAL PROJECT CONSTRUCTION COST	**$8,327,201**			**$3.84**

CONSTRUCTION COST SYSTEMS, INC. / 1815 S.Meyers Rd. / Suite 200 / Oakbrook Terrace, IL 60181 / (630) 678-0808

PARAMETER COSTING MODEL

PROJECT NAME WinSpirit - 2 - Race Track
SHELL TYPE N/A
SHELL COST

Date: 11/23/2010

SPACE	TOTAL S.F.	AVE S.F.	NO. OF SPACES	PTN. LENGTH	PTN $/LF	DEMO $/SF	DOOR $/SPACE	FLOOR $/SF	CLG $/SF	MECH $/SF	ELECT $/SF	EQUIP SPECIAL	TOTAL COST	COST S.F.
	2168000													
GROSS SF	2168000													

CONSTRUCTION COST SYSTEMS, INC

FILE NAME:

SUB TOTAL BUILDING COST		$0	
SITE PREPARATION		$991,580	
SITE IMPROVEMENTS		$4,928,270	
SITE UTILITIES		$600,000	
NET PROJECT COST		$6,519,850	
G.C.O.H & P	9.00%	$586,787	
CONTINGENCY	7.50%	$532,998	
ESCALATION	9.00%	$687,567	
TOTAL PROJECT CONSTRUCTION COST		**$8,327,201**	$3.84

WinSpirit - 2 - Race Track

Estimate Level - Concept Date: 11/23/2010

121 SITE PREPARATION

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
121.010	Site Clearing and Earthwork	12,568,000	SQFT	$0.02	$251,360
121.040	Site Grading - Overall Site = 12,973,000 SF	12,568,000	SQFT	$0.04	$502,720
121.050	Detention Pond	475,000	SQFT	$0.50	$237,500
	TOTAL				**$991,580**

WinSpirit - 2 - Race Track

Estimate Level - Concept | Date: 11/23/2010

122 SITE IMPROVEMENTS

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
122.010					
122.020	Concession and Bathroom facilities	1	LS	$250,000.00	$250,000
122.030					
122.040	Parking Lots - Gravel	670,000	SQFT	$0.50	$335,000
122.050	Grass Parking	1,498,000	SQFT	$0.05	$74,900
122.060	Curb & Gutter	3,750	LNFT	$16.00	$60,000
122.070					
122.080	Directional signage	1	LSUM	$15,000.00	$15,000
122.090					
122.100	Paving - Rack Track	384,330	SQFT	$4.00	$1,537,320
122.110	Paving - Staging Areas	460,000	SQFT	$3.75	$1,725,000
122.120	Track Embankment / Sand	647,000	SQFT	$0.75	$485,250
122.130					
122.140	Landscaping - Allowance	7,540,000	SQFT	$0.02	$150,800
122.150					
122.160	Grandstands - 1000 Seats - Allowance	1,000	EACH	$125.00	$125,000
122.170	Fencing - 2000 LNFT - Allowance	2,000	LNFT	$35.00	$70,000
122.180	Pedestrian control measures	1	LS	$100,000.00	$100,000
	TOTAL				**$4,928,270**

WinSpirit - 2 - Race Track

Estimate Level - Concept Date: 11/23/2010

123 SITE UTILITIES

LINE	DESCRIPTION	QUANTITY	UM	UNIT COST	ESTIMATED COST
123.010	Site Utilities - Allowance	1	LSUM	$350,000.00	$350,000
123.030	Site Lighting	1	LSUM	$250,000.00	$250,000

TOTAL **$600,000**

KANSAS RACING AND GAMING COMMISSION

LOTTERY GAMING FACILITY REVIEW BOARD

ECONOMIC IMPACTS OF PROPOSED GAMING FACILITIES

SOUTH CENTRAL GAMING ZONE - SUMNER COUNTY

NOVEMBER 2010

CIVIC ECONOMICS

CREATIVITY · OPPORTUNITY · PROSPERITY

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 proposals for a lottery gaming facility in the South Central Gaming Zone. Fiscal impacts, covering benefits and costs to governmental bodies, are being prepared separately by E-Kay Consulting of Reno.

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 each proposal through 2016, including planning and design and actual construction of all facilities required by the applicant's contract with the Kansas Lottery Commission. Global's economic impacts for the construction phase only include estimates through 2016 since that that was all they provided in their template. Expenditures were assumed to occur entirely within 2011 for both proposals. 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 were prepared for three distinct cases:
  - 2014, which includes the facilities proposed and contractually obligated for development by that date. This is the first year for which we have complete data sets and a full year of operations for each proposal. Values are presented in 2014 dollars, assuming inflation of 3% per year.
  - 2016, which includes the facilities proposed and contractually obligated for development by that date. Values are presented in 2016 dollars, assuming inflation of 3% per year.
  - 2016 Full Build Out, which includes all contractually obligated facilities proposed by the applicant. Values are presented in 2014 dollars, assuming inflation of 3% per year.

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 2011. Inputs were derived from the Performance Templates submitted to the KRGC by the applicants. Because the Performance Matrix only asked for data through 2016, we do not have cost estimates for the full build out of the Global proposal.

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

Chart 2: Construction Impact Summary Chart

(Does not include later phases of Global build-out)

CONSTRUCTION IMPACTS SUMMARY (in 2011 dollars)
2010 GAMING FACILITY PROPOSALS

	Direct	Indirect	Induced	*Total*
ECONOMIC OUTPUT	Total revenues associated with construction ($ Millions)			
Global	$ 98,357,136	$ 30,358,072	$ 30,072,130	$ 158,787,335
Peninsula	$ 151,399,150	$ 47,604,142	$ 47,203,882	$ 246,207,174
EMPLOYMENT	Total workers, including full-time and part-time			
Global	629	193	259	**1,081**
Peninsula	925	309	406	**1,640**
WAGES	Total wages paid to workers identified above ($ Millions)			
Global	$ 31,154,130	$ 10,780,017	$ 9,366,129	$ 51,300,273
Peninsula	$ 48,816,398	$ 17,000,000	$ 14,701,689	$ 80,518,085

Source: Applicant Submissions, IMPLAN, Civic Economics

*Chart 3: **GLOBAL** Construction Economic Output*

GLOBAL, SUMNER COUNTY CONSTRUCTION IMPACTS IN THE STATE OF KANSAS, 2011					
		ECONOMIC OUTPUT (In 2011 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	28,972	120,956	149,928
20	21 Mining (AGG)	0	144,206	34,664	178,870
31	22 Utilities (AGG)	2,208,799	552,378	591,283	3,352,459
34	23 Construction (AGG)	93,283,566	261,998	215,818	93,761,382
41	31-33 Manufacturing (AGG)	0	5,546,600	1,163,179	6,709,779
319	42 Wholesale Trade (AGG)	0	3,040,490	1,377,419	4,417,909
320	44-45 Retail trade (AGG)	0	756,872	3,669,845	4,426,717
332	48-49 Transportation & Warehousing (AGG)	0	1,206,226	539,372	1,745,598
341	51 Information (AGG)	0	2,267,053	1,499,224	3,766,277
354	52 Finance & insurance (AGG)	0	2,124,516	3,567,531	5,692,047
360	53 Real estate & rental (AGG)	0	1,558,813	5,345,985	6,904,798
367	54 Professional- scientific & tech svcs (AGG)	0	8,031,077	1,005,274	9,036,351
381	55 Management of companies (AGG)	0	362,348	155,271	517,618
382	56 Administrative & waste services (AGG)	0	1,291,052	673,839	1,964,891
391	61 Educational svcs (AGG)	0	7,873	377,835	385,708
394	62 Health & social services (AGG)	0	277	4,840,230	4,840,507
402	71 Arts- entertainment & recreation (AGG)	0	62,029	324,478	386,507
411	72 Accomodation & food services (AGG)	0	512,638	1,605,590	2,118,228
414	81 Other services (AGG)	0	1,306,751	1,303,334	2,610,085
427	92 Government & non NAICs (AGG)	0	411,687	785,116	1,196,802
	Total	**$ 95,492,365**	**$ 29,473,856**	**$ 29,196,243**	**$ 154,162,461**

Source: Applicant Submissions, IMPLAN, Civic Economics

*Chart 4: **GLOBAL** Construction Employment*

GLOBAL, SUMNER COUNTY CONSTRUCTION IMPACTS IN THE STATE OF KANSAS, 2011					
			TOTAL EMPLOYMENT		
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.1	0.7	0.8
20	21 Mining (AGG)	0.0	0.4	0.1	0.5
31	22 Utilities (AGG)	17.0	0.8	0.9	18.8
34	23 Construction (AGG)	611.8	2.4	2.2	616.4
41	31-33 Manufacturing (AGG)	0.0	20.1	2.5	22.5
319	42 Wholesale Trade (AGG)	0.0	16.8	7.6	24.3
320	44-45 Retail trade (AGG)	0.0	12.6	60.3	72.9
332	48-49 Transportation & Warehousing (AGG)	0.0	9.2	4.6	13.8
341	51 Information (AGG)	0.0	4.7	3.6	8.4
354	52 Finance & insurance (AGG)	0.0	11.2	17.6	28.9
360	53 Real estate & rental (AGG)	0.0	8.7	11.9	20.6
367	54 Professional- scientific & tech svcs (AGG)	0.0	56.4	8.4	64.7
381	55 Management of companies (AGG)	0.0	1.5	0.7	2.2
382	56 Administrative & waste services (AGG)	0.0	21.1	10.5	31.6
391	61 Educational svcs (AGG)	0.0	0.1	6.7	6.9
394	62 Health & social services (AGG)	0.0	0.0	56.4	56.4
402	71 Arts- entertainment & recreation (AGG)	0.0	1.7	5.6	7.3
411	72 Accomodation & food services (AGG)	0.0	9.3	29.3	38.7
414	81 Other services (AGG)	0.0	13.6	25.6	39.2
427	92 Government & non NAICs (AGG)	0.0	2.0	3.6	5.6
	Total	**628.8**	**192.7**	**258.8**	**1080.5**

Source: Applicant Submissions, IMPLAN, Civic Economics

*Chart 5: **GLOBAL** Construction Labor Income*

GLOBAL, SUMNER COUNTY CONSTRUCTION IMPACTS IN THE STATE OF KANSAS, 2011					
		TOTAL LABOR INCOME (2011 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	3,424	9,628	13,052
20	21 Mining (AGG)	0	37,125	7,602	44,727
31	22 Utilities (AGG)	952,585	104,508	115,787	1,172,880
34	23 Construction (AGG)	29,294,143	133,387	96,971	29,524,500
41	31-33 Manufacturing (AGG)	0	1,075,791	157,576	1,233,367
319	42 Wholesale Trade (AGG)	0	1,178,613	533,941	1,712,554
320	44-45 Retail trade (AGG)	0	321,226	1,532,250	1,853,475
332	48-49 Transportation & Warehousing (AGG)	0	458,543	214,565	673,108
341	51 Information (AGG)	0	433,170	301,189	734,359
354	52 Finance & insurance (AGG)	0	619,152	1,004,672	1,623,825
360	53 Real estate & rental (AGG)	0	292,849	255,402	548,250
367	54 Professional- scientific & tech svcs (AGG)	0	4,181,358	445,394	4,626,751
381	55 Management of companies (AGG)	0	152,906	65,522	218,428
382	56 Administrative & waste services (AGG)	0	652,780	325,875	978,655
391	61 Educational svcs (AGG)	0	3,207	163,265	166,472
394	62 Health & social services (AGG)	0	101	2,505,870	2,505,971
402	71 Arts- entertainment & recreation (AGG)	0	18,813	78,828	97,641
411	72 Accomodation & food services (AGG)	0	159,528	499,530	659,058
414	81 Other services (AGG)	0	502,104	545,767	1,047,871
427	92 Government & non NAICs (AGG)	0	137,451	233,695	371,146
	Total	**$ 30,246,728**	**$ 10,466,036**	**$ 9,093,329**	**$ 49,806,090**

Source: Applicant Submissions, IMPLAN, Civic Economics

*Chart 6: **PENINSULA** Construction Economic Output*

PENINSULA, SUMNER COUNTY CONSTRUCTION IMPACTS IN THE STATE OF KANSAS					
		ECONOMIC OUTPUT (In 2011 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	44,286	189,848	234,134
20	21 Mining (AGG)	0	311,978	54,406	366,384
31	22 Utilities (AGG)	5,715,666	836,728	927,977	7,480,371
34	23 Construction (AGG)	136,333,724	526,218	338,790	137,198,732
41	31-33 Manufacturing (AGG)	0	8,146,254	1,825,630	9,971,885
319	42 Wholesale Trade (AGG)	0	4,265,080	2,161,766	6,426,845
320	44-45 Retail trade (AGG)	0	1,504,786	5,761,067	7,265,853
332	48-49 Transportation & Warehousing (AGG)	0	1,893,671	846,679	2,740,349
341	51 Information (AGG)	0	3,425,365	2,353,119	5,778,484
354	52 Finance & insurance (AGG)	0	3,255,849	5,600,181	8,856,030
360	53 Real estate & rental (AGG)	0	2,575,344	8,392,052	10,967,396
367	54 Professional- scientific & tech svcs (AGG)	4,940,076	12,751,309	1,577,937	19,269,322
381	55 Management of companies (AGG)	0	563,519	243,715	807,234
382	56 Administrative & waste services (AGG)	0	2,257,336	1,057,709	3,315,045
391	61 Educational svcs (AGG)	0	12,687	593,175	605,862
394	62 Health & social services (AGG)	0	425	7,597,149	7,597,574
402	71 Arts- entertainment & recreation (AGG)	0	94,807	509,370	604,177
411	72 Accomodation & food services (AGG)	0	829,288	2,520,229	3,349,518
414	81 Other services (AGG)	0	2,259,507	2,045,926	4,305,433
427	92 Government & non NAICs (AGG)	0	663,177	1,232,287	1,895,463
	Total	**$ 146,989,466**	**$ 46,217,614**	**$ 45,829,012**	**$ 239,036,091**

Source: Applicant Submissions, IMPLAN, Civic Economics

*Chart 7: **PENINSULA** Construction Employment*

PENINSULA, SUMNER COUNTY CONSTRUCTION IMPACTS IN THE STATE OF KANSAS					
		TOTAL EMPLOYMENT			
Code	Sector	Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.1	1.1	1.2
20	21 Mining (AGG)	0.0	1.0	0.1	1.2
31	22 Utilities (AGG)	42.2	1.3	1.5	44.9
34	23 Construction (AGG)	850.8	4.8	3.5	859.1
41	31-33 Manufacturing (AGG)	0.0	28.2	3.9	32.0
319	42 Wholesale Trade (AGG)	0.0	23.5	11.9	35.4
320	44-45 Retail trade (AGG)	0.0	25.1	94.6	119.7
332	48-49 Transportation & Warehousing (AGG)	0.0	14.4	7.3	21.7
341	51 Information (AGG)	0.0	7.2	5.7	12.9
354	52 Finance & insurance (AGG)	0.0	17.1	27.7	44.8
360	53 Real estate & rental (AGG)	0.0	13.9	18.6	32.6
367	54 Professional- scientific & tech svcs (AGG)	31.6	89.5	13.2	134.2
381	55 Management of companies (AGG)	0.0	2.4	1.0	3.4
382	56 Administrative & waste services (AGG)	0.0	37.1	16.5	53.6
391	61 Educational svcs (AGG)	0.0	0.2	10.6	10.8
394	62 Health & social services (AGG)	0.0	0.0	88.5	88.5
402	71 Arts- entertainment & recreation (AGG)	0.0	2.5	8.8	11.4
411	72 Accomodation & food services (AGG)	0.0	15.1	46.0	61.1
414	81 Other services (AGG)	0.0	22.4	40.2	62.5
427	92 Government & non NAICs (AGG)	0.0	3.3	5.7	9.0
	Total	**924.6**	**309.1**	**406.4**	**1640.0**

Source: Applicant Submissions, IMPLAN, Civic Economics

*Chart 8: **PENINSULA** Construction Labor Income*

PENINSULA, SUMNER COUNTY
CONSTRUCTION IMPACTS IN THE STATE OF KANSAS

		TOTAL LABOR INCOME (2011 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	5,160	15,112	20,272
20	21 Mining (AGG)	0	86,714	11,932	98,645
31	22 Utilities (AGG)	2,452,513	157,147	181,720	2,791,380
34	23 Construction (AGG)	42,325,078	268,114	152,223	42,745,415
41	31-33 Manufacturing (AGG)	0	1,549,569	247,324	1,796,893
319	42 Wholesale Trade (AGG)	0	1,653,311	837,985	2,491,296
320	44-45 Retail trade (AGG)	0	638,649	2,405,386	3,044,035
332	48-49 Transportation & Warehousing (AGG)	0	722,873	336,814	1,059,687
341	51 Information (AGG)	0	657,507	472,738	1,130,245
354	52 Finance & insurance (AGG)	0	946,805	1,577,071	2,523,876
360	53 Real estate & rental (AGG)	0	486,931	400,830	887,761
367	54 Professional- scientific & tech svcs (AGG)	2,616,970	6,580,049	699,114	9,896,133
381	55 Management of companies (AGG)	0	237,798	102,845	340,643
382	56 Administrative & waste services (AGG)	0	1,153,249	511,520	1,664,769
391	61 Educational svcs (AGG)	0	5,155	256,321	261,476
394	62 Health & social services (AGG)	0	154	3,933,168	3,933,322
402	71 Arts- entertainment & recreation (AGG)	0	28,675	123,744	152,418
411	72 Accomodation & food services (AGG)	0	258,061	784,092	1,042,153
414	81 Other services (AGG)	0	842,931	856,736	1,699,667
427	92 Government & non NAICs (AGG)	0	226,002	366,809	592,812
	Total	**$ 47,394,561**	**$ 16,504,854**	**$ 14,273,484**	**$ 78,172,898**

Source: Applicant Submissions, IMPLAN, Civic Economics

OPERATING IMPACTS

This section of this report analyzes the economic impacts to be generated by the proposals in 2014, which represents a stabilized year of operations for both proposals. As with construction, economic impacts were calculated for the entire state of Kansas using the IMPLAN model.

Civic Economics calculated economic impacts for each casino in three separate scenarios:

- 2014, which includes the facilities proposed and contractually obligated for development by that date. This is the first year for which we have complete data sets and a full year of operations for each proposal.
- 2016, which includes the facilities proposed and contractually obligated for development by that date.
- 2016 Full Build Out, which includes all contractually obligated facilities proposed by the applicant.

Gaming Revenue Adjustment**:** As requested by the Board, applicants provided a detailed spreadsheet looking forward into several years of operations. In all cases, these sheets proceeded from an estimate of the 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. Their estimates were based on each firm's view of the most likely competitive environment going forward, but neither included a Class II gaming facility at Park City.

In each case, we have applied a gaming revenue estimate that is the average of the Wells and Cummings estimates. For Global, that average is just over 10 percent less than the applicant's. For Peninsula, that average is just over 10 percent greater than the applicant's.

Non-Gaming Revenue Adjustment: The ratio of the average of the Wells and Cummings revenue forecasts were then applied to projected non-gaming revenues. This method assumes that projected non-gaming revenue will change in proportion to the change in projected gaming revenue.

Chart 9: Non-Gaming Revenue Forecast Adjustments, 2014

ADJUSTED REVENUE FORECASTS, 2014 (in 2014 dollars)					
Based on contractually obligated development scheduled for completion by 2014					
GLOBAL GAMING, WELLINGTON			**PENINSULA GAMING, MULVANE**		
PROJECT SCOPE			**PROJECT SCOPE**		
Number of Slot Machines	1550		Number of Slot Machines	1500	
Number of Gaming Tables	60		Number of Gaming Tables	52	
Number of Hotel Rooms	80		Number of Hotel Rooms	150	
Number of Restaurants	3		Number of Restaurants	3	
GAMING REVENUE PROJECTIONS			**GAMING REVENUE PROJECTIONS**		
Estimated gaming revenue: Applicant	$	140,438,700	Estimated gaming revenue: Applicant	$	165,812,555
Estimated gaming revenue: Wells	$	108,685,160	Estimated gaming revenue: Wells	$	178,683,731
Estimated gaming revenue: Cummings	$	141,200,000	Estimated gaming revenue: Cummings	$	192,100,000
Average of Wells & Cummings	**$**	**124,938,360**	**Average of Wells & Cummings**	**$**	**185,391,866**
Ratio of Wells/Cummings to Applicant		**0.89**	**Ratio of Wells/Cummings to Applicant**		**1.12**
ADJUSTED NON-GAMING REVENUE PROJECTIONS			**ADJUSTED NON-GAMING REVENUE PROJECTIONS**		
Hotel Revenue	$	1,953,483	Hotel Revenue	$	4,201,793
Food & Beverage Revenue	$	8,661,821	Food & Beverage Revenue	$	13,254,002.59
Retail Revenue	$	73,394	Retail Revenue	$	1,235,116.12
Entertainment	$	1,565,747	Entertainment		N/A
Other Revenue (Travel Plaza)	$	6,227,404	Other Revenue (Fees and Leases)	$	926,959.33

SOURCE: Applicant Submissions, Wells Scenario 3, Cummings GB4, PB4, Civic Economics

Chart 10, Non-Gaming Revenue Forecast Adjustments, 2016 As Proposed

ADJUSTED REVENUE FORECASTS, 2016 (in 2016 dollars)

Based on contractually obligated develoment scheduled for completion by 2016

GLOBAL GAMING, WELLINGTON			PENINSULA GAMING, MULVANE		
PROJECT SCOPE			**PROJECT SCOPE**		
Number of Slot Machines	1800		Number of Slot Machines	2000	
Number of Gaming Tables	60		Number of Gaming Tables	60	
Number of Hotel Rooms	80		Number of Hotel Rooms	300	
Number of Restaurants	3		Number of Restaurants	4	
GAMING REVENUE PROJECTIONS			**GAMING REVENUE PROJECTIONS**		
Estimated gaming revenue: Applicant	$	155,694,600	Estimated gaming revenue: Applicant	$	202,342,739
Estimated gaming revenue: Wells	$	120,499,558	Estimated gaming revenue: Wells	$	209,183,759
Estimated gaming revenue: Cummings	$	155,800,000	Estimated gaming revenue: Cummings	$	213,400,000
Average of Wells & Cummings	**$**	**138,149,779**	**Average of Wells & Cummings**	**$**	**211,291,880**
Ratio of Wells/Cummings to Applicant		**0.89**	**Ratio of Wells/Cummings to Applicant**		**1.04**
ADJUSTED NON-GAMING REVENUE PROJECTIONS			**ADJUSTED NON-GAMING REVENUE PROJECTIONS**		
Hotel Revenue	$	2,230,486	Hotel Revenue	$	8,199,540
Food & Beverage Revenue	$	9,524,790	Food & Beverage Revenue	$	15,105,642
Retail Revenue	$	80,524	Retail Revenue	$	1,223,782
Entertainment	$	1,889,621	Entertainment	$	7,259,386
Other Revenue (Travel Plaza)	$	7,985,813	Other Revenue (Fees and Leases)	$	1,056,459

SOURCE: Applicant Submissions, Wells Scenario 4, Cummings GB5, PB5, Civic Economics

Chart 11, Non-Gaming Revenue Forecast Adjustments, 2016 Assuming Full Build Out

ADJUSTED REVENUE FORECASTS, 2016 (in 2016 dollars)

Based on applicant's proposed full build-out

GLOBAL GAMING, WELLINGTON			PENINSULA GAMING, MULVANE		
			Values carried from above		
PROJECT SCOPE			**PROJECT SCOPE**		
Number of Slot Machines	2000		Number of Slot Machines	2000	
Number of Gaming Tables	60		Number of Gaming Tables	60	
Number of Hotel Rooms	200		Number of Hotel Rooms	300	
Number of Restaurants	5		Number of Restaurants	4	
GAMING REVENUE PROJECTIONS			**GAMING REVENUE PROJECTIONS**		
Estimated gaming revenue: Applicant	$	172,994,000	Estimated gaming revenue: Applicant	$	202,342,739
Adjusted up based on 200 additional slots					
Estimated gaming revenue: Wells	$	135,385,558	Estimated gaming revenue: Wells	$	209,183,759
Estimated gaming revenue: Cummings	$	160,528,732	Estimated gaming revenue: Cummings	$	213,400,000
Average of Wells & Cummings	**$**	**147,957,145**	**Average of Wells & Cummings**	**$**	**211,291,880**
Ratio of Wells/Cummings to Applicant		**0.86**	**Ratio of Wells/Cummings to Applicant**		**1.04**
***ADJUSTED NON-GAMING REVENUE PROJECTIONS**			**ADJUSTED NON-GAMING REVENUE PROJECTIONS**		
Hotel Revenue	$	2,478,318	Hotel Revenue	$	8,198,930
Food & Beverage Revenue	$	10,583,100	Food & Beverage Revenue	$	15,104,517
Retail Revenue	$	89,471	Retail Revenue	$	1,223,691
Entertainment	$	2,099,579	Entertainment	$	7,258,845
Other Revenue (Travel Plaza)	$	8,873,126	Other Revenue (Fees and Leases)	$	1,056,381

SOURCE: Applicant Submissions, Wells Scenario 4, Cummings GB6, PB5, Civic Economics

** Non-gaming revenue for Global is projected to increase in proportion to additional slot machines*

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.

What remains is **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.

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.

Chart 12: Net Gaming Revenues, 2014

NET GAMING REVENUES IN KANSAS CASINOS, 2014 (2014$)

Based on contractually obligated development scheduled for completion by 2014

GLOBAL GAMING, WELLINGTON			PENINSULA GAMING, MULVANE		
Wells			**Wells**		
Estimated Gaming Revenue	$	108,685,160	Estimated Gaming Revenue	$	178,683,731
Estimated Gaming Export	$	14,323,076	Estimated Gaming Export	$	9,326,626
Estimated Gaming Import Substitution	$	17,097,867	Estimated Gaming Import Substitution	$	42,417,846
Net or New Revenue	$	31,420,943	Net or New Revenue	$	51,744,472
Net as a % of Gaming Revenue		28.9%	Net as a % of Gaming Revenue		29.0%
Cummings			**Cummings**		
Estimated Gaming Revenue	$	141,191,559	Estimated Gaming Revenue	$	192,100,000
Estimated Gaming Export	$	15,494,486	Estimated Gaming Export	$	8,027,820
Estimated Gaming Import Substitution	$	54,053,569	Estimated Gaming Import Substitution	$	55,134,942
Net or New Revenue	$	69,548,055	Net or New Revenue	$	63,162,763
Net as a % of Gaming Revenue		49.3%	Net as a % of Gaming Revenue		32.9%
Average Net Revenue	**$**	**50,484,499**	**Average Net Revenue**	**$**	**57,453,617**
Net as a % of Gaming Revenue		**40.4%**	**Net as a % of Gaming Revenue**		**31.0%**
New Gaming Spending by Kansans	**$**	**74,453,861**	**New Gaming Spending by Kansans**	**$**	**127,938,248**

SOURCE: Wells Scenario 3, Cummings GB4, PB4 Civic Economics

Chart 13: Net Gaming Revenues, 2016 As Proposed

NET GAMING REVENUES IN KANSAS CASINOS, 2016 (2016$)

Based on contractually obligated develoment scheduled for completion by 2016

GLOBAL GAMING, WELLINGTON			PENINSULA GAMING, MULVANE		
Wells			**Wells**		
Estimated Gaming Revenue	$	120,499,558	Estimated Gaming Revenue	$	209,183,759
Estimated Gaming Export	$	15,991,469	Estimated Gaming Export	$	12,988,893
Estimated Gaming Import Substitution	$	21,754,014	Estimated Gaming Import Substitution	$	59,847,307
Net or New Revenue	$	37,745,483	Net or New Revenue	$	72,836,200
Net as a % of Gaming Revenue		31.3%	Net as a % of Gaming Revenue		34.8%
Cummings			**Cummings**		
Estimated Gaming Revenue	$	155,827,111	Estimated Gaming Revenue	$	213,400,000
Estimated Gaming Export	$	17,404,713	Estimated Gaming Export	$	9,743,271
Estimated Gaming Import Substitution	$	60,830,175	Estimated Gaming Import Substitution	$	64,596,334
Net or New Revenue	$	78,234,888	Net or New Revenue	$	74,339,605
Net as a % of Gaming Revenue		50.2%	Net as a % of Gaming Revenue		34.8%
Average Net Revenue	**$**	**57,990,185**	**Average Net Revenue**	**$**	**73,587,902**
Net as a % of Gaming Revenue		**42.0%**	**Net as a % of Gaming Revenue**		**34.8%**
New Gaming Spending by Kansans	**$**	**80,159,594**	**New Gaming Spending by Kansans**	**$**	**137,703,977**

SOURCE: Wells Scenario 4, Cummings GB5, PB5 Civic Economics

Chart 14: Net Gaming Revenues, 2016 Assuming Full Build Out

NET GAMING REVENUES IN KANSAS CASINOS, 2016 (2016$)						
Based on applicant's proposed full build-out						
GLOBAL GAMING, WELLINGTON				**PENINSULA GAMING, MULVANE**		
				Values carried from above		
Wells				**Wells**		
Estimated Gaming Revenue	$	135,385,558		Estimated Gaming Revenue	$	209,183,759
Estimated Gaming Export	$	18,651,260		Estimated Gaming Export	$	12,988,893
Estimated Gaming Import Substitution	$	33,596,632		Estimated Gaming Import Substitution	$	59,847,307
Net or New Revenue	$	52,247,892		Net or New Revenue	$	72,836,200
Net as a % of Gaming Revenue		38.6%		Net as a % of Gaming Revenue		34.8%
Cummings				**Cummings**		
Estimated Gaming Revenue	$	160,528,732		Estimated Gaming Revenue	$	213,400,000
Estimated Gaming Export	$	18,230,158		Estimated Gaming Export	$	9,743,271
Estimated Gaming Import Substitution	$	63,349,726		Estimated Gaming Import Substitution	$	64,596,334
Net or New Revenue	$	81,579,884		Net or New Revenue	$	74,339,605
Net as a % of Gaming Revenue		50.8%		Net as a % of Gaming Revenue		34.8%
Average Net Revenue	**$**	**66,913,888**		**Average Net Revenue**	**$**	**73,587,902**
Net as a % of Gaming Revenue		**45.2%**		**Net as a % of Gaming Revenue**		**34.8%**
New Gaming Spending by Kansans	**$**	**81,043,257**		**New Gaming Spending by Kansans**	**$**	**137,703,977**

SOURCE: Wells Scenario 5, Cummings GB6, PB5 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 model estimated both total employment substantially higher than what was indicated by the applicants.

In order to correct for the inherently low productivity numbers in the model, Civic Economics instead applied the average of both applicants in worker productivity and wages, as shown below. As in 2008 and 2009, we did not directly apply the wage and employment projections of any applicant. That does not mean that one applicant or another does not truly intend to pay higher wages, or employ more people in the enterprise. However, after seeing three years of proposals, we believe the wide disparity among operators may reflect more the highly speculative nature of completing detailed matrices far in advance of operations.

Chart 15: Wage and Employment Inputs

LABOR COSTS ADJUSTMENTS Based upon applicants' projections of revenue, employment, and wages in 2014			
	Global	**Peninsula**	**Average**
Projected Revenue per Employee (FTE)	$ 214,167	$ 332,957	$ 273,562
Applicant Submitted Wages per Employee (FTE)	$ 32,367	$ 40,229	$ 36,298

Source: Applicant Submissions, Civic Economics

Chart 16: Applicant Submission and Model Input

APPLICANT SUBMISSION AND MODEL INPUT CORRESPONDENCE
Operations Impact Analysys

Performance Template Category	IMPLAN Category	Notes
Estimated Gaming Revenue	Other amusement, gambling, and recreation industries	Modified first for total revenue identified by Wells and Cummings. Also adjusted to account for only Net Revenues
Hotel Revenue	Hotels and motels, including casino hotels	Modified from applicant submissions by a ratio equivalent to the average of Wells and Cummings gaming revenue to applicant gaming revenue
Food and Beverage Revenue	Food services and drinking places	
Retail Revenue	Miscellaneous store retailers	
Other Revenue	Miscellaneous store retailer (or specified activities)	

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 17: **GLOBAL** Operating Impacts Summary Chart*

OPERATING IMPACTS SUMMARY
GLOBAL, SUMNER COUNTY

	Direct	Indirect	Induced	*Total*	Relative Impacts
ECONOMIC OUTPUT	Total revenues associated with construction ($ Millions, Current Year Dollars)				
2014	$ 65,673,130	$ 35,845,449	$ 17,231,310	**$ 118,749,883**	
2016	$ 75,193,141	$ 41,101,361	$ 19,942,728	**$ 136,237,230**	
2016 FBO	$ 86,184,054	$ 47,236,532	$ 22,843,198	**$ 156,263,782**	
EMPLOYMENT	Total workers, including full-time and part-time				
2014	375	270	153	***797***	
2016	454	309	177	***939***	
2016 FBO	513	355	202	***1,071***	
WAGES	Total wages paid to workers identified above ($ Millions, Current Year Dollars)				
2014	$ 11,755,942	$ 12,329,944	$ 5,368,564	**$ 29,454,447**	
2016	$ 13,732,616	$ 14,142,804	$ 6,213,317	**$ 34,088,737**	
2016 FBO	$ 15,669,375	$ 16,259,835	$ 7,116,967	**$ 39,046,176**	

Source: Applicant Submissions, IMPLAN, Civic Economics

*Chart 18: **PENINSULA** Operating Impacts Summary Chart*

OPERATING IMPACTS SUMMARY
PENINSULA, SUMNER COUNTY

	Direct	Indirect	Induced	*Total*	Relative Impacts
ECONOMIC OUTPUT	Total revenues associated with construction ($ Millions, Current Year Dollars)				
2014	$ 80,271,088	$ 42,874,075	$ 21,507,501	**$ 144,652,664**	
2016	$ 104,908,324	$ 55,897,921	$ 28,188,449	**$ 188,994,697**	
2016 FBO	$ 104,908,324	$ 55,897,921	$ 28,188,449	**$ 188,994,697**	
EMPLOYMENT	Total workers, including full-time and part-time				
2014	568	323	191	***1,082***	
2016	766	424	250	***1,440***	
2016 FBO	766	424	250	***1,440***	
WAGES	Total wages paid to workers identified above ($ Millions, Current Year Dollars)				
2014	$ 15,370,075	$ 14,695,278	$ 6,700,916	**$ 36,766,277**	
2016	$ 20,230,359	$ 19,170,113	$ 8,782,320	**$ 48,182,792**	
2016 FBO	$ 20,230,359	$ 19,170,113	$ 8,782,320	**$ 48,182,792**	

Source: Applicant Submissions, IMPLAN, Civic Economics

*Charts 19-27: **GLOBAL** Operating Impacts Detail Charts*

GLOBAL, SUMNER COUNTY					
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2014					
		ECONOMIC OUTPUT (In 2014 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	123,149	71,512	194,661
20	21 Mining (AGG)	0	72,533	20,508	93,041
31	22 Utilities (AGG)	0	2,098,327	350,226	2,448,553
34	23 Construction (AGG)	0	382,684	127,182	509,865
41	31-33 Manufacturing (AGG)	0	2,071,784	688,126	2,759,910
319	42 Wholesale Trade (AGG)	0	1,041,917	815,849	1,857,765
320	44-45 Retail trade (AGG)	945,862	183,041	2,161,350	3,290,253
332	48-49 Transportation & Warehousing (AGG)	0	1,132,700	318,064	1,450,763
341	51 Information (AGG)	0	5,893,131	886,446	6,779,577
354	52 Finance & insurance (AGG)	0	3,686,162	2,103,309	5,789,470
360	53 Real estate & rental (AGG)	0	1,733,201	3,150,859	4,884,060
367	54 Professional- scientific & tech svcs (AGG)	0	6,962,266	593,548	7,555,814
381	55 Management of companies (AGG)	0	1,833,595	91,737	1,925,331
382	56 Administrative & waste services (AGG)	0	3,010,303	397,759	3,408,062
391	61 Educational svcs (AGG)	0	21,665	222,244	243,909
394	62 Health & social services (AGG)	0	8,607	2,860,819	2,869,426
402	71 Arts- entertainment & recreation (AGG)	54,544,563	484,475	191,163	55,220,201
411	72 Accomodation & food services (AGG)	10,182,705	1,216,953	947,994	12,347,652
414	81 Other services (AGG)	0	1,700,612	768,420	2,469,032
427	92 Government & non NAICs (AGG)	0	2,188,344	464,195	2,652,538
	Total	**$ 65,673,130**	**$ 35,845,449**	**$ 17,231,310**	**$ 118,749,883**

Source: Applicant Submissions, IMPLAN, Civic Economics

GLOBAL, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2014

		TOTAL EMPLOYMENT			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.7	0.4	1.1
20	21 Mining (AGG)	0.0	0.2	0.1	0.2
31	22 Utilities (AGG)	0.0	3.3	0.6	3.8
34	23 Construction (AGG)	0.0	3.5	1.3	4.8
41	31-33 Manufacturing (AGG)	0.0	7.2	1.5	8.6
319	42 Wholesale Trade (AGG)	0.0	5.7	4.5	10.2
320	44-45 Retail trade (AGG)	10.8	3.0	35.5	49.3
332	48-49 Transportation & Warehousing (AGG)	0.0	11.5	2.7	14.3
341	51 Information (AGG)	0.0	17.1	2.1	19.3
354	52 Finance & insurance (AGG)	0.0	18.7	10.4	29.1
360	53 Real estate & rental (AGG)	0.0	12.5	7.0	19.6
367	54 Professional- scientific & tech svcs (AGG)	0.0	54.0	5.0	58.9
381	55 Management of companies (AGG)	0.0	7.7	0.4	8.1
382	56 Administrative & waste services (AGG)	0.0	47.7	6.2	53.9
391	61 Educational svcs (AGG)	0.0	0.3	4.0	4.3
394	62 Health & social services (AGG)	0.0	0.1	33.3	33.4
402	71 Arts- entertainment & recreation (AGG)	197.1	18.3	3.3	218.7
411	72 Accomodation & food services (AGG)	167.1	22.2	17.3	206.6
414	81 Other services (AGG)	0.0	21.3	15.1	36.3
427	92 Government & non NAICs (AGG)	0.0	14.5	2.1	16.7
	Total	**375.0**	**269.5**	**152.8**	**797.2**

Source: Applicant Submissions, IMPLAN, Civic Economics

GLOBAL, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2014

		TOTAL LABOR INCOME (2014 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	8,808	5,690	14,498
20	21 Mining (AGG)	0	15,444	4,497	19,941
31	22 Utilities (AGG)	0	407,806	68,588	476,394
34	23 Construction (AGG)	0	194,070	57,155	251,225
41	31-33 Manufacturing (AGG)	0	397,154	93,169	490,322
319	42 Wholesale Trade (AGG)	0	403,888	316,255	720,142
320	44-45 Retail trade (AGG)	282,039	77,180	902,417	1,261,636
332	48-49 Transportation & Warehousing (AGG)	0	476,325	126,528	602,852
341	51 Information (AGG)	0	1,494,479	178,045	1,672,524
354	52 Finance & insurance (AGG)	0	1,102,455	592,549	1,695,004
360	53 Real estate & rental (AGG)	0	283,980	151,327	435,306
367	54 Professional- scientific & tech svcs (AGG)	0	3,006,030	262,991	3,269,021
381	55 Management of companies (AGG)	0	773,754	38,712	812,466
382	56 Administrative & waste services (AGG)	0	1,437,388	192,353	1,629,741
391	61 Educational svcs (AGG)	0	8,964	95,977	104,941
394	62 Health & social services (AGG)	0	3,118	1,481,152	1,484,270
402	71 Arts- entertainment & recreation (AGG)	8,363,315	153,750	46,456	8,563,522
411	72 Accomodation & food services (AGG)	3,110,588	378,656	294,939	3,784,183
414	81 Other services (AGG)	0	711,287	321,685	1,032,972
427	92 Government & non NAICs (AGG)	0	995,408	138,079	1,133,487
	Total	**$ 11,755,942**	**$ 12,329,944**	**$ 5,368,564**	**$ 29,454,447**

Source: Applicant Submissions, IMPLAN, Civic Economics

GLOBAL, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		ECONOMIC OUTPUT (In 2016 Dollars)			
Code	Sector	Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	139,834	82,764	222,598
20	21 Mining (AGG)	0	83,066	23,735	106,801
31	22 Utilities (AGG)	0	2,404,127	405,325	2,809,452
34	23 Construction (AGG)	0	438,617	147,196	585,812
41	31-33 Manufacturing (AGG)	0	2,363,683	796,392	3,160,076
319	42 Wholesale Trade (AGG)	0	1,186,291	944,202	2,130,492
320	44-45 Retail trade (AGG)	1,210,402	208,725	2,501,486	3,920,613
332	48-49 Transportation & Warehousing (AGG)	0	1,300,632	368,115	1,668,746
341	51 Information (AGG)	0	6,762,303	1,025,918	7,788,221
354	52 Finance & insurance (AGG)	0	4,233,542	2,434,292	6,667,834
360	53 Real estate & rental (AGG)	0	1,983,436	3,646,696	5,630,132
367	54 Professional- scientific & tech svcs (AGG)	0	7,992,591	686,943	8,679,535
381	55 Management of companies (AGG)	0	2,101,119	106,171	2,207,291
382	56 Administrative & waste services (AGG)	0	3,456,135	460,347	3,916,482
391	61 Educational svcs (AGG)	0	25,687	257,221	282,908
394	62 Health & social services (AGG)	0	9,994	3,310,946	3,320,939
402	71 Arts- entertainment & recreation (AGG)	62,705,726	558,594	221,246	63,485,567
411	72 Accomodation & food services (AGG)	11,277,013	1,395,174	1,097,161	13,769,348
414	81 Other services (AGG)	0	1,950,837	889,341	2,840,178
427	92 Government & non NAICs (AGG)	0	2,506,974	537,231	3,044,205
	Total	**$ 75,193,141**	**$ 41,101,361**	**$ 19,942,728**	**$ 136,237,230**

Source: Applicant Submissions, IMPLAN, Civic Economics

GLOBAL, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		TOTAL EMPLOYMENT			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.8	0.5	1.2
20	21 Mining (AGG)	0.0	0.2	0.1	0.3
31	22 Utilities (AGG)	0.0	3.7	0.6	4.4
34	23 Construction (AGG)	0.0	4.0	1.5	5.5
41	31-33 Manufacturing (AGG)	0.0	8.2	1.7	9.9
319	42 Wholesale Trade (AGG)	0.0	6.5	5.2	11.7
320	44-45 Retail trade (AGG)	14.5	3.5	41.1	59.0
332	48-49 Transportation & Warehousing (AGG)	0.0	13.3	3.2	16.4
341	51 Information (AGG)	0.0	19.6	2.5	22.1
354	52 Finance & insurance (AGG)	0.0	21.5	12.0	33.5
360	53 Real estate & rental (AGG)	0.0	14.3	8.1	22.5
367	54 Professional- scientific & tech svcs (AGG)	0.0	62.0	5.7	67.7
381	55 Management of companies (AGG)	0.0	8.8	0.4	9.3
382	56 Administrative & waste services (AGG)	0.0	54.7	7.2	61.9
391	61 Educational svcs (AGG)	0.0	0.4	4.6	5.0
394	62 Health & social services (AGG)	0.0	0.1	38.5	38.6
402	71 Arts- entertainment & recreation (AGG)	242.4	21.0	3.8	267.2
411	72 Accomodation & food services (AGG)	196.7	25.5	20.0	242.2
414	81 Other services (AGG)	0.0	24.4	17.4	41.9
427	92 Government & non NAICs (AGG)	0.0	16.7	2.5	19.1
	Total	**453.6**	**309.2**	**176.6**	**939.4**

Source: Applicant Submissions, IMPLAN, Civic Economics

GLOBAL, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		TOTAL LABOR INCOME (2016 Dollars)			
Code	Sector	Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	10,016	6,586	16,602
20	21 Mining (AGG)	0	17,685	5,204	22,890
31	22 Utilities (AGG)	0	467,229	79,378	546,607
34	23 Construction (AGG)	0	222,437	66,150	288,587
41	31-33 Manufacturing (AGG)	0	454,123	107,828	561,951
319	42 Wholesale Trade (AGG)	0	459,853	366,009	825,862
320	44-45 Retail trade (AGG)	364,384	87,938	1,044,432	1,496,753
332	48-49 Transportation & Warehousing (AGG)	0	547,233	146,438	693,672
341	51 Information (AGG)	0	1,715,092	206,059	1,921,151
354	52 Finance & insurance (AGG)	0	1,266,521	685,792	1,952,313
360	53 Real estate & rental (AGG)	0	325,013	175,133	500,146
367	54 Professional- scientific & tech svcs (AGG)	0	3,450,667	304,373	3,755,040
381	55 Management of companies (AGG)	0	886,646	44,803	931,449
382	56 Administrative & waste services (AGG)	0	1,650,323	222,621	1,872,944
391	61 Educational svcs (AGG)	0	10,629	111,083	121,711
394	62 Health & social services (AGG)	0	3,620	1,714,200	1,717,820
402	71 Arts- entertainment & recreation (AGG)	9,838,117	177,053	53,767	10,068,937
411	72 Accomodation & food services (AGG)	3,530,115	434,109	341,349	4,305,573
414	81 Other services (AGG)	0	816,167	372,307	1,188,474
427	92 Government & non NAICs (AGG)	0	1,140,450	159,805	1,300,255
	Total	**$ 13,732,616**	**$ 14,142,804**	**$ 6,213,317**	**$ 34,088,737**

Source: Applicant Submissions, IMPLAN, Civic Economics

GLOBAL, SUMNER COUNTY (FBO)

NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		ECONOMIC OUTPUT (In 2016 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	159,697	94,800	254,497
20	21 Mining (AGG)	0	95,406	27,187	122,593
31	22 Utilities (AGG)	0	2,763,319	464,267	3,227,586
34	23 Construction (AGG)	0	503,735	168,605	672,340
41	31-33 Manufacturing (AGG)	0	2,707,815	912,208	3,620,023
319	42 Wholesale Trade (AGG)	0	1,356,021	1,081,505	2,437,526
320	44-45 Retail trade (AGG)	1,344,891	238,416	2,865,334	4,448,641
332	48-49 Transportation & Warehousing (AGG)	0	1,493,333	421,655	1,914,988
341	51 Information (AGG)	0	7,777,921	1,175,116	8,953,037
354	52 Finance & insurance (AGG)	0	4,867,689	2,788,350	7,656,039
360	53 Real estate & rental (AGG)	0	2,270,159	4,177,101	6,447,261
367	54 Professional- scientific & tech svcs (AGG)	0	9,202,706	786,851	9,989,557
381	55 Management of companies (AGG)	0	2,416,574	121,612	2,538,186
382	56 Administrative & waste services (AGG)	0	3,973,533	527,300	4,500,833
391	61 Educational svcs (AGG)	0	28,955	294,637	323,592
394	62 Health & social services (AGG)	0	11,435	3,792,460	3,803,895
402	71 Arts- entertainment & recreation (AGG)	72,309,149	640,930	253,427	73,203,505
411	72 Accomodation & food services (AGG)	12,530,014	1,603,542	1,256,730	15,390,286
414	81 Other services (AGG)	0	2,244,524	1,018,693	3,263,216
427	92 Government & non NAICs (AGG)	0	2,880,822	615,360	3,496,181
	Total	**$ 86,184,054**	**$ 47,236,532**	**$ 22,843,198**	**$ 156,263,782**

Source: Applicant Submissions, IMPLAN, Civic Economics

GLOBAL, SUMNER COUNTY (FBO)

NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		TOTAL EMPLOYMENT			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.9	0.5	1.4
20	21 Mining (AGG)	0.0	0.2	0.1	0.3
31	22 Utilities (AGG)	0.0	4.3	0.7	5.0
34	23 Construction (AGG)	0.0	4.6	1.7	6.4
41	31-33 Manufacturing (AGG)	0.0	9.4	1.9	11.4
319	42 Wholesale Trade (AGG)	0.0	7.5	6.0	13.4
320	44-45 Retail trade (AGG)	16.1	3.9	47.1	67.1
332	48-49 Transportation & Warehousing (AGG)	0.0	15.3	3.6	18.9
341	51 Information (AGG)	0.0	22.6	2.8	25.4
354	52 Finance & insurance (AGG)	0.0	24.7	13.8	38.5
360	53 Real estate & rental (AGG)	0.0	16.4	9.3	25.7
367	54 Professional- scientific & tech svcs (AGG)	0.0	71.4	6.6	77.9
381	55 Management of companies (AGG)	0.0	10.1	0.5	10.7
382	56 Administrative & waste services (AGG)	0.0	62.9	8.2	71.2
391	61 Educational svcs (AGG)	0.0	0.4	5.2	5.7
394	62 Health & social services (AGG)	0.0	0.1	44.1	44.2
402	71 Arts- entertainment & recreation (AGG)	278.4	24.1	4.4	306.9
411	72 Accomodation & food services (AGG)	218.6	29.3	22.9	270.8
414	81 Other services (AGG)	0.0	28.1	20.0	48.1
427	92 Government & non NAICs (AGG)	0.0	19.1	2.8	22.0
	Total	**513.1**	**355.3**	**202.2**	**1071.0**

Source: Applicant Submissions, IMPLAN, Civic Economics

GLOBAL, SUMNER COUNTY (FBO)

NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

Code	Sector	TOTAL LABOR INCOME (2016 Dollars) Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	11,451	7,543	18,995
20	21 Mining (AGG)	0	20,311	5,961	26,272
31	22 Utilities (AGG)	0	536,999	90,921	627,920
34	23 Construction (AGG)	0	255,464	75,771	331,235
41	31-33 Manufacturing (AGG)	0	521,057	123,509	644,566
319	42 Wholesale Trade (AGG)	0	525,647	419,234	944,880
320	44-45 Retail trade (AGG)	404,870	100,468	1,196,347	1,701,685
332	48-49 Transportation & Warehousing (AGG)	0	628,393	167,737	796,130
341	51 Information (AGG)	0	1,973,048	236,026	2,209,074
354	52 Finance & insurance (AGG)	0	1,456,092	785,537	2,241,629
360	53 Real estate & rental (AGG)	0	372,070	200,601	572,670
367	54 Professional- scientific & tech svcs (AGG)	0	3,973,117	348,640	4,321,757
381	55 Management of companies (AGG)	0	1,019,764	51,319	1,071,083
382	56 Administrative & waste services (AGG)	0	1,897,462	254,999	2,152,460
391	61 Educational svcs (AGG)	0	11,980	127,241	139,222
394	62 Health & social services (AGG)	0	4,142	1,963,497	1,967,639
402	71 Arts- entertainment & recreation (AGG)	11,342,154	203,361	61,587	11,607,102
411	72 Accomodation & food services (AGG)	3,922,351	498,942	390,993	4,812,286
414	81 Other services (AGG)	0	939,174	426,458	1,365,632
427	92 Government & non NAICs (AGG)	0	1,310,893	183,046	1,493,939
	Total	**$ 15,669,375**	**$ 16,259,835**	**$ 7,116,967**	**$ 39,046,176**

Source: Applicant Submissions, IMPLAN, Civic Economics

*Charts 28-36: **PENINSULA** Operating Impacts Detail Charts*

PENINSULA, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2014

		ECONOMIC OUTPUT (In 2014 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	154,570	89,263	243,833
20	21 Mining (AGG)	0	87,285	25,600	112,884
31	22 Utilities (AGG)	0	2,501,569	437,189	2,938,757
34	23 Construction (AGG)	0	462,865	158,736	621,601
41	31-33 Manufacturing (AGG)	0	2,537,275	858,958	3,396,233
319	42 Wholesale Trade (AGG)	0	1,288,065	1,018,425	2,306,490
320	44-45 Retail trade (AGG)	241,578	224,161	2,697,544	3,163,284
332	48-49 Transportation & Warehousing (AGG)	0	1,360,292	396,985	1,757,277
341	51 Information (AGG)	0	6,989,770	1,106,492	8,096,261
354	52 Finance & insurance (AGG)	0	4,414,721	2,625,189	7,039,910
360	53 Real estate & rental (AGG)	0	2,141,065	3,932,624	6,073,689
367	54 Professional- scientific & tech svcs (AGG)	0	8,159,087	740,855	8,899,942
381	55 Management of companies (AGG)	0	2,170,742	114,506	2,285,249
382	56 Administrative & waste services (AGG)	0	3,612,827	496,471	4,109,298
391	61 Educational svcs (AGG)	0	39,738	277,368	317,107
394	62 Health & social services (AGG)	0	12,327	3,570,932	3,583,259
402	71 Arts- entertainment & recreation (AGG)	63,290,150	628,016	238,590	64,156,756
411	72 Accomodation & food services (AGG)	16,739,360	1,466,000	1,183,267	19,388,627
414	81 Other services (AGG)	0	2,009,630	959,084	2,968,714
427	92 Government & non NAICs (AGG)	0	2,614,070	579,423	3,193,493
	Total	**$ 80,271,088**	**$ 42,874,075**	**$ 21,507,501**	**$ 144,652,664**

Source: Applicant Submissions, IMPLAN, Civic Economics

PENINSULA, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2014

		TOTAL EMPLOYMENT			
Code	Sector	Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	0.8	0.5	1.3
20	21 Mining (AGG)	0.0	0.2	0.1	0.3
31	22 Utilities (AGG)	0.0	3.9	0.7	4.6
34	23 Construction (AGG)	0.0	4.2	1.6	5.9
41	31-33 Manufacturing (AGG)	0.0	8.7	1.8	10.5
319	42 Wholesale Trade (AGG)	0.0	7.1	5.6	12.7
320	44-45 Retail trade (AGG)	6.9	3.7	44.3	54.9
332	48-49 Transportation & Warehousing (AGG)	0.0	14.0	3.4	17.4
341	51 Information (AGG)	0.0	20.2	2.7	22.9
354	52 Finance & insurance (AGG)	0.0	22.5	13.0	35.5
360	53 Real estate & rental (AGG)	0.0	15.5	8.8	24.2
367	54 Professional- scientific & tech svcs (AGG)	0.0	63.3	6.2	69.5
381	55 Management of companies (AGG)	0.0	9.1	0.5	9.6
382	56 Administrative & waste services (AGG)	0.0	57.1	7.7	64.8
391	61 Educational svcs (AGG)	0.0	0.6	4.9	5.5
394	62 Health & social services (AGG)	0.0	0.1	41.6	41.7
402	71 Arts- entertainment & recreation (AGG)	273.1	23.0	4.1	300.2
411	72 Accomodation & food services (AGG)	288.3	26.7	21.6	336.6
414	81 Other services (AGG)	0.0	25.2	18.8	44.0
427	92 Government & non NAICs (AGG)	0.0	17.3	2.7	20.0
	Total	**568.3**	**323.2**	**190.6**	**1082.1**

Source: Applicant Submissions, IMPLAN, Civic Economics

PENINSULA, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2014

		TOTAL LABOR INCOME (2014 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	10,928	7,103	18,031
20	21 Mining (AGG)	0	18,600	5,613	24,213
31	22 Utilities (AGG)	0	486,476	85,618	572,095
34	23 Construction (AGG)	0	234,712	71,336	306,048
41	31-33 Manufacturing (AGG)	0	479,884	116,296	596,181
319	42 Wholesale Trade (AGG)	0	499,304	394,781	894,086
320	44-45 Retail trade (AGG)	123,499	95,184	1,126,291	1,344,974
332	48-49 Transportation & Warehousing (AGG)	0	569,515	157,923	727,439
341	51 Information (AGG)	0	1,768,068	222,241	1,990,309
354	52 Finance & insurance (AGG)	0	1,326,020	739,583	2,065,603
360	53 Real estate & rental (AGG)	0	350,127	188,903	539,030
367	54 Professional- scientific & tech svcs (AGG)	0	3,521,833	328,261	3,850,094
381	55 Management of companies (AGG)	0	916,026	48,320	964,347
382	56 Administrative & waste services (AGG)	0	1,722,980	240,090	1,963,070
391	61 Educational svcs (AGG)	0	16,480	119,780	136,261
394	62 Health & social services (AGG)	0	4,465	1,848,807	1,853,272
402	71 Arts- entertainment & recreation (AGG)	9,997,683	194,029	57,982	10,249,695
411	72 Accomodation & food services (AGG)	5,248,893	456,149	368,138	6,073,180
414	81 Other services (AGG)	0	840,568	401,499	1,242,068
427	92 Government & non NAICs (AGG)	0	1,183,930	172,351	1,356,281
	Total	**$ 15,370,075**	**$ 14,695,278**	**$ 6,700,916**	**$ 36,766,277**

Source: Applicant Submissions, IMPLAN, Civic Economics

PENINSULA, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		ECONOMIC OUTPUT (In 2016 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	192,565	116,982	309,548
20	21 Mining (AGG)	0	113,918	33,548	147,466
31	22 Utilities (AGG)	0	3,253,884	572,902	3,826,786
34	23 Construction (AGG)	0	611,556	208,059	819,615
41	31-33 Manufacturing (AGG)	0	3,231,161	1,125,660	4,356,821
319	42 Wholesale Trade (AGG)	0	1,616,298	1,334,570	2,950,868
320	44-45 Retail trade (AGG)	239,350	281,743	3,535,823	4,056,916
332	48-49 Transportation & Warehousing (AGG)	0	1,781,062	520,322	2,301,384
341	51 Information (AGG)	0	9,130,726	1,450,087	10,580,814
354	52 Finance & insurance (AGG)	0	5,810,723	3,440,821	9,251,545
360	53 Real estate & rental (AGG)	0	2,783,053	5,154,540	7,937,593
367	54 Professional- scientific & tech svcs (AGG)	0	10,600,106	970,971	11,571,078
381	55 Management of companies (AGG)	0	2,806,934	150,069	2,957,002
382	56 Administrative & waste services (AGG)	0	4,777,033	650,687	5,427,720
391	61 Educational svcs (AGG)	0	67,413	363,583	430,996
394	62 Health & social services (AGG)	0	18,423	4,679,879	4,698,302
402	71 Arts- entertainment & recreation (AGG)	82,333,421	874,439	312,729	83,520,589
411	72 Accomodation & food services (AGG)	22,335,553	1,936,689	1,550,800	25,823,043
414	81 Other services (AGG)	0	2,611,269	1,257,066	3,868,334
427	92 Government & non NAICs (AGG)	0	3,398,926	759,351	4,158,277
	Total	**$ 104,908,324**	**$ 55,897,921**	**$ 28,188,449**	**$ 188,994,697**

Source: Applicant Submissions, IMPLAN, Civic Economics

PENINSULA, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		TOTAL EMPLOYMENT			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	1.0	0.7	1.7
20	21 Mining (AGG)	0.0	0.3	0.1	0.4
31	22 Utilities (AGG)	0.0	5.1	0.9	6.0
34	23 Construction (AGG)	0.0	5.6	2.1	7.8
41	31-33 Manufacturing (AGG)	0.0	11.1	2.4	13.5
319	42 Wholesale Trade (AGG)	0.0	8.9	7.4	16.3
320	44-45 Retail trade (AGG)	6.8	4.7	58.1	69.6
332	48-49 Transportation & Warehousing (AGG)	0.0	18.7	4.5	23.1
341	51 Information (AGG)	0.0	26.4	3.5	29.9
354	52 Finance & insurance (AGG)	0.0	29.8	17.0	46.8
360	53 Real estate & rental (AGG)	0.0	20.0	11.5	31.5
367	54 Professional- scientific & tech svcs (AGG)	0.0	82.2	8.1	90.3
381	55 Management of companies (AGG)	0.0	11.8	0.6	12.4
382	56 Administrative & waste services (AGG)	0.0	75.3	10.1	85.4
391	61 Educational svcs (AGG)	0.0	1.0	6.5	7.5
394	62 Health & social services (AGG)	0.0	0.1	54.5	54.6
402	71 Arts- entertainment & recreation (AGG)	385.7	31.4	5.4	422.5
411	72 Accomodation & food services (AGG)	373.7	35.3	28.3	437.4
414	81 Other services (AGG)	0.0	32.8	24.6	57.4
427	92 Government & non NAICs (AGG)	0.0	22.4	3.5	25.9
	Total	**766.2**	**423.9**	**249.8**	**1440.0**

Source: Applicant Submissions, IMPLAN, Civic Economics

PENINSULA, SUMNER COUNTY
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		TOTAL LABOR INCOME (2016 Dollars)			
Code	Sector	Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	13,653	9,309	22,962
20	21 Mining (AGG)	0	24,271	7,356	31,628
31	22 Utilities (AGG)	0	632,935	112,196	745,131
34	23 Construction (AGG)	0	310,135	93,501	403,636
41	31-33 Manufacturing (AGG)	0	616,730	152,410	769,140
319	42 Wholesale Trade (AGG)	0	626,540	517,332	1,143,872
320	44-45 Retail trade (AGG)	122,360	119,622	1,476,293	1,718,275
332	48-49 Transportation & Warehousing (AGG)	0	745,893	206,987	952,881
341	51 Information (AGG)	0	2,309,232	291,255	2,600,487
354	52 Finance & insurance (AGG)	0	1,751,866	969,351	2,721,217
360	53 Real estate & rental (AGG)	0	455,352	247,540	702,891
367	54 Professional- scientific & tech svcs (AGG)	0	4,572,874	430,221	5,003,095
381	55 Management of companies (AGG)	0	1,184,491	63,327	1,247,818
382	56 Administrative & waste services (AGG)	0	2,275,544	314,668	2,590,212
391	61 Educational svcs (AGG)	0	27,974	157,016	184,990
394	62 Health & social services (AGG)	0	6,673	2,422,947	2,429,620
402	71 Arts- entertainment & recreation (AGG)	13,078,520	265,298	75,999	13,419,816
411	72 Accomodation & food services (AGG)	7,029,479	602,602	482,485	8,114,565
414	81 Other services (AGG)	0	1,093,670	526,249	1,619,920
427	92 Government & non NAICs (AGG)	0	1,534,758	225,878	1,760,636
	Total	**$ 20,230,359**	**$ 19,170,113**	**$ 8,782,320**	**$ 48,182,792**

Source: Applicant Submissions, IMPLAN, Civic Economics

PENINSULA, SUMNER COUNTY (FBO)

NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

Code	Sector	ECONOMIC OUTPUT (In 2016 Dollars) Direct	Indirect	Induced	Total
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	192,565	116,982	309,548
20	21 Mining (AGG)	0	113,918	33,548	147,466
31	22 Utilities (AGG)	0	3,253,884	572,902	3,826,786
34	23 Construction (AGG)	0	611,556	208,059	819,615
41	31-33 Manufacturing (AGG)	0	3,231,161	1,125,660	4,356,821
319	42 Wholesale Trade (AGG)	0	1,616,298	1,334,570	2,950,868
320	44-45 Retail trade (AGG)	239,350	281,743	3,535,823	4,056,916
332	48-49 Transportation & Warehousing (AGG)	0	1,781,062	520,322	2,301,384
341	51 Information (AGG)	0	9,130,726	1,450,087	10,580,814
354	52 Finance & insurance (AGG)	0	5,810,723	3,440,821	9,251,545
360	53 Real estate & rental (AGG)	0	2,783,053	5,154,540	7,937,593
367	54 Professional- scientific & tech svcs (AGG)	0	10,600,106	970,971	11,571,078
381	55 Management of companies (AGG)	0	2,806,934	150,069	2,957,002
382	56 Administrative & waste services (AGG)	0	4,777,033	650,687	5,427,720
391	61 Educational svcs (AGG)	0	67,413	363,583	430,996
394	62 Health & social services (AGG)	0	18,423	4,679,879	4,698,302
402	71 Arts- entertainment & recreation (AGG)	82,333,421	874,439	312,729	83,520,589
411	72 Accomodation & food services (AGG)	22,335,553	1,936,689	1,550,800	25,823,043
414	81 Other services (AGG)	0	2,611,269	1,257,066	3,868,334
427	92 Government & non NAICs (AGG)	0	3,398,926	759,351	4,158,277
	Total	**$ 104,908,324**	**$ 55,897,921**	**$ 28,188,449**	**$ 188,994,697**

Source: Applicant Submissions, IMPLAN, Civic Economics

PENINSULA, SUMNER COUNTY (FBO)
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		TOTAL EMPLOYMENT			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0.0	1.0	0.7	1.7
20	21 Mining (AGG)	0.0	0.3	0.1	0.4
31	22 Utilities (AGG)	0.0	5.1	0.9	6.0
34	23 Construction (AGG)	0.0	5.6	2.1	7.8
41	31-33 Manufacturing (AGG)	0.0	11.1	2.4	13.5
319	42 Wholesale Trade (AGG)	0.0	8.9	7.4	16.3
320	44-45 Retail trade (AGG)	6.8	4.7	58.1	69.6
332	48-49 Transportation & Warehousing (AGG)	0.0	18.7	4.5	23.1
341	51 Information (AGG)	0.0	26.4	3.5	29.9
354	52 Finance & insurance (AGG)	0.0	29.8	17.0	46.8
360	53 Real estate & rental (AGG)	0.0	20.0	11.5	31.5
367	54 Professional- scientific & tech svcs (AGG)	0.0	82.2	8.1	90.3
381	55 Management of companies (AGG)	0.0	11.8	0.6	12.4
382	56 Administrative & waste services (AGG)	0.0	75.3	10.1	85.4
391	61 Educational svcs (AGG)	0.0	1.0	6.5	7.5
394	62 Health & social services (AGG)	0.0	0.1	54.5	54.6
402	71 Arts- entertainment & recreation (AGG)	385.7	31.4	5.4	422.5
411	72 Accomodation & food services (AGG)	373.7	35.3	28.3	437.4
414	81 Other services (AGG)	0.0	32.8	24.6	57.4
427	92 Government & non NAICs (AGG)	0.0	22.4	3.5	25.9
	Total	**766.2**	**423.9**	**249.8**	**1440.0**

Source: Applicant Submissions, IMPLAN, Civic Economics

PENINSULA, SUMNER COUNTY (FBO)
NET OPERATION IMPACTS IN THE STATE OF KANSAS, 2016

		TOTAL LABOR INCOME (2016 Dollars)			
Code	**Sector**	**Direct**	**Indirect**	**Induced**	**Total**
1	11 Ag, Forestry, Fish & Hunting (AGG)	0	13,653	9,309	22,962
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34	23 Construction (AGG)	0	310,135	93,501	403,636
41	31-33 Manufacturing (AGG)	0	616,730	152,410	769,140
319	42 Wholesale Trade (AGG)	0	626,540	517,332	1,143,872
320	44-45 Retail trade (AGG)	122,360	119,622	1,476,293	1,718,275
332	48-49 Transportation & Warehousing (AGG)	0	745,893	206,987	952,881
341	51 Information (AGG)	0	2,309,232	291,255	2,600,487
354	52 Finance & insurance (AGG)	0	1,751,866	969,351	2,721,217
360	53 Real estate & rental (AGG)	0	455,352	247,540	702,891
367	54 Professional- scientific & tech svcs (AGG)	0	4,572,874	430,221	5,003,095
381	55 Management of companies (AGG)	0	1,184,491	63,327	1,247,818
382	56 Administrative & waste services (AGG)	0	2,275,544	314,668	2,590,212
391	61 Educational svcs (AGG)	0	27,974	157,016	184,990
394	62 Health & social services (AGG)	0	6,673	2,422,947	2,429,620
402	71 Arts- entertainment & recreation (AGG)	13,078,520	265,298	75,999	13,419,816
411	72 Accomodation & food services (AGG)	7,029,479	602,602	482,485	8,114,565
414	81 Other services (AGG)	0	1,093,670	526,249	1,619,920
427	92 Government & non NAICs (AGG)	0	1,534,758	225,878	1,760,636
	Total	**$ 20,230,359**	**$ 19,170,113**	**$ 8,782,320**	**$ 48,182,792**

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 Household Spending

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 each zone is as shown on Chart 37.

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.

From a governmental revenue perspective, it may well be that increased gaming at the expense of other activities is desirable. After all, gaming tax rates are far higher than sales or amusement tax rates. On the other hand, it is worth noting that, as discussed on Page 22 of this document, gaming creates fewer jobs than other leisure activities relative to revenue. As a result, the larger the New Gaming Spend number is, the more job increases associated with gaming will be offset by job losses in other regional activities.

Chart 37: Induced Additional Gambling Spending by Kansans

NEW GAMING SPENDING BY KANSANS, 2014 (2014$)

Based on contractually obligated development scheduled for completion by 2014

	GLOBAL GAMING, WELLINGTON	PENINSULA GAMING, MULVANE
New Gaming Spend as a % of Gaming Revenue	59.6%	69.0%
New Gaming Spend by Kansans (In Millions)	$ 74.5	$ 127.9

NEW GAMING SPENDING BY KANSANS, 2016 (2016$)

Based on contractually obligated develoment scheduled for completion by 2016

	GLOBAL GAMING, WELLINGTON	PENINSULA GAMING, MULVANE
New Gaming Spend as a % of Gaming Revenue	58.0%	65.2%
New Gaming Spend by Kansans (In Millions)	$ 80.2	$ 137.7

NEW GAMING SPENDING BY KANSANS, 2016 (2016$)

Based on applicant's proposed full build-out

	GLOBAL GAMING, WELLINGTON	PENINSULA GAMING, MULVANE
New Gaming Spend as a % of Gaming Revenue	54.8%	65.2%
New Gaming Spend by Kansans (In Millions)	$ 81.0	$ 137.7

SOURCE: Wells, Cummings, Civic Economics

NOVEL NON-GAMING AMENITIES FOR 2010

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. In 2008, the various proposals included a wide range of non-gaming activities including golf courses, hunting preserves, hotel and conference facilities, and numerous dining, drinking, and entertainment venues as part of the proposal package. In 2009, by contrast, the sole Sumner County proposal called for minimal ancillary development.

The proposals offered this year represent a middle ground of amenities. Both Global and Peninsula are prepared to build a large, flexible entertainment venue capable of seating several thousand for concerts and adaptable to a variety of events. In previous years, Civic Economics has analyzed the likely competitive impacts on area restaurants, hotels, and performance venues and found relatively modest impacts.

This year, both proposals include a substantial additional amenity. Global proposes to construct a road racing track for automobiles, while Peninsula proposes an equestrian facility adjacent to the main casino complex. Civic Economics will focus this year on a review of those amenities.

Global Gaming: Road Race Course

Global has included in its proposal a $7 Million facility for automobile racing. Unfortunately, little information has been provided that would allow Civic Economics to evaluate the likely impact of such a facility. Global has indicated that the facility would likely cost in the range of $7 Million to construct, but has not committed to a specific date to begin the project. Neither has Global indicated expected usage or the ability of the facility to drive gaming revenue.

Therefore, Civic Economics is not in a position to evaluate the prospects or impact of the proposed race course.

Peninsula: Equestrian Center

Peninsula has proposed to complement the casino complex with an adjacent facility dedicated to horse shows. The facility is slated to include the following, as described in submissions to the Board:

According to Populous, initial plans include the following proposed elements for the 24-acre equine complex:

- *Indoor Heated Arena* – 100,000 SF enclosed with multi-purpose footing and covered connector
- *Outdoor Covered Arena* – 45,000 SF lighted with multi-use footing
- *Outdoor Practice Arena* - 24,000 SF
- *Livestock Pens* - 19,500 SF with watering troughs and steel pipe pen fencing
- *Horse/Livestock Barns* – 4 barns housing 400+ permanent stalls, aisles, wash areas and manure storage; capability to accommodate 160 temporary stalls with full utilities
- *RV Park/Trailer Parking* - with water and electric hook-ups
- *Support Elements* – related service/maintenance buildings, feed/hay/bedding storage

The indoor heated arena, of course, is designed to house a temporary gaming venue at opening in 2011, and to be adaptable to a variety of events beyond horse shows. It will include roughly 4,000 permanent seats around the perimeter. Stalling capacity (the number of horses that can be accommodated at any given time) will be in the range of 400-560 depending on the configuration of temporary stalls in various barns.

Civic Economics takes no position on the synergies to be achieved by hosting equestrian events at a casino. Other members of the consultant team have visited a casino-attached equestrian center in Las Vegas and reviewed the Morowitz analysis of additional gaming revenue to be expected from the facility. However, Peninsula provided and Civic Economics has reviewed an economic impact analysis produced by Crossroads Consulting Services of Tampa, Florida.

Crossroads Consulting Impact Study

Civic Economics has had the opportunity to review this Crossroads study as well as materials presented to the Board in October. In addition, we reviewed a comparable one prepared for York County, South Carolina in August 2009.

Economic impact studies are driven by the inputs to the IMPLAN model, which is used by both Civic Economics and Crossroads. Civic Economics is quite comfortable with the operation of the model and the multipliers utilized by Crossroads. In this case, the inputs are built on assumptions about the number of events to be held, the duration of those events and their setup and breakdown days, the number of visitors and visit days associated with those events, and the activities visitors might participate in during their time in Sumner County. The essential assumption in this case is that "the proposed new equine/rodeo complex is estimated to host approximately 26 to 31 events that generate between 99 and 117 event days and between 215,700 and 255,150 total attendee days in a stabilized year." Of those events, 21 to 24 are expected to be equine-related, generating 86 to 99 total usage days. The chart below summarizes the event day assumptions:

Estimated Range of Usage/Event Activity - Stabilized Year of Operations
Proposed New Equine/Rodeo Complex in Sumner County, Kansas

Event Type	Number of Events			Number of Event Days			Total Usage Days		
Equine/Rodeo Events									
Level 1	5	to	6	25	to	30	30	to	36
Level 2	16	to	18	48	to	54	56	to	63
Subtotal	**21**	to	**24**	**73**	to	**84**	**86**	to	**99**
Non-Equine/Rodeo Events									
Concerts/festivals	2	to	3	2	to	3	4	to	6
Consumer/expo shows	3	to	4	6	to	8	9	to	12
Subtotal	**5**	**to**	**7**	**8**	**to**	**11**	**13**	**to**	**18**
Grand Total	**26**	**to**	**31**	**81**	**to**	**95**	**99**	**to**	**117**

The number of visitors to equine events is presented as a mix of participants and spectators. The chart below summarizes those findings:

Event Type	Participant Days			Spectator Days			Total Attendee Days		
Equine/Rodeo Events									
Level 1	31,500	to	37,800	70,000	to	84,000			
Level 2	25,200	to	28,350	72,000	to	81,000			
Subtotal	**56,700**	**to**	**66,150**	**142,000**	**to**	**165,000**	**198,700**	**to**	**231,150**
Non-Equine/Rodeo Events									
Concerts/festivals				8,000	to	12,000			
Consumer/expo shows				9,000	to	12,000			
Subtotal				**17,000**	**to**	**24,000**	**17,000**	**to**	**24,000**
Grand Total	**56,700**	**to**	**66,150**	**159,000**	**to**	**189,000**	**215,700**	**to**	**255,150**

Total economic impacts are summarized in the following chart:

Estimated Economic Impacts Generated From On-Going Operations of the Proposed New Equine/Rodeo Complex in Sumner County, Kansas			
Category	**Range - Stabilized Year**		
Spending			
Direct Spending	$17,490,000	to	$20,524,000
Indirect/Induced Spending	$11,584,000	to	$13,594,000
Total Spending	$29,074,000	to	$34,118,000
Total Earnings	$9,335,000	to	$10,958,000
Total Employment	400	to	470

The Sumner County study includes discussion of competitive facilities in the region, particularly publicly owned fairgrounds in Oklahoma City and Tulsa. Civic Economics has reviewed the substantial information available from Oklahoma City to see how it compares to the proposed Sumner County facility and whether its data might shed light on Crossroads assumptions.

Oklahoma City's State Fair Park accommodates a total of 2520 stalls, of which 1189 are permanent. In addition, the adjacent arena seats over 10,000 for equestrian events. This compares to 560 stalls at Peninsula and an arena designed to accommodate roughly 3,000 in permanent seating around the show floor. For all of 2010, OKC Fair Park reports a total of 27 equine events (some of which overlap) with an average duration of 4.2 days for a total 114 event days. Assuming Crossroads' estimate of setup and breakdown days is correct (1.79 to 1), then total usage for equestrian events at Fair Park comes to 134 days.

To make the comparison clear, the OKC facility is designed to accommodate roughly three (permanent stalls) to four (temporary stalls) times as many horses as the Peninsula plan. The arena provides permanent seating for more than twice the spectators. Moreover, the itemized list of "Strengths" provided by Crossroads might be said to describe the Oklahoma City facility more accurately than it does Peninsula's proposal. The nearby population is more "significant and growing" in OKC, "proximity to hotel inventory and tourist attractions" is far stronger in OKC, and both are centrally located in the region and U.S., both feature state, regional, and national accessibility, and both are served by established regional tourism and sports marketing organizations.

In summary, Crossroads forecasts this much smaller facility will draw between 77% and 88% as many events, covering between 76% and 86% as many utilization days. Given the strikingly different scales of these operations, one might wonder if the utilization days and visitation numbers provided by Crossroads are achievable.

Civic Economics also reviewed a study Crossroads prepared for York County, South Carolina for a comparable facility (300-600 permanent stalls with an arena and ancillary facilities). We are comfortable with the application of the IMPLAN model and multipliers but, again,

Estimated Annual Economic Impacts from Ongoing Operations of the Proposed New Multi-Use Events Center in York County, South Carolina

Category	Range - Stabilized Year		
Spending			
Direct Spending	$10,504,000	to	$12,791,000
Induced/Indirect Spending	$4,682,000	to	$5,701,000
Total Spending	$15,186,000	to	$18,492,000
Total Earnings	$5,929,000	to	$7,212,000
Total Employment (number of FTE jobs)	210	to	260

Note: FTE denotes full-time equivalent employees.

must emphasize that attendance and spending assumptions drive the outcomes. In York County, while Crossroads forecasts a similar number of events (using Mid- and High-Impact classes, which appear to correspond with Level 1 and Level 2 classes as applied in Sumner County). However, attendance estimates for Sumner County are far higher than for York.

Ultimately, these comparably sized facilities are projected to produce dramatically different economic impacts. These impact differentials are driven largely by the difference in attendance projections which are not further explained in the reports provided. Furthermore, Morowitz Gaming Advisors attributes substantial gaming spend to attendees projected by Crossroads, compounding the effect if attendance falls short of these projections.

Civic Economics does not have the necessary information to express a firm judgment on the credibility of the Crossroads Consulting Services study of the impact of the proposed equestrian center. However, having viewed event and attendance data at a competing regional facility and a Crossroads impact study for a comparable center, we suggest that the LGFRB ask for the following additional information from Crossroads and/or Peninsula:

1. Explain Crossroads' understanding of events and attendance at the Oklahoma City State Fair Park equestrian complex and why the Peninsula facility might be expected to attract no fewer than 75% as many events as reported by State Fair Park.
2. Explain why attendance at the proposed Sumner County facility is anticipated to be substantially higher, both overall and on a per-event basis, than Crossroads indicated would be likely at a York County, South Carolina facility of a comparable scale.

CONCLUSION AND CONTACTS

Civic Economics thanks the Lottery Gaming Facility Review Board for this opportunity to again be of service to the people of Kansas.

For more information about Civic Economics and this report, please visit ***www.CivicEconomics.com*** or contact:

Dan Houston, Austin, TX

dhouston@civiceconomics.com

512.853.9044

or

Matt Cunningham, Chicago, IL

mattc@civiceconomics.com

773.251.5926

STATE OF KANSAS
SOUTH CENTRAL GAMING ZONE: FISCAL IMPACT ANALYSIS OF PROPOSED GAMING FACILITIES

DECEMBER 2010

PREPARED BY:

EKAY | ECONOMIC CONSULTANTS
748 South Meadows Parkway
Suite A9218
Reno, NV 89521
(775) 232-7203
www.ekayconsultants.com

INTRODUCTION

Ekay Economic Consultants, Inc. (EEC) has been retained by the Kansas Racing and Gaming Commission to conduct a fiscal impact analysis (FIA) of proposed gaming facilities within the South Central gaming zone.

EEC was founded in 2010 by Eugenia Larmore and Candace Evart, former Director and President of Meridian Business Advisors. This analysis is based on the methodology used by Meridian Business Advisors in fiscal impact analyses conducted for the Kansas Racing and Gaming Commission in 2008 and 2009.

WHAT IS AN FIA

A Fiscal Impact Analysis (FIA) estimates the impact of a development, land use or policy change on the revenues and costs of the local government. The analysis answers the following questions:

1. Does the tax base associated with the specific action under consideration provide sufficient tax revenue to offset the cost of public services?
2. If so, how does the surplus (or deficit) change on an annual basis?

The analysis utilizes information about the development: size, type of development, land and building construction costs, number of employees, number of residents, etc. Using these characteristics, the analysis estimates revenues to be generated by the development. Typical revenue sources include property tax, sales tax, business license fees, lodging tax, and other sources.

Costs associated with the development are also estimated and compared to the revenue to determine whether the development will result in a surplus or deficit to the local government. Typical costs include police, fire, roads, parks, and other applicable sources. Data utilized in these analyses is collected from interviews with local government representatives (Finance, Clerk, Police, Fire, etc.), entity budgets and audit reports, conversations with developers and EEC's understanding of and experience with local government finance.

METHODOLOGY

Two facilities were proposed for the South Central zone: Global Gaming facility located near the City of Wellington and Peninsula Gaming's facility near the City of Mulvane, both in Sumner County. The analysis assumes both locations are or will be annexed to the respective cities and that the majority of services to these locations will be provided by these cities.

The analysis also estimates costs associated with Sumner County (Roads and Law Enforcement), these costs will be created mainly by visitors traveling to and from the location in the unincorporated areas of the County. In addition to estimating the fiscal impact analysis of the two proposed facilities, the analysis also compares EEC's findings to those projected by each applicant.

INTRODUCTION

Data utilized for this report was collected from the "Performance Matrix" completed by each applicant, applicants' Predevelopment Agreements[1] and Lottery contracts, as well as conversations and completed questionnaires provided by representatives of Sumner County's Clerk, Sheriff, and Public Works departments, City of Wellington, City of Mulvane, USD 353 (Wellington) and USD 263 (Mulvane). State revenue and school finance information provided by State representatives for previous analyses was also utilized.

Data collected from above sources were used to estimate revenue and costs for the following entities:

State of Kansas	
Revenues	**Costs**
Property Tax Sales Tax Gaming Revenue Sharing Income Tax	No costs are estimated
Sumner County	
Revenues	**Costs**
Property Tax	Sheriff
Sales Tax	Roads
Gaming Revenue Sharing	Administration/ Overhead
Sedgwick County	
Gaming Revenue Sharing	No costs are estimated
Cities (Mulvane/Wellington)	
Property Tax	Police
Sales Tax[2]	Fire/EMS
Gaming Revenue Sharing	Public Works[3]
Transient Guest Tax[4]	Other[5]
Building Permit Fee	Administration/ Overhead
School District (USD 263/353)	
Property Tax	Education[6]
State Financial Aid[6]	

[1] Global Gaming's Predevelopment Agreement is with Sumner County and Peninsula Gaming's Agreement is with City of Mulvane.
[2] City of Wellington has a dedicated sales tax rate, while City of Mulvane does not.
[3] Includes Street, Water, Wastewater, and Electric departments.
[4] Also referred to throughout the analysis as "lodging tax."
[5] Includes Golf Club and Building Inspection for Global Gaming and Building Inspection for Peninsula Gaming.
[6] Analysis assumes few new children to the area and the costs associated with these children to be minimal given existing school capacity. As a result, no costs and State Financial Aid contribution are estimated.

All additional methodology, assumptions and sources are shown throughout the report, which is divided into six sections:

- Section 1 summarizes relevant information and our findings of fiscal impact for both casinos.
- Section 2 shows a comparison of EEC's findings and those provided by Global Gaming.
- Section 3 shows a comparison of EEC's findings and those provided by Peninsula Gaming.
- Section 4 shows the full fiscal impact analysis providing detailed calculations of findings shown in Tabs 1 and 2 for Global Gaming.
- Section 5 shows the full fiscal impact analysis providing detailed calculations of findings shown in Tabs 1 and 3 for Peninsula Gaming.
- Section 6 shows the partial fiscal impact analysis for Peninsula Gaming Site B, only appendices that show different revenue/cost assumptions from Section 5 are shown.

CONCLUSIONS AND FINDINGS

The following are key findings and conclusions of this report:

1. Both developers propose to cover all infrastructure capital construction costs including roads/streets, water, wastewater, and electric facilities.
2. Both proposers have agreed to provide additional contributions:
   a. Global Gaming proposes to cover costs of purchasing police and fire equipment and technology systems.
   b. Peninsula Gaming proposes to provide a school fund to provide money to Sumner County students for back-to-school purchases and scholarships.
3. Both proposers have agreed to increase the required gaming contribution to the State based on gaming revenue levels:
   a. Global Gaming proposes to eliminate this additional contribution if competitive gaming facilities are constructed.
   b. Peninsula Gaming does not propose to reduce this amount if competition occurs.
4. Both facilities show positive fiscal impacts on all entities included in the analysis: State of Kansas, Sumner County, Sedgwick County, and relevant cities and school districts, see Tables 1 and 2 below for details.
5. According to Wells/Cummings gaming revenue reports, information provided by the applicant and interviews with local government representatives, the difference in fiscal impact between Peninsula Gaming's Sites A and B is due to differences in gaming revenue and Water, Wastewater and Electric department costs for the City of Mulvane. The difference between the impacts of these sites is summarized in Table 3 below.

Table 1
Global Gaming
Fiscal Impact Findings

CONSULTANT

	State	Sumner County	Sedgwick County	City of Wellington	USD 353
Revenue	$200,128,664	$ 18,107,512	$ 7,037,458	$ 18,368,688	$ 9,163,089
Developer's Contr.	-	-	-	6,253,969	-
Cost	-	2,473,285	-	10,839,881	-
Surplus/ (Deficit)	**$200,128,664**	**$ 15,634,227**	**$ 7,037,458**	**$ 13,782,776**	**$ 9,163,089**

APPLICANT

	State	Sumner County	Sedgwick County	City of Wellington	USD 353
Revenue	$170,638,890	$ 14,921,708	$ 6,929,525	$ 13,557,591	$ 2,700,000
Developer's Contr.	-	-	-	5,000,000	-
Cost	-	1,237,946	-	10,087,971	181,500
Surplus/ (Deficit)	**$170,638,890**	**$ 13,683,762**	**$ 6,929,525**	**$ 8,469,620**	**$ 2,518,500**

Table 2
Peninsula Gaming
Fiscal Impact Findings

CONSULTANT

	State	Sumner County	Sedgwick County	City of Mulvane	USD 263
Revenue	$ 289,293,635	$ 24,787,774	$ 11,013,577	$ 22,710,857	$ 11,286,704
Developer's Contr.	-	206,250	-	19,798,000	9,000,000
Cost	-	4,048,116	-	29,692,668	-
Surplus/ (Deficit)	**$ 289,293,635**	**$ 20,945,908**	**$ 11,013,577**	**$ 12,816,190**	**$ 20,286,704**

APPLICANT

	State	Sumner County	Sedgwick County	City of Mulvane	USD 263
Revenue	$ 262,574,961	$ 22,934,451	$ 10,337,330	$ 24,116,691	$ -
Developer's Contr.	-	-	-	13,438,400	9,000,000
Cost	-	-	-	15,928,691	-
Surplus/ (Deficit)	**$ 262,574,961**	**$ 22,934,451**	**$ 10,337,330**	**$ 21,626,400**	**$ 9,000,000**

Table 3
Peninsula Gaming
Comparison of Sites A and B

REVENUES	**USD 263**	**City of Mulvane**	**Sumner County**	**Sedgwick County**	**State of Kansas**
Site A	$ 11,286,704	$ 22,710,857	$ 24,787,774	$ 11,013,577	$ 289,293,635
Site B	11,286,704	21,870,032	23,946,949	10,172,752	267,907,222
Difference	**$ -**	**$ 840,825**	**$ 840,825**	**$ 840,825**	**$ 21,386,412**
COSTS					
Site A	$ -	$ 29,692,668	$ 4,048,116	$ -	$ -
Site B	-	24,801,245	4,048,116	-	-
Difference	**$ -**	**$ 4,891,423**	**$ -**	**$ -**	**$ -**

Section 1
SUMMARY OF FISCAL IMPACT FINDINGS

SUMMARY SHEET
GLOBAL GAMING and PENINSULA GAMING

	GLOBAL GAMING	PENINSULA GAMING
Phase 1 Opening	June-12	December-12
Phase 2 Opening	Estimated-January 2017	December-14
Casino sq. ft. @ Full Buildout	102,979	107,800
Total sq. ft. @ Buildout	769,352	731,798
# Hotel rooms @ Buildout	240	300
Total Construction Costs	$ 147,550,000	$ 154,065,490
Total FF&E	$ 76,914,342	$ 66,478,743
# Permanent Employees @ Full Buildout	1,451	870
Estimated Operating Payroll - (2017)	$ 29,385,256	$ 29,327,396
FISCAL IMPACT SUMMARY-7 YEAR TOTAL		
REVENUE		
Gaming Contribution (tax)	$ 190,011,372	$ 299,071,942
Income Tax Revenue	17,822,773	10,281,926
Property Tax Revenue	26,035,478	34,138,290
Sales Tax Revenue	17,882,722	14,691,545
Lodging Tax Revenue	859,300	582,741
Building Permit Revenue	193,766	326,103
Total Revenue	**$ 252,805,412**	**$ 359,092,547**
Revenue by Entity		
State of Kansas	$ 200,128,664	$ 289,293,635
Sumner County	18,107,512	24,787,774
Sedgwick County	7,037,458	11,013,577
City	18,368,688	22,710,857
School District	9,163,089	11,286,704
COSTS		
Law Enforcement	$ 3,578,979	$ 4,779,611
Fire/EMS	4,818,384	7,795,417
Public Works (Streets, Water, Wastewater, Electric)	3,051,752	17,941,746
Other (Golf Club, Building Inspection)	493,766	326,103
Administrative Overhead	1,370,285	2,897,907
School	-	-
Total Costs	**$ 13,313,166**	**$ 33,740,784**
Costs by Entity		
Sumner County	$ 2,473,285	$ 4,048,116
City	10,839,881	$ 29,692,668
DEVELOPER'S CONTRIBUTION		
Infrastructure Contribution (Water, Wastewater, Public Safety)	$ 5,175,000	$ 20,004,250
Public Safety Equipment Contribution	1,078,969	-
School "Ad Astra" Fund Contribution	-	9,000,000
Total Contribution	**$ 6,253,969**	**$ 29,004,250**

Section 2
COMPARISON OF ESTIMATES

-GLOBAL GAMING-

FISCAL IMPACT--7 YEAR SUMMARY*
GLOBAL GAMING KS

Applicant's Estimates	State	Sumner County	Sedgwick Co.	Wellington	USD 353
REVENUE:					
Gaming Rev. Sharing[1]	$ 166,308,600	$ 6,929,525	$ 6,929,525	$ 6,929,525	$ -
Property Tax	198,175	7,334,498	-	5,271,206	-
Sales/Use Tax	-	657,685	-	822,106	-
Income Tax	4,132,115	-	-	-	-
Building Permit	-	-	-	-	-
Lodging Tax	-	-	-	534,754	
School State Aid	-	-	-	-	2,700,000
Developer Contribution[2]	-	-	-	5,000,000	-
Total	**$ 170,638,890**	**$ 14,921,708**	**$ 6,929,525**	**$ 18,557,591**	**$ 2,700,000**
COSTS:					
Law Enforcement	$ -	$ 1,237,946	$ -	$ 1,267,056	$ -
Public Works	-	-	-	-	-
Education	-	-	-	-	181,500
Fire Protection/EMS	-	-	-	3,820,915	-
Infrastructure Costs[2]				5,000,000	
Total	**$ -**	**$ 1,237,946**	**$ -**	**$ 10,087,971**	**$ 181,500**
Surplus/(Deficit)	**$ 170,638,890**	**$ 13,683,762**	**$ 6,929,525**	**$ 8,469,620**	**$ 2,518,500**

Consultant's Estimates	State	Sumner County	Sedgwick Co.	Wellington	USD 353
REVENUE:					
Gaming Rev. Sharing[1]	$ 168,898,997	$ 7,037,458	$ 7,037,458	$ 7,037,458	$ -
Property Tax	230,151	8,978,508	-	7,663,730	9,163,089
Sales/Use Tax	13,176,743	2,091,546	-	2,614,433	-
Income Tax	17,822,773	-	-	-	-
Building Permit	-	-	-	193,766	-
Lodging Tax	-	-	-	859,300	
School State Aid[3]	-	-	-	-	-
Developer Contribution[4]	-	-	-	6,253,969	-
Total	**$ 200,128,664**	**$ 18,107,512**	**$ 7,037,458**	**$ 24,622,657**	**$ 9,163,089**
COSTS:					
Law Enforcement	$ -	$ 1,997,764	$ -	$ 1,581,215	$ -
Public Works[5]	-	-	-	3,051,752	-
Fire Protection/EMS	-	-	-	4,818,384	-
Other[6]	-	-	-	493,766	
Admin. Overhead	-	475,522	-	894,763	
Education	-	-	-	-	-
Total	**$ -**	**$ 2,473,285**	**$ -**	**$ 10,839,881**	**$ -**
Surplus/(Deficit)	**$ 200,128,664**	**$ 15,634,227**	**$ 7,037,458**	**$ 13,782,776**	**$ 9,163,089**

Footnotes:

*Analysis encompasses a total of 7 years:

Phase 1 which consists of 18 months of construction (January 2011 thru June 2012) and 3.5 year of operations (June 2012 to December 2015).

Phase 2 which consists of 1 year of construction (2016) and 1 year of operations (2017).

1. Developer proposes to increase State of Kansas gaming contribution from 22% of gaming revenue required by SB66 to 23% for revenues above $250 million. Source: Global Gaming Lottery Gaming Facility Management Contract.
2. Developer proposes to pay 100% of infrastructure costs, including roadways, utilities, and public safety and emergency service facilities, which the developer estimates at $5 million. Source: Predevelopment Agreement between Sumner County and Global Gaming and developer's application template.
3. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
4. As the developer proposes to pay 100% of capital improvements for the Police, Fire, Electric, Water, Wastewater, and Golf departments, as well as police, fire and EMS equipment and technology costs, these costs are considered to be covered by the developer. As these costs are shown in the "Costs" section, they are offset here as a Developer Contribution in the "Revenue" section.
5. Includes Streets, Water, Wastewater and Electric Departments for City of Wellington.
6. Includes Golf Club and Building Inspection for City of Wellington.

FISCAL IMPACT--CONSTRUCTION
PHASE 1
GLOBAL GAMING KS

Proposer's Estimates: 2011-12										
		State		Sumner County		Sedgwick Co.		Wellington		USD 353
REVENUE:										
Gaming Rev. Sharing[1]	$	30,309,600	$	1,262,900	$	1,262,900	$	1,262,900	$	-
Property Tax		38,201		1,405,764		-		1,020,095		-
Sales/Use Tax		-		55,387		-		69,233		-
Income Tax		511,294		-		-		-		-
Building Permit		-		-		-		-		-
Lodging Tax		-		-		-		-		-
School State Aid		-		-		-		-		337,500
Developer Contribution[2]		-		-		-		5,000,000		-
Total	**$**	**30,859,095**	**$**	**2,724,051**	**$**	**1,262,900**	**$**	**7,352,228**	**$**	**337,500**
COSTS:										
Law Enforcement	$	-	$	440,800	$	-	$	458,707	$	-
Public Works		-		-		-		-		-
Education		-		-		-		-		-
Fire Protection/EMS		-		-		-		1,490,750		-
Infrastructure Costs[2]		-		-		-		5,000,000		-
Total	**$**	**-**	**$**	**440,800**	**$**	**-**	**$**	**6,949,457**	**$**	**-**
Surplus/(Deficit)	**$**	**30,859,095**	**$**	**2,283,251**	**$**	**1,262,900**	**$**	**402,771**	**$**	**337,500**

Consultant's Estimates: 2011-12										
		State		Sumner County		Sedgwick Co.		Wellington		USD 353
REVENUE:										
Gaming Rev. Sharing[1]	$	12,864,300	$	536,013	$	536,013	$	536,013	$	-
Property Tax		11,134		434,358		-		370,752		443,288
Sales/Use Tax		6,544,671		1,038,837		-		1,298,546		-
Income Tax		2,954,142		-		-		-		-
Building Permit		-		-		-		63,530		-
Lodging Tax		-		-		-		-		-
School State Aid[3]		-		-		-		-		-
Developer Contribution[4]		-		-		-		5,203,953		
Total	**$**	**22,374,247**	**$**	**2,009,207**	**$**	**536,013**	**$**	**7,472,793**	**$**	**443,288**
COSTS:										
Law Enforcement	$	-	$	439,464	$	-	$	634,262	$	-
Public Works[5]		-		-		-		2,079,872		-
Fire Protection/EMS		-		-		-		2,692,656		-
Other[6]		-		-		-		363,530		-
Admin. Overhead		-		104,604		-		519,156		-
Education		-		-		-		-		-
Total	**$**	**-**	**$**	**544,068**	**$**	**-**	**$**	**6,289,476**	**$**	**-**
Surplus/(Deficit)	**$**	**22,374,247**	**$**	**1,465,139**	**$**	**536,013**	**$**	**1,183,317**	**$**	**443,288**

Footnotes:

1. Developer proposes to increase State of Kansas gaming contribution from 22% of gaming revenue required by SB66 to 23% for revenues above $250 million.
Source: Global Gaming Lottery Gaming Facility Management Contract.

		Year 1		Year 2	Total*
Proposer	$	-	$	126,290,000	**$ 126,290,000**
Consultants		-		53,601,250	**53,601,250**

*This difference is likely due to the Consultants' assumption of a six-month operating period in Year 2 and Proposer's assumption of a full year period.

Source: Consultants' estimate is average of Wells Gaming Research and Cummings Associates GGR estimates.

2. Developer proposes to pay 100% of infrastructure costs, including roadways, utilities, and public safety and emergency service facilities, which the developer estimates at $5 million. Source: Predevelopment Agreement between Sumner County and Global Gaming and developer's application template.
3. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
4. As the developer proposes to pay 100% of capital improvements for the Police, Fire, Electric, Water, Wastewater, and Golf departments, as well as police, fire and EMS equipment and technology costs, these costs are considered to be covered by the developer. As these costs are shown in the "Costs" section, they are offset here as a Developer Contribution in the "Revenue" section.
5. Includes Streets, Water, Wastewater and Electric Departments for City of Wellington.
6. Includes Golf Club and Building Inspection for City of Wellington.

FISCAL IMPACT--OPERATING
PHASE 1
GLOBAL GAMING KS

Proposer's Estimates: 2013-15	State	Sumner County	Sedgwick Co.	Wellington	USD 353
REVENUE:					
Gaming Rev. Sharing[1]	$ 98,418,600	$ 4,100,775	$ 4,100,775	$ 4,100,775	$ -
Property Tax	118,190	4,380,200	-	3,140,758	-
Sales/Use Tax	-	436,210	-	545,262	-
Income Tax	2,574,126	-	-	-	-
Building Permit	-	-	-	-	-
Lodging Tax	-	-	-	383,929	-
School State Aid	-	-	-	-	1,687,500
Developer Contribution[2]	-	-	-	-	-
Total	**$ 101,110,916**	**$ 8,917,185**	**$ 4,100,775**	**$ 8,170,724**	**$ 1,687,500**
COSTS:					
Law Enforcement	$ -	$ 582,662	$ -	$ 606,357	$ -
Public Works	-	-	-	-	-
Education	-	-	-	-	132,000
Fire Protection/EMS	-	-	-	1,721,546	-
Infrastructure Costs[2]	-	-	-	-	-
Total	**$ -**	**$ 582,662**	**$ -**	**$ 2,327,903**	**$ 132,000**
Surplus/(Deficit)	**$ 101,110,916**	**$ 8,334,523**	**$ 4,100,775**	**$ 5,842,821**	**$ 1,555,500**

Consultant's Estimates: 2013-15	State	Sumner County	Sedgwick Co.	Wellington	USD 353
REVENUE:					
Gaming Rev. Sharing[1]	$ 87,372,483	$ 3,640,520	$ 3,640,520	$ 3,640,520	$ -
Property Tax	115,700	4,513,619	-	3,852,662	4,606,410
Sales/Use Tax	2,390,960	379,518	-	474,397	-
Income Tax	3,353,562	-	-	-	-
Building Permit	-	-	-	26,518	-
Lodging Tax	-	-	-	383,929	-
School State Aid[3]	-	-	-	-	-
Developer Contribution[4]	-	-	-	950,000	
Total	**$ 93,232,706**	**$ 8,533,656**	**$ 3,640,520**	**$ 9,328,026**	**$ 4,606,410**
COSTS:					
Law Enforcement	$ -	$ 907,219	$ -	$ 347,770	$ -
Public Works[5]	-	-	-	963,334	-
Fire Protection/EMS	-	-	-	1,237,567	-
Other[6]	-	-	-	26,518	-
Admin. Overhead	-	215,943	-	231,690	-
Education	-	-	-	-	-
Total	**$ -**	**$ 1,123,162**	**$ -**	**$ 2,806,880**	**$ -**
Surplus/(Deficit)	**$ 93,232,706**	**$ 7,410,495**	**$ 3,640,520**	**$ 6,521,147**	**$ 4,606,410**

Footnotes:

1. Developer proposes to increase State of Kansas gaming contribution from 22% of gaming revenue required by SB66 to 23% for revenues above $250 million.
 Source: Global Gaming Lottery Gaming Facility Management Contract.

	Year 3	Year 4	Year 5	Total
Proposer	$ 128,662,500	$ 140,707,500	$ 140,707,500	**$ 410,077,500**
Consultants	110,418,575	124,942,580	128,690,857	**364,052,012**

 Source: Consultants' estimate is average of Wells Gaming Research and Cummings Associates GGR estimates.

2. Developer proposes to pay 100% of infrastructure costs, including roadways, utilities, and public safety and emergency service facilities, which the developer estimates at $5 million. Source: Predevelopment Agreement between Sumner County and Global Gaming and developer's application template.
3. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
4. As the developer proposes to pay 100% of capital improvements for the Police, Fire, Electric, Water, Wastewater, and Golf departments, as well as police, fire and EMS equipment and technology costs, these costs are considered to be covered by the developer. As these costs are shown in the "Costs" section, they are offset here as a Developer Contribution in the "Revenue" section.
5. Includes Streets, Water, Wastewater and Electric Departments for City of Wellington.
6. Includes Golf Club and Building Inspection for City of Wellington.

FISCAL IMPACT--CONSTRUCTION
PHASE 2
GLOBAL GAMING KS

Proposer's Estimates: 2016	State	Sumner County	Sedgwick Co.	Wellington	USD 353
REVENUE:					
Gaming Rev. Sharing[1]	$ 37,580,400	$ 1,565,850	$ 1,565,850	$ 1,565,850	$ -
Property Tax	41,784	1,548,534	-	1,110,353	-
Sales/Use Tax	-	166,088	-	207,611	-
Income Tax	1,046,695	-	-	-	-
Building Permit	-	-	-	-	-
Lodging Tax	-	-	-	150,825	-
School State Aid	-	-	-	-	675,000
Developer Contribution[2]	-	-	-	-	-
Total	**$ 38,668,879**	**$ 3,280,472**	**$ 1,565,850**	**$ 3,034,639**	**$ 675,000**
COSTS:					
Law Enforcement	$ -	$ 214,484	$ -	$ 201,992	$ -
Public Works	-	-	-	-	-
Education	-	-	-	-	49,500
Fire Protection/EMS	-	-	-	608,619	-
Infrastructure Costs[2]	-	-	-	-	-
Total	**$ -**	**$ 214,484**	**$ -**	**$ 810,611**	**$ 49,500**
Surplus/(Deficit)	**$ 38,668,879**	**$ 3,065,989**	**$ 1,565,850**	**$ 2,224,028**	**$ 625,500**

Consultant's Estimates: 2016	State	Sumner County	Sedgwick Co.	Wellington	USD 353
REVENUE:					
Gaming Rev. Sharing[1]	$ 33,155,947	$ 1,381,498	$ 1,381,498	$ 1,381,498	$ -
Property Tax	42,952	1,675,602	-	1,430,234	1,710,050
Sales/Use Tax	3,471,545	551,039	-	688,799	-
Income Tax	10,486,585	-	-	-	-
Building Permit	-	-	-	103,719	-
Lodging Tax	-	-	-	155,350	-
School State Aid[3]	-	-	-	-	-
Developer Contribution[4]	-	-	-	49,269	-
Total	**$ 47,157,029**	**$ 3,608,139**	**$ 1,381,498**	**$ 3,808,868**	**$ 1,710,050**
COSTS:					
Law Enforcement	$ -	$ 320,729	$ -	$ 295,164	$ -
Public Works[5]	-	-	-	5,680	-
Fire Protection/EMS	-	-	-	437,518	-
Other[6]	-	-	-	103,719	-
Admin. Overhead	-	76,342	-	75,762	-
Education	-	-	-	-	-
Total	**$ -**	**$ 397,072**	**$ -**	**$ 917,842**	**$ -**
Surplus/(Deficit)	**$ 47,157,029**	**$ 3,211,067**	**$ 1,381,498**	**$ 2,891,026**	**$ 1,710,050**

Footnotes:

1. Developer proposes to increase State of Kansas gaming contribution from 22% of gaming revenue required by SB66 to 23% for revenues above $250 million.
 Source: Global Gaming Lottery Gaming Facility Management Contract.

	Year 6
Proposer	$ 156,585,000
Consultants	138,149,779

 Source: Consultants' estimate is average of Wells Gaming Research and Cummings Associates GGR estimates.
2. Developer proposes to pay 100% of infrastructure costs, including roadways, utilities, and public safety and emergency service facilities, which the developer estimates at $5 million. Source: Predevelopment Agreement between Sumner County and Global Gaming and developer's application template.
3. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
4. As the developer proposes to pay 100% of capital improvements for the Police, Fire, Electric, Water, Wastewater, and Golf departments, as well as police, fire and EMS equipment and technology costs, these costs are considered to be covered by the developer. As these costs are shown in the "Costs" section, they are offset here as a Developer Contribution in the "Revenue" section.
5. Includes Streets, Water, Wastewater and Electric Departments for City of Wellington.
6. Includes Golf Club and Building Inspection for City of Wellington.

FISCAL IMPACT--OPERATING
PHASE 2
GLOBAL GAMING KS

Proposer's Estimates: 2017*										
		State		Sumner County		Sedgwick Co.		Wellington		USD 353
REVENUE:										
Gaming Rev. Sharing[1]	$	-	$	-	$	-	$	-	$	-
Property Tax		-		-		-		-		-
Sales/Use Tax		-		-		-		-		-
Income Tax		-		-		-		-		-
Building Permit		-		-		-		-		-
Lodging Tax		-		-		-		-		-
School State Aid		-		-		-		-		-
Developer Contribution[2]		-		-		-		-		-
Total	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
COSTS:										
Law Enforcement	$	-	$	-	$	-	$	-	$	-
Public Works		-		-		-		-		-
Education		-		-		-		-		-
Fire Protection/EMS		-		-		-		-		-
Infrastructure Costs[2]		-		-		-		-		-
Total	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Surplus/(Deficit)	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**

Consultant's Estimates: 2017										
		State		Sumner County		Sedgwick Co.		Wellington		USD 353
REVENUE:										
Gaming Rev. Sharing[1]	$	35,506,267	$	1,479,428	$	1,479,428	$	1,479,428	$	-
Property Tax		60,365		2,354,928		-		2,010,082		2,403,341
Sales/Use Tax		769,566		122,153		-		152,692		-
Income Tax		1,028,484		-		-		-		-
Building Permit		-		-		-		-		-
Lodging Tax		-		-		-		320,021		
School State Aid[3]		-		-		-		-		-
Developer Contribution[4]		-		-		-		50,747		-
Total	**$**	**37,364,682**	**$**	**3,956,509**	**$**	**1,479,428**	**$**	**4,012,970**	**$**	**2,403,341**
COSTS:										
Law Enforcement	$	-	$	330,351	$	-	$	304,019	$	-
Public Works[5]		-		-		-		2,866		-
Fire Protection/EMS		-		-		-		450,643		-
Other[6]		-		-		-		-		-
Admin. Overhead		-		78,633		-		68,155		-
Education		-		-		-		-		-
Total	**$**	**-**	**$**	**408,984**	**$**	**-**	**$**	**825,682**	**$**	**-**
Surplus/(Deficit)	**$**	**37,364,682**	**$**	**3,547,526**	**$**	**1,479,428**	**$**	**3,187,287**	**$**	**2,403,341**

Footnotes:

* Developer did not estimate revenue and costs for 2017.

1. Developer proposes to increase State of Kansas gaming contribution from 22% of gaming revenue required by SB66 to 23% for revenues above $250 million.
 Source: Global Gaming Lottery Gaming Facility Management Contract.

		Year 7
Proposer	$	-
Consultant		147,942,779

Source: Consultants' estimate is average of Wells Gaming Research and Cummings Associates GGR estimates.

2. Developer proposes to pay 100% of infrastructure costs, including roadways, utilities, and public safety and emergency service facilities, which the developer estimates at $5 million. Source: Predevelopment Agreement between Sumner County and Global Gaming and developer's application template.
3. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
4. As the developer proposes to pay 100% of capital improvements for the Police, Fire, Electric, Water, Wastewater, and Golf departments, as well as police, fire and EMS equipment and technology costs, these costs are considered to be covered by the developer. As these costs are shown in the "Costs" section, they are offset here as a Developer Contribution in the "Revenue" section.
5. Includes Streets, Water, Wastewater and Electric Departments for City of Wellington.
6. Includes Golf Club and Building Inspection for City of Wellington.

Section 3
COMPARISON OF ESTIMATES

-PENINSULA GAMING-

FISCAL IMPACT--7 YEAR SUMMARY*
PENINSULA GAMING

Applicant's Estimates					
	State	Sumner County	Sedgwick Co.	Mulvane	USD 263
REVENUE:					
Gaming Rev. Sharing[1]	$ 248,095,931	$ 10,337,330	$ 10,337,330	$ 10,337,330	$ -
Property Tax	997,741	10,476,281	-	13,469,504	-
Sales/Use Tax	13,361,289	2,120,840	-	-	-
Income Tax	120,000	-	-	-	-
Building Permit	-	-	-	-	-
Lodging Tax	-	-	-	309,857	-
School State Aid	-	-	-	-	-
Developer Contribution[2]	-	-	-	13,438,400	9,000,000
Total	**$ 262,574,961**	**$ 22,934,451**	**$ 10,337,330**	**$ 37,555,091**	**$ 9,000,000**
COSTS:					
Law Enforcement	$ -	$ -	$ -	$ 620,581	$ -
Public Works	-	-	-	-	-
Education	-	-	-	-	-
Fire Protection/EMS	-	-	-	1,869,710	-
Infrastructure Costs[2]	-	-	-	13,438,400	
Total	**$ -**	**$ -**	**$ -**	**$ 15,928,691**	**$ -**
Surplus/(Deficit)	**$ 262,574,961**	**$ 22,934,451**	**$ 10,337,330**	**$ 21,626,400**	**$ 9,000,000**

Consultant's Estimates					
	State	Sumner County	Sedgwick Co.	Mulvane	USD 263
REVENUE:					
Gaming Rev. Sharing[1]	$ 266,031,211	$ 11,013,577	$ 11,013,577	$ 11,013,577	$ -
Property Tax	301,493	11,761,657	-	10,788,436	11,286,704
Sales/Use Tax	12,679,005	2,012,540	-	-	-
Income Tax	10,281,926	-	-	-	-
Building Permit	-	-	-	326,103	-
Lodging Tax	-	-	-	582,741	-
School State Aid[3]	-	-	-	-	-
Developer Contribution[4]	-	206,250	-	19,798,000	9,000,000
Total	**$ 289,293,635**	**$ 24,994,024**	**$ 11,013,577**	**$ 42,508,857**	**$ 20,286,704**
COSTS:					
Law Enforcement	$ -	$ 2,603,567	$ -	$ 2,176,045	$ -
Public Works[5]	-	666,246	-	17,275,500	-
Fire Protection/EMS	-	-	-	7,795,417	-
Other[6]	-	-	-	326,103	-
Admin. Overhead	-	778,304	-	2,119,603	-
Education	-	-	-	-	-
Total	**$ -**	**$ 4,048,116**	**$ -**	**$ 29,692,668**	**$ -**
Surplus/(Deficit)	**$ 289,293,635**	**$ 20,945,908**	**$ 11,013,577**	**$ 12,816,190**	**$ 20,286,704**

Footnotes:

*Analysis encompasses a total of 7 years:

Phase 1 which consists of 11 months of construction (February 2011-December 2011) for Phase 1a and nineteen months for Phase 1b (May 2011-December 2012).

Phase 2 which consists of 2 years of construction (January 2013 to December 2014) and 3 years of operations (2015-2017).

1. Developer proposes to increase State of Kansas gaming contribution from 22% of gaming revenue required by SB66 to 24% for revenues between $180 million and $220 million, and 26% for revenues above $220 million. Contribution will remain at 22% for revenues below $180 million.
   Source: Peninsula Gaming Lottery Gaming Facility Management Contract.
2. Developer proposes to pay 100% of infrastructure costs, including roadways, utilities, and public safety and emergency service facilities, which the developer estimates as follows:

Roads Streets	**$ 7,540,000**
Water/Sewer	**5,398,400**
Law Enforcement	**500,000**

Source: Predevelopment Agreement between City of Mulvane and Peninsula Gaming and developer's application template.

Developer also proposes to contribute **$ 1,500,000** annually to Sumner County educational programs through the "Ad Astra" fund.
Source: Peninsula Gaming Lottery Gaming Facility Management Contract.

3. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
4. As the developer proposes to pay 100% of infrastructure costs, such as capital improvements for the Police, Fire, Electric, Water, and Wastewater departments, these costs are considered to be covered by the developer. As these costs are shown in the "Costs" section below, they are offset here as a Developer Contribution. It is unknown if the developer will contribute to the capital expenditures of the Sheriff's department, it is assumed they will.
5. Includes Roads department for Sumner County and Water, Wastewater and Electric Departments for City of Mulvane.
6. Includes Building Inspection for City of Mulvane.

FISCAL IMPACT--CONSTRUCTION
PHASE 1
PENINSULA GAMING

Proposer's Estimates: 2011-12	State		Sumner County		Sedgwick Co.		Mulvane		USD 263
REVENUE:									
Gaming Rev. Sharing[1]	$	28,537,901	$	1,189,079	$	1,189,079	$	1,189,079	$ -
Property Tax		83,874		880,679		-		1,132,302	-
Sales/Use Tax		6,195,442		983,403		-		-	-
Income Tax		20,000		-		-		-	-
Building Permit		-		-		-		-	-
Lodging Tax		-		-		-		-	-
School State Aid		-		-		-		-	-
Developer Contribution[2]		-		-		-		13,438,400	1,500,000
Total	**$**	**34,837,217**	**$**	**3,053,162**	**$**	**1,189,079**	**$**	**15,759,781**	**$ 1,500,000**
COSTS:									
Law Enforcement	$	-	$	-	$	-	$	115,568	$ -
Public Works		-		-		-		-	-
Education		-		-		-		-	-
Fire Protection/EMS		-		-		-		357,578	-
Infrastructure Costs[2]		-		-		-		13,438,400	-
Total	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**13,911,546**	**$ -**
Surplus/(Deficit)	**$**	**34,837,217**	**$**	**3,053,162**	**$**	**1,189,079**	**$**	**1,848,235**	**$ 1,500,000**

Consultant's Estimates: 2011-12	State		Sumner County		Sedgwick Co.		Mulvane		USD 263
REVENUE:									
Gaming Rev. Sharing[1]	$	35,005,680	$	1,458,570	$	1,458,570	$	1,458,570	$ -
Property Tax		24,036		937,685		-		860,096	899,820
Sales/Use Tax		5,939,458		942,771		-		-	-
Income Tax		2,659,484		-		-		-	-
Building Permit		-		-		-		233,459	-
Lodging Tax		-		-		-		-	-
School State Aid[3]		-		-		-		-	-
Developer Contribution[4]		-		206,250		-		19,798,000	1,500,000
Total	**$**	**43,628,659**	**$**	**3,545,276**	**$**	**1,458,570**	**$**	**22,350,125**	**$ 2,399,820**
COSTS:									
Law Enforcement	$	-	$	733,607	$	-	$	420,695	$ -
Public Works[5]		-		103,000		-		17,275,500	-
Fire Protection/EMS		-		-		-		4,113,327	-
Other[6]		-		-		-		233,459	-
Admin. Overhead		-		199,135		-		1,694,493	-
Education		-		-		-		-	-
Total	**$**	**-**	**$**	**1,035,742**	**$**	**-**	**$**	**23,737,474**	**$ -**
Surplus/(Deficit)	**$**	**43,628,659**	**$**	**2,509,534**	**$**	**1,458,570**	**$**	**(1,387,349)**	**$ 2,399,820**

Footnotes:

1. Developer proposes to increase State of Kansas gaming contribution from 22% of gaming revenue required by SB66 to 24% for revenues between $180 million and $220 million, and 26% for revenues above $220 million. Contribution will remain at 22% for revenues below $180 million.
   Source: Peninsula Gaming Lottery Gaming Facility Management Contract.

		Year 1		Year 2		Total
Proposer	$	-	$	118,907,922	**$**	**118,907,922**
Consultants		-		159,100,000		**159,100,000**

   Source: Consultants' estimate is average of Wells Gaming Research and Cummings Associates GGR estimates.

2. Developer proposes to pay 100% of infrastructure costs, including roadways, utilities, and public safety and emergency service facilities, which the developer estimates as follows:

Roads Streets	**$**	**7,540,000**
Water/Sewer		**5,398,400**
Law Enforcement		**500,000**

Source: Predevelopment Agreement between City of Mulvane and Peninsula Gaming and developer's application template.
Developer also proposes to contribute **$ 1,500,000** annually to Sumner County educational programs through the "Ad Astra" fund.
Source: Peninsula Gaming Lottery Gaming Facility Management Contract.

3. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
4. As the developer proposes to pay 100% of infrastructure costs, such as capital improvements for the Police, Fire, Electric, Water, and Wastewater departments, these costs are considered to be covered by the developer. As these costs are shown in the "Costs" section below, they are offset here as a Developer Contribution. It is unknown if the developer will contribute to the capital expenditures of the Sheriff's department, it is assumed they will.
5. Includes Roads department for Sumner County and Water, Wastewater and Electric Departments for City of Mulvane.
6. Includes Building Inspection for City of Mulvane.

FISCAL IMPACT--CONSTRUCTION
PHASE 2
PENINSULA GAMING

Proposer's Estimates: 2013-14	State	Sumner County	Sedgwick Co.	Mulvane	USD 263
REVENUE:					
Gaming Rev. Sharing[1]	$ 75,202,063	$ 3,133,419	$ 3,133,419	$ 3,133,419	$ -
Property Tax	300,626	3,156,571	-	4,058,448	-
Sales/Use Tax	3,893,183	617,966	-	-	-
Income Tax	40,000	-	-	-	-
Building Permit	-	-	-	-	-
Lodging Tax	-	-	-	85,022	-
School State Aid	-	-	-	-	-
Developer Contribution[2]	-	-	-	-	3,000,000
Total	**$ 79,435,871**	**$ 6,907,956**	**$ 3,133,419**	**$ 7,276,890**	**$ 3,000,000**
COSTS:					
Law Enforcement	$ -	$ -	$ -	$ 191,763	$ -
Public Works	-	-	-	-	-
Education	-	-	-	-	-
Fire Protection/EMS	-	-	-	579,197	-
Infrastructure Costs[2]	-	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ 770,960**	**$ -**
Surplus/(Deficit)	**$ 79,435,871**	**$ 6,907,956**	**$ 3,133,419**	**$ 6,505,930**	**$ 3,000,000**

Consultant's Estimates: 2013-14	State	Sumner County	Sedgwick Co.	Mulvane	USD 263
REVENUE:					
Gaming Rev. Sharing[1]	$ 80,657,735	$ 3,356,246	$ 3,356,246	$ 3,356,246	$ -
Property Tax	88,451	3,450,596	-	3,165,076	3,311,256
Sales/Use Tax	3,808,912	604,589	-	-	-
Income Tax	3,340,718	-	-	-	-
Building Permit	-	-	-	-	-
Lodging Tax	-	-	-	194,253	-
School State Aid[3]	-	-	-	-	-
Developer Contribution[4]	-	-	-	-	3,000,000
Total	**$ 87,895,816**	**$ 7,411,431**	**$ 3,356,246**	**$ 6,715,574**	**$ 6,311,256**
COSTS:					
Law Enforcement	$ -	$ 714,997	$ -	$ 538,430	$ -
Public Works[5]	-	215,363	-	-	-
Fire Protection/EMS	-	-	-	965,569	-
Other[6]	-	-	-	92,644	-
Admin. Overhead	-	221,451	-	122,737	-
Education	-	-	-	-	-
Total	**$ -**	**$ 1,151,811**	**$ -**	**$ 1,719,380**	**$ -**
Surplus/(Deficit)	**$ 87,895,816**	**$ 6,259,620**	**$ 3,356,246**	**$ 4,996,195**	**$ 6,311,256**

Footnotes:

1. Developer proposes to increase State of Kansas gaming contribution from 22% of gaming revenue required by SB66 to 24% for revenues between $180 million and $220 million, and 26% for revenues above $220 million. Contribution will remain at 22% for revenues below $180 million.
   Source: Peninsula Gaming Lottery Gaming Facility Management Contract.

	Year 3	Year 4	Total
Proposer	$ 147,529,372	$ 165,812,555	**$ 313,341,928**
Consultants	163,873,000	192,100,000	**355,973,000**

   Source: Consultants' estimate is average of Wells Gaming Research and Cummings Associates GGR estimates.
2. Developer proposes to pay 100% of infrastructure costs, including roadways, utilities, and public safety and emergency service facilities.
   Developer also proposes to contribute **$ 1,500,000** annually to Sumner County educational programs through the "Ad Astra" fund.
   Source: Peninsula Gaming Lottery Gaming Facility Management Contract.
3. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
4. As the developer proposes to pay 100% of infrastructure costs, such as capital improvements for the Police, Fire, Electric, Water, and Wastewater

departments, these costs are considered to be covered by the developer. As these costs are shown in the "Costs" section below, they are offset here as a Developer Contribution. It is unknown if the developer will contribute to the capital expenditures of the Sheriff's department, it is assumed they will.

5. Includes Roads department for Sumner County and Water, Wastewater and Electric Departments for City of Mulvane.
6. Includes Building Inspection for City of Mulvane.

FISCAL IMPACT--OPERATING
PHASE 2
PENINSULA GAMING

Proposer's Estimates: 2015-17*										
		State		**Sumner County**		**Sedgwick Co.**		**Mulvane**		**USD 263**
REVENUE:										
Gaming Rev. Sharing[1]	$	144,355,968	$	6,014,832	$	6,014,832	$	6,014,832	$	-
Property Tax		613,241		6,439,031		-		8,278,754		-
Sales/Use Tax		3,272,664		519,470		-		-		-
Income Tax		60,000		-		-		-		-
Building Permit		-		-		-		-		-
Lodging Tax		-		-		-		224,834		-
School State Aid		-		-		-		-		-
Developer Contribution[2]		-		-		-		-		4,500,000
Total	**$**	**148,301,873**	**$**	**12,973,333**	**$**	**6,014,832**	**$**	**14,518,420**	**$**	**4,500,000**
COSTS:										
Law Enforcement	$	-	$	-	$	-	$	313,250	$	-
Public Works		-		-		-		-		-
Education								-		
Fire Protection/EMS		-		-		-		932,936		-
Infrastructure Costs[2]		-		-		-		-		-
Total	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**1,246,185**	**$**	**-**
Surplus/(Deficit)	**$**	**148,301,873**	**$**	**12,973,333**	**$**	**6,014,832**	**$**	**13,272,235**	**$**	**4,500,000**

Consultant's Estimates: 2015-17										
		State		**Sumner County**		**Sedgwick Co.**		**Mulvane**		**USD 263**
REVENUE:										
Gaming Rev. Sharing[1]	$	150,367,796	$	6,198,761	$	6,198,761	$	6,198,761	$	-
Property Tax		189,006		7,373,376		-		6,763,265		7,075,628
Sales/Use Tax		2,930,634		465,180		-		-		-
Income Tax		4,281,724		-		-		-		-
Building Permit		-		-		-		-		-
Lodging Tax		-		-		-		388,488		-
School State Aid[3]		-		-		-		-		-
Developer Contribution[4]		-		-		-		-		4,500,000
Total	**$**	**157,769,160**	**$**	**14,037,317**	**$**	**6,198,761**	**$**	**13,350,514**	**$**	**11,575,628**
COSTS:										
Law Enforcement	$	-	$	1,154,962	$	-	$	1,216,921	$	-
Public Works[5]		-		347,884		-		-		-
Fire Protection/EMS		-		-		-		2,716,520		-
Other[6]		-		-		-		-		-
Admin. Overhead		-		357,718		-		302,372		-
Education		-		-		-		-		-
Total	**$**	**-**	**$**	**1,860,564**	**$**	**-**	**$**	**4,235,813**	**$**	**-**
Surplus/(Deficit)	**$**	**157,769,160**	**$**	**12,176,754**	**$**	**6,198,761**	**$**	**9,114,701**	**$**	**11,575,628**

Footnotes:

* Developer did not estimate revenue for 2017 and costs for 2016-2017. Revenues for 2017 and costs for 2016 and 2017 are estimated by inflating previous year's amounts by 3%.

1. Developer proposes to increase State of Kansas gaming contribution from 22% of gaming revenue required by SB66 to 24% for revenues between $180 million and $220 million, and 26% for revenues above $220 million. Contribution will remain at 22% for revenues below $180 million.
   Source: Peninsula Gaming Lottery Gaming Facility Management Contract.

		Year 5		Year 6		Year 7*		Total	
Proposer	$	190,727,438	$	202,342,739	$	208,413,021	**$**	**601,483,198**	*Year 7 Proposer revenue estimated by inflating Year 6 revenue by 3%.
Consultant		197,863,000		213,400,000		219,802,000		**619,876,137**	

   Source: Consultants' estimate is average of Wells Gaming Research and Cummings Associates GGR estimates.

2. Developer proposes to pay 100% of infrastructure costs, including roadways, utilities, and public safety and emergency service facilities.
   Developer also proposes to contribute **$ 1,500,000** annually to Sumner County educational programs through the "Ad Astra" fund.
   Source: Peninsula Gaming Lottery Gaming Facility Management Contract.

3. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
4. As the developer proposes to pay 100% of infrastructure costs, such as capital improvements for the Police, Fire, Electric, Water, and Wastewater departments, these costs are considered to be covered by the developer. As these costs are shown in the "Costs" section below, they are offset here as a Developer Contribution. It is unknown if the developer will contribute to the capital expenditures of the Sheriff's department, it is assumed they will.
5. Includes Roads department for Sumner County and Water, Wastewater and Electric Departments for City of Mulvane.
6. Includes Building Inspection for City of Mulvane.

Section 4
FISCAL IMPACT ANALYSIS

-GLOBAL GAMING-

APPENDIX 1-GLOBAL GAMING KS
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST
AT FULL DEVELOPMENT

YEAR	USE TYPE	SQUARE FEET CONSTRUCTED	EST. TAXABLE CONSTR. COST	ESTIM. CONSTR. MATERIALS COST	FF&E PURCHASES
Year 1	Casino	24,326	$ 14,842,868	$ 7,090,061	$ -
	Event Center	14,183	8,653,848	4,133,723	-
	Restaurants	8,868	5,410,867	2,584,634	-
	Retail	400	244,063	116,582	-
	Golf Facilities	-	158,923	-	-
	Travel Plaza	-	45,407	-	-
	Hotels	-	494,024	-	-
	Parking Garage	-	-	-	-
	RV Parking	-	-	-	-
	Race Track	-	-	-	-
Subtotal		**47,777**	**29,850,000**	**13,925,000**	**-**
Year 2	Casino	48,653	28,360,243	14,180,121	45,353,211
	Event Center	28,366	16,534,893	8,267,447	5,937,125
	Restaurants	17,736	10,338,534	5,169,267	3,712,221
	Retail	800	466,330	233,165	167,443
	Golf Facilities	-	-	-	-
	Travel Plaza	5,000	6,000,000	3,000,000	-
	Hotels	-	-	-	-
	Parking Garage	-	-	-	-
	RV Parking	-	-	-	-
	Race Track	-	-	-	-
Subtotal		**100,555**	**61,700,000**	**30,850,000**	**55,170,000**
Year 3	Casino	-	-	-	-
	Event Center	-	-	-	-
	Restaurants	-	-	-	-
	Retail	-	-	-	-
	Golf Facilities	-	-	-	-
	Travel Plaza	-	-	-	-
	Hotels	54,400	10,000,000	5,000,000	-
	Parking Garage	-	-	-	-
	RV Parking	-	-	-	-
	Race Track	-	-	-	-
Subtotal		**54,400**	**10,000,000**	**5,000,000**	**-**
Year 4	Casino	-	-	-	-
	Event Center	-	-	-	-
	Restaurants	-	-	-	-
	Retail	-	-	-	-
	Golf Facilities	17,500	3,000,000	1,500,000	-
	Travel Plaza	-	-	-	-
	Hotels	-	-	-	-
	Parking Garage	-	-	-	-
	RV Parking	-	-	-	-
	Race Track	-	-	-	-
Subtotal		**17,500**	**3,000,000**	**1,500,000**	**-**
Year 5	Casino	-	-	-	-
	Event Center	-	-	-	-
	Restaurants	-	-	-	-
	Retail	-	-	-	-
	Golf Facilities	-	-	-	-
	Travel Plaza	-	-	-	-
	Hotels	-	-	-	-
	Parking Garage	-	-	-	-
	RV Parking	-	-	-	-
	Race Track	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**

APPENDIX 1-GLOBAL GAMING KS
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST
AT FULL DEVELOPMENT

Year 6	Casino	30,000		8,000,000		4,000,000	9,186,085
	Event Center	-		-		-	-
	Restaurants	-		-		-	-
	Retail	-		-		-	-
	Golf Facilities	-		-		-	-
	Travel Plaza	-		-		-	-
	Hotels	90,000		15,000,000		7,500,000	12,558,256
	Parking Garage	309,120		6,000,000		3,000,000	-
	RV Parking	120,000		7,000,000		3,500,000	-
	Race Track	-		7,000,000		3,500,000	-
Subtotal		**549,120**		**43,000,000**		**21,500,000**	**21,744,342**
TOTAL		**769,352**	**$**	**147,550,000**	**$**	**72,775,000**	**$ 76,914,342**

APPENDIX 1, ASSUMPTIONS:

1. Construction of the development is estimated to take place in 2 phases.
   Phase 1: 18-month construction period (January 2011 thru June 2012):

	Sq. Footage	Other Information
Casino	72,979	1,500 slot machines, 60 table games
Event Center	42,549	
Restaurants/Bars	26,604	3 restaurants
Retail	1,200	Logo shop
Golf Facilities*	17,500	New club house and cart barn
Travel Plaza*	5,000	Convenience store and support facilities
Hotel*	54,400	120 rooms
Total	**220,232**	

   *These facilities will be constructed after the opening of the casino development in 2012, golf facilities in 2014, travel plaza in 2012, and hotel in 2013. Source: Developer's application template matrix.

   Phase 2: Developer estimates Phase 2 will be construction between 6 and 12 years after original construction start. For ease of report, analysis assumes all Phase 2 constructed in Year 6 (2016).

	Sq. Footage	Other Information
Casino	30,000	700 slot machines
Hotel	90,000	120 rooms
Parking garage	309,120	966 stalls
RV park	120,000	90 stalls
Vintage car racetrack		260 acres
Total	**549,120**	

   Source: Developer's application template matrix.

2. **Phase 1:** Construction costs provided by the developer in the template matrix (land is added in Year 1, 33% of building costs are added in Year 1, and remainder in Year 2, FF&E added in Year 2):

Land	Building	FF&E*	Total**
$ 2,000,000	$ 102,550,000	$ 55,170,000	**$ 159,720,000**

   *FF&E-furniture, fixtures and equipment, includes gaming equipment which is allocated to the casino.
   **Total amount does not equal investment amount as the analysis excludes soft costs such as engineering and architectural fees and public sector costs for property tax calculation purposes. Source: Developer's application template matrix.

   Phase 2: Construction costs for Phase 2 of the development is added in Year 6:

	Construction	FF&E
Casino	$ 8,000,000	$ 9,186,085
Hotel	15,000,000	12,558,256
Parking garage	6,000,000	
RV park	7,000,000	
Vintage car racetrack	7,000,000	
	$ 43,000,000	**$ 21,744,342**

   Source: Developer's "Lottery Gaming Facility Management Contract."

3. Construction materials cost estimated at **50%** of construction costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers.

APPENDIX 2-GLOBAL GAMING KS
ESTIMATED PROPERTY TAX REVENUE AT
2010 PROPERTY TAX RATE

YEAR	USE TYPE	EST. REAL PROPERTY VALUE	CUMULATIVE PROPERTY VALUE	CUMULATIVE ASSESSED VALUE	USD 353 REVENUE	CITY OF WELLINGTON REVENUE	SUMNER COUNTY REVENUE	STATE OF KANSAS REVENUE
Year 1	Casino	$ 14,842,868	$ 14,842,868	$ 3,710,717				
	Event Center	8,653,848	8,653,848	2,163,462				
	Restaurants	5,410,867	5,410,867	1,352,717				
	Retail	244,063	244,063	61,016				
	Golf Facilities	-	-	-				
	Travel Plaza	45,407	45,407	11,352				
	Hotels	494,024	494,024	123,506				
	Parking Garage	-	-	-				
	RV Parking	-	-	-				
	Race Track	-	-	-				
Subtotal		**29,691,077**	**29,691,077**	**7,422,769**	**$ -**	**$ -**	**$ -**	**$ -**
Year 2	Casino	28,360,243	43,648,397	10,912,099				
	Event Center	16,534,893	25,448,357	6,362,089				
	Restaurants	10,338,534	15,911,727	3,977,932				
	Retail	466,330	717,714	179,429				
	Golf Facilities	-	-	-				
	Travel Plaza	6,000,000	6,046,769	1,511,692				
	Hotels	-	508,845	127,211				
	Parking Garage	-	-	-				
	RV Parking	-	-	-				
	Race Track	-	-	-				
Subtotal		**61,700,000**	**92,281,809**	**23,070,452**	**$ 443,288**	**$ 370,752**	**$ 434,358**	**$ 11,134**
Year 3	Casino	-	44,957,848	11,239,462				
	Event Center	-	26,211,807	6,552,952				
	Restaurants	-	16,389,079	4,097,270				
	Retail	-	739,246	184,811				
	Golf Facilities	-	-	-				
	Travel Plaza	-	6,228,172	1,557,043				
	Hotels	10,000,000	10,524,111	2,631,028				
	Parking Garage	-	-	-				
	RV Parking	-	-	-				
	Race Track	-	-	-				
Subtotal		**10,000,000**	**105,050,263**	**26,262,566**	**$ 1,377,767**	**$ 1,152,323**	**$ 1,350,014**	**$ 34,606**
Year 4	Casino	-	46,306,584	11,576,646				
	Event Center	-	26,998,162	6,749,540				
	Restaurants	-	16,880,751	4,220,188				
	Retail	-	761,423	190,356				
	Golf Facilities	3,000,000	3,000,000	750,000				
	Travel Plaza	-	6,415,017	1,603,754				
	Hotels	-	10,839,834	2,709,958				
	Parking Garage	-	-	-				
	RV Parking	-	-	-				
	Race Track	-	-	-				
Subtotal		**3,000,000**	**111,201,771**	**27,800,443**	**$ 1,568,400**	**$ 1,311,763**	**$ 1,536,807**	**$ 39,394**
Year 5	Casino	-	47,695,781	11,923,945				
	Event Center	-	27,808,107	6,952,027				
	Restaurants	-	17,387,174	4,346,793				
	Retail	-	784,266	196,066				
	Golf Facilities	-	3,090,000	772,500				
	Travel Plaza	-	6,607,468	1,651,867				
	Hotels	-	11,165,029	2,791,257				
	Parking Garage	-	-	-				
	RV Parking	-	-	-				
	Race Track	-	-	-				
Subtotal		**-**	**114,537,824**	**28,634,456**	**$ 1,660,242**	**$ 1,388,577**	**$ 1,626,799**	**$ 41,701**

APPENDIX 2-GLOBAL GAMING KS
ESTIMATED PROPERTY TAX REVENUE AT
2010 PROPERTY TAX RATE

YEAR	USE TYPE	EST. REAL PROPERTY VALUE	CUMULATIVE PROPERTY VALUE	CUMULATIVE ASSESSED VALUE	USD 353 REVENUE	CITY OF WELLINGTON REVENUE	SUMNER COUNTY REVENUE	STATE OF KANSAS REVENUE
Year 6	Casino	8,000,000	57,126,655	14,281,664				
	Event Center	-	28,642,350	7,160,587				
	Restaurants	-	17,908,789	4,477,197				
	Retail	-	807,794	201,948				
	Golf Facilities	-	3,182,700	795,675				
	Travel Plaza	-	6,805,692	1,701,423				
	Hotels	15,000,000	26,499,980	6,624,995				
	Parking Garage	6,000,000	6,000,000	1,500,000				
	RV Parking	7,000,000	7,000,000	1,750,000				
	Race Track	7,000,000	7,000,000	1,750,000				
Subtotal		**43,000,000**	**160,973,959**	**40,243,490**	**$ 1,710,050**	**$ 1,430,234**	**$ 1,675,602**	**$ 42,952**
Year 7	Casino	-	58,840,455	14,710,114				
	Event Center	-	29,501,620	7,375,405				
	Restaurants	-	18,446,053	4,611,513				
	Retail	-	832,028	208,007				
	Golf Facilities	-	3,278,181	819,545				
	Travel Plaza	-	7,009,862	1,752,466				
	Hotels	-	27,294,979	6,823,745				
	Parking Garage	-	6,180,000	1,545,000				
	RV Parking	-	7,210,000	1,802,500				
	Race Track	-	7,210,000	1,802,500				
Subtotal		**-**	**165,803,178**	**41,450,794**	**$ 2,403,341**	**$ 2,010,082**	**$ 2,354,928**	**$ 60,365**
TOTAL		**$ 147,391,077**			**$ 9,163,089**	**$ 7,663,730**	**$ 8,978,508**	**$ 230,151**

APPENDIX 2, ASSUMPTIONS:

1. Estimated Real Property Value based on Estimated Taxable Construction Cost shown in Appendix 1 of this analysis.
   It should be noted that Golf Facilities improvement are no included in the property tax calculation as this is a City-owned course exempt from property tax payments.
2. Tax rate will remain constant at 2010 amount:

Entity-Fund	**Tax Rate***	*rate per $1,000 of assessed value.
School District	$ 59.7200	
City	$ 49.9480	
County	$ 58.5170	2009 levy amount, 2010 amount not available.
State	$ 1.5000	
	$ 169.6850	

   Source: Sumner County Clerk's office. Rates include all funds for which property tax revenues are collected.
   Tax rates could change due to changes in overall assessed value for the entity, these changes are not contemplated in this analysis.
3. 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.
4. Assessed value estimated at **25%** of appraised property value.
   Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
5. Estimated property values are inflated 3% annually.
6. Property tax revenue is estimated in the year following construction and improvements to account for lien dates and work-in-progress.

APPENDIX 3-GLOBAL GAMING KS
ESTIMATED SALES TAX REVENUE

YEAR	USE TYPE	SQUARE FT. BUILT	CONSTRUCT. MATERIALS COST ($)	FF&E PURCHASES	RETAIL SALES	TOTAL TAXABLE SALES	CITY OF WELLINGTON REVENUE	SUMNER COUNTY REVENUE	STATE OF KANSAS REVENUE
Year 1	Casino	24,326	$ 7,090,061	$ -	$ -	$ 7,090,061			
	Event Center	14,183	4,133,723	-	-	4,133,723			
	Restaurants	8,868	2,584,634	-	-	2,584,634			
	Retail	400	116,582	-	-	116,582			
	Golf Facilities	-	-	-	-	-			
	Travel Plaza	-	-	-	-	-			
	Hotels	-	-	-	-	-			
	Parking Garage	-	-	-	-	-			
	RV Parking	-	-	-	-	-			
	Race Track	-	-	-	-	-			
Subtotal		**47,777**	**13,925,000**	**-**	**-**	**13,925,000**	**$ 174,063**	**$ 139,250**	**$ 877,275**
Year 2	Casino	48,653	14,180,121	45,353,211	-	59,533,332			
	Event Center	28,366	8,267,447	5,937,125	-	14,204,572			
	Restaurants	17,736	5,169,267	3,712,221	3,863,665	12,745,153			
	Retail	800	233,165	167,443	75,000	475,608			
	Golf Facilities	-	-	-	-	-			
	Travel Plaza	5,000	3,000,000	-	-	3,000,000			
	Hotels	-	-	-	-	-			
	Parking Garage	-	-	-	-	-			
	RV Parking	-	-	-	-	-			
	Race Track	-	-	-	-	-			
Subtotal		**100,555**	**30,850,000**	**55,170,000**	**3,938,665**	**89,958,665**	**$ 1,124,483**	**$ 899,587**	**$ 5,667,396**
Year 3	Casino	-	-	-	-	-			
	Event Center	-	-	-	-	-			
	Restaurants	-	-	-	9,272,800	9,272,800			
	Retail	-	-	-	75,000	75,000			
	Golf Facilities	-	-	-	-	-			
	Travel Plaza	-	-	-	-	-			
	Hotels	54,400	5,000,000	-	-	5,000,000			
	Parking Garage	-	-	-	-	-			
	RV Parking	-	-	-	-	-			
	Race Track	-	-	-	-	-			
Subtotal		**54,400**	**5,000,000**	**-**	**9,347,800**	**14,347,800**	**$ 179,348**	**$ 143,478**	**$ 903,911**
Year 4	Casino	-	-	-	-	-			
	Event Center	-	-	-	-	-			
	Restaurants	-	-	-	9,736,440	9,736,440			
	Retail	-	-	-	82,500	82,500			
	Golf Facilities	17,500	1,500,000	-	-	1,500,000			
	Travel Plaza	-	-	-	975,000	975,000			
	Hotels	-	-	-	-	-			
	Parking Garage	-	-	-	-	-			
	RV Parking	-	-	-	-	-			
	Race Track	-	-	-	-	-			
Subtotal		**17,500**	**1,500,000**	**-**	**10,793,940**	**12,293,940**	**$ 153,674**	**$ 122,939**	**$ 774,518**
Year 5	Casino	-	-	-	-	-			
	Event Center	-	-	-	-	-			
	Restaurants	-	-	-	10,223,262	10,223,262			
	Retail	-	-	-	82,500	82,500			
	Golf Facilities	-	-	-	-	-			
	Travel Plaza	-	-	-	1,004,250	1,004,250			
	Hotels	-	-	-	-	-			
	Parking Garage	-	-	-	-	-			
	RV Parking	-	-	-	-	-			
	Race Track	-	-	-	-	-			
Subtotal		**-**	**-**	**-**	**11,310,012**	**11,310,012**	**$ 141,375**	**$ 113,100**	**$ 712,531**

APPENDIX 3-GLOBAL GAMING KS
ESTIMATED SALES TAX REVENUE

Year 6	Casino	30,000	4,000,000	9,186,085	-	13,186,085			
	Event Center	-	-	-	-	-			
	Restaurants	-	-	-	10,734,424	10,734,424			
	Retail	-	-	-	90,750	90,750			
	Golf Facilities	-	-	-	-	-			
	Travel Plaza	-	-	-	1,034,378	1,034,378			
	Hotels	90,000	7,500,000	12,558,256	-	20,058,256			
	Parking Garage	309,120	3,000,000	-	-	3,000,000			
	RV Parking	120,000	3,500,000	-	-	3,500,000			
	Race Track	-	3,500,000	-	-	3,500,000			
Subtotal		**549,120**	**21,500,000**	**21,744,342**	**11,859,552**	**55,103,893**	**$ 688,799**	**$ 551,039**	**$ 3,471,545**
Year 7	Casino	-	-	-	-	-			
	Event Center	-	-	-	-	-			
	Restaurants	-	-	-	11,056,457	11,056,457			
	Retail	-	-	-	93,473	93,473			
	Golf Facilities	-	-	-	-	-			
	Travel Plaza	-	-	-	1,065,409	1,065,409			
	Hotels	-	-	-	-	-			
	Parking Garage	-	-	-	-	-			
	RV Parking	-	-	-	-	-			
	Race Track	-	-	-	-	-			
Subtotal		**-**	**-**	**-**	**12,215,338**	**12,215,338**	**$ 152,692**	**$ 122,153**	**$ 769,566**
TOTAL		**769,352**	**$ 72,775,000**	**$ 76,914,342**	**$ 59,465,307**	**$ 209,154,648**	**$ 2,614,433**	**$ 2,091,546**	**$ 13,176,743**

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rate is as follows:

	Designation
1.250%	City
1.000%	County
6.300%	State
8.550%	**TOTAL**

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Construction Materials Cost and FF&E purchases estimated in Appendix 1 of this analysis.
3. **Phase 1:** Taxable sales based on the following data from the developer:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Retail	$ -	$ 75,000	$ 75,000	$ 82,500	$ 82,500	$ 90,750
F&B	-	3,863,665	9,272,800	9,736,440	10,223,262	10,734,424
Travel Plaza	-	-	-	975,000	1,004,250	1,034,378
Total	**$ -**	**$ 3,938,665**	**$ 9,347,800**	**$ 10,793,940**	**$ 11,310,012**	**$ 11,859,552**

Source: Developer's application template. Year 7 revenue is estimated by inflating Year 6 revenue by 3%.
Travel Plaza sales are adjusted to account for retail sales only, excluding gas and other service sales. Retail sales are estimated for a 2,000 square foot convenience store with annual sales of **$ 488** per square foot, inflated 3% annually. Source: "2007 Retail Store Taxable Sales Estimates." The HDL Companies website.
Phase 2: It is unknown what additional sales revenue will be generated by the racetrack and the RV park.

APPENDIX 4-GLOBAL GAMING KS
ESTIMATED LOTTERY GAMING CONTRIBUTION REVENUE

YEAR		ESTIMATED GAMING REVENUE	CITY OF WELLINGTON REVENUE	SUMNER COUNTY REVENUE	SEDGWICK COUNTY REVENUE	STATE OF KANSAS REVENUE	STATE PROB. GAMBLING REVENUE
Year 1	Casino	$ -	$ -	$ -	$ -	$ -	$ -
Year 2	Casino	53,601,250	536,013	536,013	536,013	11,792,275	1,072,025
Year 3	Casino	110,418,575	1,104,186	1,104,186	1,104,186	24,292,087	2,208,372
Year 4	Casino	124,942,580	1,249,426	1,249,426	1,249,426	27,487,368	2,498,852
Year 5	Casino	128,690,857	1,286,909	1,286,909	1,286,909	28,311,989	2,573,817
Year 6	Casino	138,149,779	1,381,498	1,381,498	1,381,498	30,392,951	2,762,996
Year 7	Casino	147,942,779	1,479,428	1,479,428	1,479,428	32,547,411	2,958,856
TOTAL		**$ 703,745,820**	**$ 7,037,458**	**$ 7,037,458**	**$ 7,037,458**	**$ 154,824,080**	**$ 14,074,916**

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
WGR GGR	$ -	$ 45,102,500	$ 92,911,150	$ 108,685,160	$ 111,945,715	$ 120,499,558	$ 135,385,558
Cummings GGR	-	62,100,000	127,926,000	141,200,000	145,436,000	155,800,000	160,500,000
Average	**$ -**	**$ 53,601,250**	**$ 110,418,575**	**$ 124,942,580**	**$ 128,690,857**	**$ 138,149,779**	**$ 147,942,779**

Source: Wells Gaming Research and Cummings Associates GGR estimates. GGR estimates assume no Wyandotte Tribe/Park City competition.

2. Local government revenue is estimated as follows:

State Prob. Gambling	**2%**	of all lottery gaming revenues.
Sumner County	**1%**	of all lottery gaming revenues.
Sedgwick County	**1%**	of all lottery gaming revenues.
City of Wellington	**1%**	of all lottery gaming revenues.
State of Kansas	**22%**	of all lottery gaming revenues up to $250 million, or
	23%	of all lottery gaming revenues above $250 million.

APPENDIX 5-GLOBAL GAMING KS
ESTIMATED TRANSIENT GUEST TAX REVENUE

YEAR		# OF ROOMS	ESTIMATED ROOM REVENUE	CITY OF WELLINGTON REVENUE
Year 1	Hotel	-	$ -	$ -
Year 2	Hotel	-	-	-
Year 3	Hotel	120	1,689,220	101,353
Year 4	Hotel	120	2,195,840	131,750
Year 5	Hotel	120	2,513,755	150,825
Year 6	Hotel	120	2,589,168	155,350
Year 7	Hotel	240	5,333,685	320,021
TOTAL			**$ 14,321,668**	**$ 859,300**

APPENDIX 5, ASSUMPTIONS:

1. The following hotel revenue was provided by the Developer:

	Year 3	Year 4	Year 5	Year 6
Hotel Revenue	$ 1,689,220	$ 2,195,840	$ 2,513,755	$ 2,589,168

   Source: Developer application template matrix.
   Developer does not provide revenue to be generated by the second hotel assumed to be completed in Year 6. Analysis estimates revenue for this hotel based on information provided by the Developer for the Phase 1 hotel.
2. City of Wellington is to receive **6%** of gross room receipts. Source: City of Wellington questionnaire.

APPENDIX 6-GLOBAL GAMING KS
ESTIMATED STATE INCOME TAX REVENUE

YEAR		SQUARE FEET CONSTRUCTED	ESTIMATED PAYROLL EXPENDITURES	ESTIMATED PAYROLL/ EMPLOYEE	STATE OF KANSAS INCOME TAX REVENUE
Year 1	Construction	47,777	$ 14,583,661	$ 49,695	$ 801,983
	Operating	-	-	-	-
Subtotal		**47,777**	**14,583,661**		**801,983**
Year 2	Construction	100,555	31,614,340	51,185	1,747,288
	Operating	-	11,567,738	11,386	404,871
Subtotal		**100,555**	**43,182,078**		**2,152,159**
Year 3	Construction	54,400	17,103,334	52,721	949,880
	Operating	-	18,008,311	17,037	630,291
Subtotal		**54,400**	**35,111,645**		**1,580,171**
Year 4	Construction	17,500	5,501,992	54,303	307,004
	Operating	-	20,618,417	18,642	721,645
Subtotal		**17,500**	**26,120,409**		**1,028,649**
Year 5	Construction	-	-	55,932	-
	Operating	-	21,278,355	19,084	744,742
Subtotal		**-**	**21,278,355**		**744,742**
Year 6	Construction	549,120	172,643,069	57,610	9,719,500
	Operating	-	21,916,706	19,656	767,085
Subtotal		**549,120**	**194,559,774**		**10,486,585**
Year 7	Construction	-	-	-	-
	Operating	-	29,385,256	20,246	1,028,484
Subtotal		**-**	**29,385,256**		**1,028,484**
TOTAL		**769,352**	**$ 364,221,179**		**$ 17,822,773**

APPENDIX 6, ASSUMPTIONS:

1. Estimated construction payroll is not provided by the Developer and is estimated using payroll per square foot data from previous applicants in the South Central zone in 2008 and 2009. This includes salaries only, no benefits are included.

	Harrah's	Marvel	Chisholm Creek	
Constr. Payroll	$ 115,448,546	$ 115,471,373	$ 69,565,833	
Sq.Ft. Constructed	321,408	430,525	241,280	
2010 Salary/Employee	63,304	39,603	46,176	**$ 49,695**
Payroll/Sq. Ft.	**$ 359**	**$ 268**	**$ 288**	**$ 305**

Source: Developer's application templates in 2008 and 2009. Penn National information is excluded as it is significantly different from the remainder of applicants. Payroll and salary information inflated 3% annually starting Year 2.

2. **Phase 1:** Estimated on-going operating payroll is estimated as follows. Source: Developer's application template matrix.

	Year 2	Year 3	Year 4	Year 5
Payroll	$ 11,567,738	$ 18,008,311	$ 20,618,417	$ 21,278,355
Ave. Employees	1,016	1,057	1,106	1,115
Payroll/Empl.	**$ 11,386**	**$ 17,037**	**$ 18,642**	**$ 19,084**

Source: Developer's application template matrix.

Phase 2: Operating employees and salary data estimated using employment data provided by developer in Phase 1.

	Phase 1 Sq.Ft.	Phase 1 Employees	Sq.Ft./Employee	Phase 2 Sq.Ft.	Phase 2 Employees
Casino	72,979	593	123	30,000	244
Hotel	54,400	56	971	90,000	93
Total	**127,379**	**649**		**120,000**	**336**

Phase 1 Employees include half the Professional, Managers, Executives and Technicians (as fewer management positions will be added) and all other employees.

3. Personal income tax revenue for the State is estimated as follows, using a 2010 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. 2010 Kansas Individual Income Tax schedule.

APPENDIX 7-GLOBAL GAMING KS
ESTIMATED BUILDING PERMIT AND IMPACT FEE REVENUE

FISCAL YEAR END	LAND USE	# OF SQ.FT. BUILT	CONSTRUCTION VALUATION	BUILDING PERMIT REVENUE	PLAN CHECK FEE REVENUE	TOTAL REVENUE
Year 1	Casino	24,326	$ 3,845,993	$ 6,404	$ 4,163	$ 10,567
	Event Center	14,183	2,242,332	4,063	2,641	6,704
	Restaurants	8,868	1,201,525	2,543	1,653	4,196
	Retail	400	39,196	219	143	362
	Golf Facilities	-	-	-	-	-
	Travel Plaza	-	-	-	-	-
	Hotels	-	-	-	-	-
	Parking Garage	-	-	-	-	-
	RV Parking	-	-	-	-	-
	Race Track	-	-	-	-	-
Subtotal		**47,777**	**7,329,047**	**13,230**	**8,599**	**21,829**
Year 2	Casino	48,653	7,691,987	12,019	7,813	19,832
	Event Center	28,366	4,484,665	7,337	4,769	12,106
	Restaurants	17,736	2,403,051	4,298	2,793	7,091
	Retail	800	78,392	343	223	565
	Golf Facilities	-	-	-	-	-
	Travel Plaza	5,000	489,950	1,277	830	2,106
	Hotels	-	-	-	-	-
	Parking Garage	-	-	-	-	-
	RV Parking	-	-	-	-	-
	Race Track	-	-	-	-	-
Subtotal		**100,555**	**15,148,044**	**25,273**	**16,427**	**41,700**
Year 3	Casino	-	-	-	-	-
	Event Center	-	-	-	-	-
	Restaurants	-	-	-	-	-
	Retail	-	-	-	-	-
	Golf Facilities	-	-	-	-	-
	Travel Plaza	-	-	-	-	-
	Hotels	54,400	7,576,832	11,851	7,703	19,555
	Parking Garage	-	-	-	-	-
	RV Parking	-	-	-	-	-
	Race Track	-	-	-	-	-
Subtotal		**54,400**	**7,576,832**	**11,851**	**7,703**	**19,555**
Year 4	Casino	-	-	-	-	-
	Event Center	-	-	-	-	-
	Restaurants	-	-	-	-	-
	Retail	-	-	-	-	-
	Golf Facilities	17,500	2,350,250	4,220	2,743	6,964
	Travel Plaza	-	-	-	-	-
	Hotels	-	-	-	-	-
	Parking Garage	-	-	-	-	-
	RV Parking	-	-	-	-	-
	Race Track	-	-	-	-	-
Subtotal		**17,500**	**2,350,250**	**4,220**	**2,743**	**6,964**
Year 5	Casino	-	-	-	-	-
	Event Center	-	-	-	-	-
	Restaurants	-	-	-	-	-
	Retail	-	-	-	-	-
	Golf Facilities	-	-	-	-	-
	Travel Plaza	-	-	-	-	-
	Hotels	-	-	-	-	-
	Parking Garage	-	-	-	-	-
	RV Parking	-	-	-	-	-
	Race Track	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**

APPENDIX 7-GLOBAL GAMING KS
ESTIMATED BUILDING PERMIT AND IMPACT FEE REVENUE

FISCAL YEAR END	LAND USE	# OF SQ.FT. BUILT	CONSTRUCTION VALUATION	BUILDING PERMIT REVENUE	PLAN CHECK FEE REVENUE	TOTAL REVENUE
Year 6	Casino	30,000	4,743,000	7,714	5,014	12,728
	Event Center	-	-	-	-	-
	Restaurants	-	-	-	-	-
	Retail	-	-	-	-	-
	Golf Facilities	-	-	-	-	-
	Travel Plaza	-	-	-	-	-
	Hotels	90,000	12,535,200	19,090	12,409	31,499
	Parking Garage	309,120	17,010,874	25,625	16,656	42,281
	RV Parking	120,000	6,603,600	10,430	6,780	17,210
	Race Track	-	-	-	-	-
Subtotal		**549,120**	**40,892,674**	**62,860**	**40,859**	**103,719**
TOTAL		**769,352**	**$ 73,296,846**	**$ 117,434**	**$ 76,332**	**$ 193,766**

APPENDIX 7, ASSUMPTIONS:

1. Construction Valuation is calculated as follows:

	Suggested Value/Sq.Ft.
Casino	$158.10
Event Center	$158.10
Restaurants	$135.49
Retail	$97.99
Golf Facilities	$134.30
Travel Plaza	$97.99
Hotels	$139.28
Parking Garage	$55.03
RV Parking	$55.03

Source: Building Valuation Data, 2006 International Building Code, values for IIB construction.

Building permit fee revenue is estimated in the year of construction.

2. Building permit fees are estimated as follows:

For values between $25,001 and $50,000, permit fee is **$ 162.10** plus **$ 4.04** for each additional **$ 1,000** of value.

For values between $50,001 and $100,000, permit fee is **$ 263.10** plus **$ 2.80** for each additional **$ 1,000** of value.

For values between $100,001 and $500,000, permit fee is **$ 403.10** plus **$ 2.24** for each additional **$ 1,000** of value.

For values between $1,000,000.01 and above, permit fee is **$ 2,249.10** plus **$ 1.46** for each additional **$ 1,000** of value.

Source: City of Wellington Questionnaire.

3. Plan Check fee revenue calculated at **65.0%** of building permit revenue.
Source: City of Wellington Questionnaire.
4. Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the construction details required for these estimates are unknown.

APPENDIX 8-GLOBAL GAMING KS
SUMMARY OF ESTIMATED REVENUE

YEAR		USD 353 SCHOOL DIST.	CITY OF WELLINGTON	SUMNER COUNTY	SEDGWICK COUNTY	STATE OF KANSAS
Year 1	Property Tax	$ -	$ -	$ -	$ -	$ -
	Sales Tax	-	174,063	139,250	-	877,275
	Gaming Revenue	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-
	Income Tax Revenue	-	-	-	-	801,983
	Building Permit	-	21,829	-	-	-
Subtotal		**-**	**195,892**	**139,250**	**-**	**1,679,258**
Year 2	Property Tax	443,288	370,752	434,358	-	11,134
	Sales Tax	-	1,124,483	899,587	-	5,667,396
	Gaming Revenue	-	536,013	536,013	536,013	12,864,300
	Transient Guest Tax	-	-	-	-	-
	Income Tax Revenue	-	-	-	-	2,152,159
	Building Permit	-	41,700	-	-	-
Subtotal		**443,288**	**2,072,948**	**1,869,957**	**536,013**	**20,694,989**
Year 3	Property Tax	1,377,767	1,152,323	1,350,014	-	34,606
	Sales Tax	-	179,348	143,478	-	903,911
	Gaming Revenue	-	1,104,186	1,104,186	1,104,186	26,500,458
	Transient Guest Tax	-	101,353	-	-	-
	Income Tax Revenue	-	-	-	-	1,580,171
	Building Permit	-	19,555	-	-	-
Subtotal		**1,377,767**	**2,556,764**	**2,597,677**	**1,104,186**	**29,019,146**
Year 4	Property Tax	1,568,400	1,311,763	1,536,807	-	39,394
	Sales Tax	-	153,674	122,939	-	774,518
	Gaming Revenue	-	1,249,426	1,249,426	1,249,426	29,986,219
	Transient Guest Tax	-	131,750	-	-	-
	Income Tax Revenue	-	-	-	-	1,028,649
	Building Permit	-	6,964	-	-	-
Subtotal		**1,568,400**	**2,853,577**	**2,909,172**	**1,249,426**	**31,828,780**
Year 5	Property Tax	1,660,242	1,388,577	1,626,799	-	41,701
	Sales Tax	-	141,375	113,100	-	712,531
	Gaming Revenue	-	1,286,909	1,286,909	1,286,909	30,885,806
	Transient Guest Tax	-	150,825	-	-	-
	Income Tax Revenue	-	-	-	-	744,742
	Building Permit	-	-	-	-	-
Subtotal		**1,660,242**	**2,967,686**	**3,026,807**	**1,286,909**	**32,384,780**
Year 6	Property Tax	1,710,050	1,430,234	1,675,602	-	42,952
	Sales Tax	-	688,799	551,039	-	3,471,545
	Gaming Revenue	-	1,381,498	1,381,498	1,381,498	33,155,947
	Transient Guest Tax	-	155,350	-	-	-
	Income Tax Revenue	-	-	-	-	10,486,585
	Building Permit	-	103,719	-	-	-
Subtotal		**1,710,050**	**3,759,599**	**3,608,139**	**1,381,498**	**47,157,029**
Year 7	Property Tax	2,403,341	2,010,082	2,354,928	-	60,365
	Sales Tax	-	152,692	122,153	-	769,566
	Gaming Revenue	-	1,479,428	1,479,428	1,479,428	35,506,267
	Transient Guest Tax	-	320,021	-	-	-
	Income Tax Revenue	-	-	-	-	1,028,484
	Building Permit	-	-	-	-	-
Subtotal		**2,403,341**	**3,962,222**	**3,956,509**	**1,479,428**	**37,364,682**
TOTAL		**$ 9,163,089**	**$ 18,368,688**	**$ 18,107,512**	**$ 7,037,458**	**$ 200,128,664**

APPENDIX 8-GLOBAL GAMING KS
SUMMARY OF ESTIMATED REVENUE

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.
2. Hospital Fund revenues, estimated at approximately **$445,000** due to an increase in commercially insured businesses due to the development, are not included in this analysis, but should be considered.
   Source: Information provided by Gus Collins, City Manager, City of Wellington, Kansas.
3. Airport Fund revenues, estimated at approximately **$10,750** annually due to additional aircrafts using the airfield and purchasing fuel and hangar services are not included in this analysis, but should be considered especially since this fund receives transfers from the General Fund, which could be reduced given the additional revenue.
   Source: Information provided by Patrick Hamlin, Airport Manager, City of Wellington.

APPENDIX 9-GLOBAL GAMING KS
CITY OF WELLINGTON
POLICE DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL CONSTR./ EQUIPMENT	TOTAL COST
Year 1	0	$ -	$ -	$ 481,250	$ 481,250
Year 2	2	96,708	12,529	43,775	153,012
Year 3	2	99,609	12,905	-	112,514
Year 4	2	102,597	13,292	-	115,890
Year 5	2	105,675	13,691	-	119,366
Year 6	4	217,691	28,203	49,269	295,164
Year 7	4	224,222	29,050	50,747	304,019
TOTAL		**$ 846,503**	**$ 109,670**	**$ 625,041**	**$ 1,581,215**

APPENDIX 9, ASSUMPTIONS:

1. A total of **4** new employees will be required to service the development:

	# of Employees	Salary/Benefits	Total Cost
Officers	4	$ 46,946	**$ 187,782**

Salary and benefits costs are increased 3% annually.
Source: "Police" questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

2. Employee costs include a uniform, training and equipment at **$ 2,750** per officer. This cost is not added as it is included in the estimated Services/Supplies amount.
Source: "Police" questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

3. Services/supplies are estimated as follows:

	2008	2009	2010	Average
Salaries/Benefits	$ 1,044,863	$ 1,123,463	$ 1,179,561	**$ 1,115,962**
Contractual	$ 66,435	$ 87,344	$ 84,344	**79,374**
Commodities	54,599	69,510	71,510	**65,206**
% of Salaries	**11.6%**	**14.0%**	**13.2%**	**13.0%**

Source: City of Wellington Budget. Three year average contractual and commodities costs as percent of personnel services costs (2008-2009) for the Police department.

4. The following capital costs are expected to be incurred:
A total of **2** police vehicles at a cost of **$ 42,500** per vehicle. Vehicles are estimated to be replaced every 6 years at full purchase cost. Maintenance cost is estimated at **$ 750** per vehicle annually. This cost is included in the estimated Services/Supplies amount.
Source: "Police" questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

5. An additional office within a new public safety building will be required to house these additional positions estimated at approximately **1,750** square feet of space at a cost of **$ 200** per square foot. Furniture, fixtures, and equipment (FF&E) will be purchased at a cost of **$ 75** per square foot.
Source: "Police" questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

APPENDIX 10-GLOBAL GAMING KS
CITY OF WELLINGTON
FIRE DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL EQUIPMENT	TOTAL COST
Year 1	0	$ -	$ -	$ 1,800,000	$ 1,800,000
Year 2	6	347,977	40,752	503,928	892,656
Year 3	6	358,416	41,974	-	400,391
Year 4	6	369,169	43,234	-	412,402
Year 5	6	380,244	44,531	-	424,774
Year 6	6	391,651	45,867	-	437,518
Year 7	6	403,401	47,243	-	450,643
TOTAL		**$ 2,250,857**	**$ 263,600**	**$ 2,303,928**	**$ 4,818,384**

APPENDIX 10, ASSUMPTIONS:

1. A total of **6** new employees will be required to service the development:

	# of Employees	Salary	Benefits	Total Cost
Firefighter/EMS	6	$ 39,934	$ 16,372.94	**$ 337,842**

Salary and benefits costs are increased 3% annually. Benefits are estimated at **41%** of salary.
Salary amounts are averages for each positions' salary range.
Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

2. Employee costs include a uniform and training cost of **$ 5,000** per employee per year. This cost is included in the estimated Services/Supplies amount.
Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

3. Services/supplies are estimated at **12%** of salaries and benefits.

	2008	2009	2010	Average
Salaries	$ 1,397,869	$ 1,461,644	$ 1,481,452	$ 1,446,988
Contractual	64,291	101,645	85,940	83,959
Commodities	86,897	86,852	82,749	85,499
% of Salaries	**11%**	**13%**	**11%**	**12%**

Source: City of Wellington Budget. Three year average contractual and commodities costs as percent of personnel services costs (2008-2009) for the Fire & Ambulance department.

4. The following capital costs are expected to be incurred:

Ambulance	$ 250,000
Rescue Truck	225,000
	$ 475,000

A new fire station will be required at an estimated cost of **$ 1,800,000**
Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

APPENDIX 11-GLOBAL GAMING KS
CITY OF WELLINGTON
STREETS DEPARTMENT COST PROJECTIONS

YEAR	ROAD SQ. FT. ADDED	STREET SWEEPING COSTS	STREET STRIPING COSTS	SNOW REMOVAL COSTS	STREET CRACKFILL COSTS	TOTAL MAINTENANCE COST
Year 1	0.5	$ 400	$ -	$ 2,000	$ -	$ 2,400
Year 2	0.5	412	-	2,060	-	2,472
Year 3	0.5	424	-	2,122	-	2,546
Year 4	0.5	437	5,464	2,185	-	8,086
Year 5	0.5	450	-	2,251	-	2,701
Year 6	0.5	464	-	2,319	2,898	5,680
Year 7	0.5	478	-	2,388	-	2,866
TOTAL		**$ 3,065**	**$ 5,464**	**$ 15,325**	**$ 2,898**	**$ 26,752**

APPENDIX 11, ASSUMPTIONS:

1. A total of **2,650** linear feet of 40 foot wide asphalt road will be required, constructed by the Developer and annexed to the City of Wellington for maintenance. This is equivalent to **0.5** miles. Source: "Public Works-Streets" questionnaire, Gus Collins, City Manager, Wellington, Kansas. Streets are projected to be constructed and annexed to the City for maintenance in Year 1.
2. Maintenance cost per mile is estimated as follows:

Cost Type	Frequency	Cost/Half Mile
Sweeping	4 times/year	$100
Striping	every 3 years	$5,000
Snow removal	4 times/year	$500
Crackfill	after 5 and 8 years	$2,500
Overlay	after 10 years	$150,000

Source: "Public Works-Streets" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas. Costs are inflated 3% annually starting in Year 2.

APPENDIX 12-GLOBAL GAMING KS
CITY OF WELLINGTON
ELECTRIC DISTRIBUTION DEPARTMENT COST PROJECTIONS

YEAR	TOTAL COST OF IMPROVEMENTS	% ATTRIBUTED TO DEVELOPMENT	TOTAL DEVELOPMENT COST
Year 1	$ 275,000	100%	$ 275,000
Year 2	-	0%	-
Year 3	3,800,000	25%	950,000
Year 4	-	0%	-
Year 5	-	0%	-
Year 6	-	0%	-
Year 7	-	0%	-
TOTAL	**$ 4,075,000**		**$ 1,225,000**

APPENDIX 12, ASSUMPTIONS:

1. The following Electric Distribution department improvements are required:

Stage One Improvements	
Breaker addition to the Gas Turbine substation	$ 275,000
Distribution circuit from substation to casino	-
Stage Two Improvements	
Switching station	900,000
69kV line	700,000
Substation	650,000
Transformer	1,300,000
Line from substation to casino	250,000
Total Cost	**$ 4,075,000**

   Source: "Electric Distribution" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
2. Approximately **100%** of Stage One improvement costs and **25%** of Stage Two costs will be attributed to the casino development.
   Source: "Electric Distribution" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
3. Additional operating costs are expected to be covered by electrical fees paid by users.

APPENDIX 13-GLOBAL GAMING KS
CITY OF WELLINGTON
GOLF CLUB COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL PURCHASES	TOTAL COSTS
Year 1	-	$ -	$ -	$ 300,000	$ 300,000
Year 2	20	525,300	41,200	-	566,500
Year 3	20	541,059	42,436	-	583,495
Year 4	20	557,291	43,709	-	601,000
Year 5	20	574,009	45,020	-	619,030
Year 6	20	591,230	46,371	-	637,601
Year 7	20	608,967	47,762	-	656,729
TOTAL	**$ 120**	**$ 3,397,856**	**$ 266,498**	**$ 300,000**	**$ 3,964,354**

APPENDIX 13, ASSUMPTIONS:

1. A total of **20** new employees will be required to service the development:

	# of Employees	Ave. Salary/Benefits	Total Cost
Assistant Course Superintendent	1	$ 50,000	$ 50,000
Assistant Course Mechanic	1	45,000	45,000
Golf Course Laborers	5	37,000	185,000
Assistant Golf Professionals	3	50,000	150,000
Part Time Staff	10	8,000	80,000
Total	**20**		**$ 510,000**

Source: "Golf Club" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

2. Services/supplies are estimated at **$ 40,000** annually. This cost is inflated 3% annually starting in Year 2.
Source: "Golf Club" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
3. All or a portion of the operating costs will be covered by the increase in golf club revenue, which is not estimated in this analysis.
4. Capital purchases include the following:

Purchase Type	Number of Units	Purchase Cost
Golf Carts	32	**$ 120,000**
Large front mower	1	**40,000**
Small front mower	1	**20,000**
Greens roller	1	**10,000**
Aeration equipment		**10,000**
Irrigation updates		**100,000**
		$ 300,000

Course updates and above capital purchases are expected to be made by the developer. Source: "Golf Club" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

APPENDIX 14-GLOBAL GAMING KS
CITY OF WELLINGTON
SUMMARY OF ESTIMATED COSTS

YEAR	POLICE DEPARTMENT	FIRE/EMS DEPARTMENT	STREETS DEPARTMENT	WATER/WASTE DEPARTMENT	ELECTRIC DISTRIBUTION	GOLF CLUB	BULDING INSPECTION	ADMIN. OVERHEAD	TOTAL COSTS
Year 1	$ 481,250	$ 1,800,000	$ 2,400	$ 1,800,000	$ 275,000	$ 300,000	$ 21,829	$ 421,103	$ 5,101,583
Year 2	153,012	892,656	2,472	-	-	-	41,700	98,053	1,187,894
Year 3	112,514	400,391	2,546	-	950,000	-	19,555	133,606	1,618,612
Year 4	115,890	412,402	8,086	-	-	-	6,964	48,885	592,226
Year 5	119,366	424,774	2,701	-	-	-	-	49,199	596,041
Year 6	295,164	437,518	5,680	-	-	-	103,719	75,762	917,842
Year 7	304,019	450,643	2,866	-	-	-	-	68,155	825,682
TOTAL	**$ 1,581,215**	**$ 4,818,384**	**$ 26,752**	**$ 1,800,000**	**$ 1,225,000**	**$ 300,000**	**$ 193,766**	**$ 894,763**	**$ 10,839,881**

APPENDIX 14, ASSUMPTIONS:

1. See Appendices 9-13 for detailed calculations of department costs.
2. Water and Wastewater Treatment costs are estimated as follows:

Extension of existing waterline to under-utilized water tower to provide adequate supply and pressure to the development	**$ 1,400,000**
Extension of existing sanitary sewer line to provide services to the development	**$ 400,000**

   Source: "Water/Wastewater" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
3. Building Inspection services will be contracted by the City, the cost of these services is estimated at this time as follows:

Plan Review Process:	**$ 130,000**
Construction Management/Testing:	**378,000**
	$ 508,000

   Source: Information provided by Gus Collins, City Manager, Wellington, Kansas.

   A portion of this cost will be covered directly by the developer and the remainder is expected to be paid for by building permit revenues generated by the project. Building permit fees will be adjusted in order to cover these costs. As it is unknown what portion of the cost will be direct City cost and what level of building permit revenue will be needed to cover these costs, the analysis adjusts Building Inspection costs to equal building permit revenue estimate from Appendix 7 as these two sources will have to equal each other regardless of the amount.
4. Golf Club: Only capital purchases for the golf course are shown above as operating costs are expected to be covered by additional green fees, not estimated in this analysis.
5. Administrative Overheard costs estimated at **9%** of all department costs estimated in this analysis.

   Source: City of Wellington Budget. Three-year average indirect costs as percent of direct costs (2008-2010) for the General Fund.

Direct	**2008**	**2009**	**2010**	**Average**
Police	1,168,317	1,280,317	1,343,415	1,264,016
Fire/Ambulance	1,555,281	1,650,141	1,652,641	1,619,354
Auditorium	33,298	33,501	33,510	33,436
Park	208,373	242,934	260,993	237,433
Swimming Pool	39,820	55,849	45,852	47,174
Street	883,303	964,799	973,468	940,523
Cemetery	106,906	126,016	126,174	119,699
Engineering	330,545	345,184	350,500	342,076
Utility Collections	278,106	267,070	293,758	279,645
Public Works	73,554	86,371	89,149	83,025
Lake	140,614	157,959	158,226	152,266

APPENDIX 14-GLOBAL GAMING KS
CITY OF WELLINGTON
SUMMARY OF ESTIMATED COSTS

City Clerk	307,280	329,556	327,356	321,397
Total	**5,125,397**	**5,539,697**	**5,655,042**	**5,440,045**
Indirect	**2008**	**2009**	**2010**	**Average**
Mayor/Council	14,832	19,297	18,899	17,676
City Manager	172,030	203,267	213,509	196,269
Contributions	21,314	27,500	21,000	23,271
Legal	128,894	130,131	132,204	130,410
General Services	84,764	79,689	81,924	82,126
Janitorial	32,268	42,653	44,149	39,690
Total	**454,102**	**502,537**	**511,685**	**489,441**
% Indirect of Direct	**9%**	**9%**	**9%**	**9%**

APPENDIX 15-GLOBAL GAMING KS
SUMNER COUNTY
COST PROJECTIONS

YEAR	SALARIES & BENEFITS	SERVICES/ SUPPLIES	SHERIFF CAPITAL CONSTR./ EQUIPMENT	TOTAL SHERIFF COST	ROADS DEPARTMENT COST	ADMIN. OVERHEAD	TOTAL COST
Year 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Year 2	206,000	78,964	154,500	439,464	-	104,604	544,068
Year 3	212,180	81,333	-	293,513	-	69,864	363,377
Year 4	218,545	83,773	-	302,318	-	71,960	374,278
Year 5	225,102	86,286	-	311,388	-	74,119	385,507
Year 6	231,855	88,875	-	320,729	-	76,342	397,072
Year 7	238,810	91,541	-	330,351	-	78,633	408,984
TOTAL	**$ 1,332,492**	**$ 510,771**	**$ 154,500**	**$ 1,997,764**	**$ -**	**$ 475,522**	**$ 2,473,285**

APPENDIX 15, ASSUMPTIONS:

Sheriff:

1. A total of **5** new employees will be required to provide services to the development:

	# of Employees	Salary/Benefits	Total Cost*
Patrol Officers	5	$ 40,000	**$ 200,000**

*Costs are increased 3% annually. Source: Gerald Gilkey, Sumner County Sheriff.

2. Employee costs include a uniform, training and equipment at **$ 5,000** per officer. This cost is not added as it is estimated to be included under Services/Supplies above.
   Source: Gerald Gilkey, Sumner County Sheriff.
3. Services/supplies are estimated as follows:

	2008	2009	2010	
Salaries	$ 789,304	$ 933,912	$ 943,301	**$ 888,839**
Commodities	$ 294,056	$ 268,800	$ 293,800	**285,552**
Contractual	63,174	51,700	50,600	**55,158**
% of Salaries	**45.3%**	**34.3%**	**36.5%**	**38.3%**

   Source: Sumner County Budget. Three year average contractual and commodities costs as percent of personnel services costs (2008-2009) for the Sheriff's department.
4. The following capital costs are expected to be incurred:
   A total of **5** police vehicles at a cost of **$ 30,000** per vehicle, inflated 3% annually. Vehicles are estimated to be replaced every 6 years at full purchase cost. Maintenance cost is included under Services/Supplies above.
   Source: Gerald Gilkey, Sumner County Sheriff.
5. No additional space will be required as the positions will be housed within the existing space.
   Source: Gerald Gilkey, Sumner County Sheriff.

Roads:

1. The development will be surrounded primarily by State and local roads, no significant financial impact is expected on County roads from this development. Source: Melvin Matlock, Sumner County Roads Director.

Administrative Overhead:

1. Administrative overheard costs estimated at **24%** of Sheriff and Roads costs.

Source: Sumner County Budget. Three-year average indirect costs as percent of direct costs (2008-2010) for the General Fund.

Direct	**2007**	**2008**	**2009**	**Average**
Clerk	117,394	132,080	136,540	128,671
Sheriff	1,366,024	1,459,912	1,664,682	1,496,873
Registrar	93,412	101,265	102,749	99,142
Courthouse General	532,486	777,000	613,000	640,829
Unified Court	342,858	363,506	356,400	354,255
Attorney	229,435	258,580	261,047	249,687
Planning	150,529	153,223	157,550	153,767
CASA	123,758	115,957	118,984	119,566
R Frye Complex	32,708	4,000	40,200	25,636
Coroner	10,027	40,000	35,000	28,342
911 System	544,890	667,760	677,292	629,981
Cemetery	12,112	10,000	10,000	10,704
Econ Dev	100,996	101,488	101,488	101,324
Corrections Repairs	-	4,000	6,480	3,493
Juvenile Emergency	1,200	5,000	3,000	3,067
Public Transportation	14,000	16,000	16,000	15,333
Juvenile Court	6,782	9,643	9,643	8,689
Total	**3,678,611**	**4,219,414**	**4,310,055**	**4,069,360**

Indirect	**2008**	**2009**	**2010**	**Average**
County Commission	72,178	79,020	79,020	76,739
Treasurer	173,134	191,649	203,950	189,578
Counselor	61,912	69,360	68,885	66,719
Maintenance	182,789	216,434	213,907	204,377
Information Services	222,894	255,913	260,948	246,585
Care home Mainten.	30,000	27,000	27,000	28,000
Jail Maintenance	70,779	72,500	74,116	72,465
Miscellaneous	20,993	1,000	70,000	30,664
Geographical Info	47,671	56,627	56,173	53,490
Total	**882,350**	**969,503**	**1,053,999**	**968,617**
% Indirect of Direct	**24%**	**23%**	**24%**	**24%**

APPENDIX 16-GLOBAL GAMING KS
USD 353
ESTIMATED NUMBER OF NEW STUDENTS

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	NUMBER OF EMPLOYEES NEW TO AREA	# OF NEW HOUSEHOLDS	# OF NEW STUDENTS
Year 1	-	-	-	-
Year 2	1,016	155	155	155
Year 3	1,057	158	158	158
Year 4	1,106	163	163	163
Year 5	1,115	164	164	164
Year 6	1,127	169	169	169
Year 7	1,127	169	169	169

APPENDIX 16, ASSUMPTIONS:

1. Number of employees is provided by the Developer (application template). Analysis assumes only Professional, Manager, Executive and Technician positions will be new to the area. Other jobs are expected to be filled by existing area residents who are not expected to generate additional students for the School District.
2. The analysis uses a student per household ratio of **1.00** to estimate the number of new students added to the school district by this development. Source: USD 353, 2008.
3. The analysis assumes **no fiscal impact** on K-12 school districts due to the following reasons:
   a. The Wichita MSA had 25,198 unemployed people as of September 2010 (Kansas Dept of Labor) indicating that the labor force availability is more than sufficient to fill new jobs, eliminating the need to import new workers who may impact the school districts.
   b. Sumner County: Between 2000 and 2009, the County school districts experienced a decrease of 1,281 school-aged children. KU's Institute for Policy and Social Research estimates a decreasing population in the County through 2030, thus freeing up more K-12 capacity to absorb casino employees' children.
   c. In 2010, the Wellington School District alone had an existing capacity of 1,970 students, 920 in elementary school, 500 in middle school and 550 in high school. Source: Rick Weiss, Superintendent, USD 353.

APPENDIX 17-GLOBAL GAMING KS
USD 353
ESTIMATED SURPLUS/DEFICIT TO STATE

YEAR	STATE FINANCIAL AID	LOCAL EFFORT	GENERAL STATE AID	TOTAL COSTS
Year 1	$ -	$ -	$ -	$ -
Year 2	621,860	443,288	-	-
Year 3	633,896	1,377,767	-	-
Year 4	653,956	1,568,400	-	-
Year 5	657,968	1,660,242	-	-
Year 6	678,028	1,710,050	-	-
Year 7	678,028	2,403,341	-	-
TOTAL	**$ 3,923,736**	**$ 9,163,089**	**$ -**	**$ -**

APPENDIX 17, ASSUMPTIONS:

1. FY 10-11 State Financial Aid amount is estimated at **$ 4,012** per pupil.
   Source: Rick Weiss, Superintendent, USD 353. Number of new students is estimated in Appendix 16.
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 in Appendix 2.
3. General State Aid is estimated by subtracting Local Effort revenue from State Financial Aid revenue. As the Local Effort revenue exceeds State Financial Aid revenue, no General State Aid revenue is estimated.
   Source: Dale Dennis, Deputy Commissioner, Kansas Department of Education.
4. No School District costs are estimated, see Appendix 16 for details.

Section 5
FISCAL IMPACT ANALYSIS

-PENINSULA GAMING-

APPENDIX 1
PENINSULA GAMING
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST
AT FULL DEVELOPMENT

YEAR	USE TYPE	SQUARE FEET CONSTRUCTED	ESTIMATED CONSTR. COST	ESTIM. CONSTR. MATERIALS COST	FF&E PURCHASES
Year 1	Casino	-	$ 8,309,142	$ 2,517,414	$ 32,613,528
	Restaurants	-	4,973,162	1,506,715	998,667
	Event Center	44,100	17,604,113	5,333,504	3,535,105
	Hotel	-	33,095,733	10,026,988	6,645,997
	Retail	-	114,427	34,668	22,978
	Eq. Support Center	-	-	-	-
	RV Park	-	-	-	-
Subtotal		**44,100**	**64,096,577**	**19,419,289**	**43,816,275**
Year 2	Casino	47,200	6,504,093	2,703,323	1,860,324.12
	Restaurants	28,250	3,892,810	1,617,985	397,609
	Event Center	55,900	13,779,858	5,727,379	1,407,466
	Hotel	188,000	25,906,133	10,767,473	2,646,037
	Retail	650	89,569	37,228	9,149
	Eq. Support Center	-	-	-	-
	RV Park	-	-	-	-
Subtotal		**320,000**	**50,172,462**	**20,853,388**	**6,320,585**
Year 3	Casino	-	-	-	-
	Restaurants	-	-	-	-
	Event Center	-	-	-	-
	Hotel	-	-	-	-
	Retail	-	-	-	-
	Eq. Support Center	-	-	-	-
	RV Park	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**
Year 4	Casino	16,500	1,785,817	876,765	10,313,238
	Restaurants	-			
	Event Center	-			
	Hotel	-			
	Retail	-			
	Eq. Support Center	251,198	27,187,499	13,347,980	4,312,051
	RV Park	100,000	10,823,135	5,313,729	1,716,594
Subtotal		**367,698**	**39,796,451**	**19,538,475**	**16,341,883**
TOTAL		**731,798**	**$ 154,065,490**	**$ 59,811,151**	**$ 66,478,743**

APPENDIX 1, ASSUMPTIONS:

1. Construction of Phase 1a is estimated to take 11 months (February 2011-December 2011), this space will later be converted to the Event Center.

Phase 1a	**Sq. Footage**	**Other Information**
Casino	44,100	1,310 slot machines, 32 table games
Restaurants		snack bar, food kiosks

Phase 1b will begin construction May 2011 and expected to be completed December 2012.

Phase 1b		
Casino	47,200	1,500 slot machines, 42 table games, 10 poker tables
Restaurants	28,250	restaurants and bars
Event Center	100,000	3,000/4,200 seats
Hotel	188,000	300 guest rooms
Retail	650	gift shop
	364,100	

Phase 2 will begin construction January 2013 and will be completed by December 2014.

Casino	16,500	500 slot machines, 8 table games
Equine Support Center	251,198	
RV Park	100,000	100 RV spaces
Total	**367,698**	

Source: Developer's application template matrix. The analysis does not include a second hotel as no information is provided by the developer.

APPENDIX 1
PENINSULA GAMING
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST
AT FULL DEVELOPMENT

2. Construction costs provided by the developer in the template matrix.

Land	Building	FF&E*	Total**
$ 34,443,188	$ 119,622,302	$ 66,478,743	**$ 220,544,233**

*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 matrix.

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers.

APPENDIX 2
PENINSULA GAMING
ESTIMATED PROPERTY TAX REVENUE AT
2010 PROPERTY TAX RATE

YEAR	USE TYPE	EST. REAL PROPERTY VALUE	CUMULATIVE PROPERTY VALUE	ESTIMATED ASSESSED VALUE	USD 263 REVENUE	CITY OF MULVANE REVENUE	SUMNER COUNTY REVENUE	STATE OF KANSAS REVENUE
Year 1	Casino	$ 8,309,142	$ 8,309,142	$ 2,077,285				
	Restaurants	4,973,162	4,973,162	1,243,291				
	Event Center	17,604,113	17,604,113	4,401,028				
	Hotel	33,095,733	33,095,733	8,273,933				
	Retail	114,427	114,427	28,607				
	Eq. Support Center	-	-	-				
	RV Park	-	-	-				
Subtotal		**64,096,577**	**64,096,577**	**16,024,144**	**$ -**	**$ -**	**$ -**	**$ -**
Year 2	Casino	6,504,093	15,062,509	3,765,627				
	Restaurants	3,892,810	9,015,167	2,253,792				
	Event Center	13,779,858	31,912,095	7,978,024				
	Hotel	25,906,133	59,994,738	14,998,684				
	Retail	89,569	207,429	51,857				
	Eq. Support Center	-	-	-				
	RV Park	-	-	-				
Subtotal		**50,172,462**	**116,191,936**	**29,047,984**	**$ 899,820**	**$ 860,096**	**$ 937,685**	**$ 24,036**
Year 3	Casino	-	15,514,384	3,878,596				
	Restaurants	-	9,285,622	2,321,405				
	Event Center	-	32,869,457	8,217,364				
	Hotel	-	61,794,580	15,448,645				
	Retail	-	213,651	53,413				
	Eq. Support Center	-	-	-				
	RV Park	-	-	-				
Subtotal		**-**	**119,677,694**	**29,919,424**	**$ 1,631,160**	**$ 1,559,151**	**$ 1,699,801**	**$ 43,572**
Year 4	Casino	1,785,817	17,765,633	4,441,408				
	Restaurants	-	9,564,190	2,391,048				
	Event Center	-	33,855,541	8,463,885				
	Hotel	-	63,648,417	15,912,104				
	Retail	-	220,061	55,015				
	Eq. Support Center	27,187,499	27,187,499	6,796,875				
	RV Park	10,823,135	10,823,135	2,705,784				
Subtotal		**39,796,451**	**163,064,476**	**40,766,119**	**$ 1,680,095**	**$ 1,605,925**	**$ 1,750,795**	**$ 44,879**
Year 5	Casino	-	18,298,602	4,574,650				
	Restaurants	-	9,851,116	2,462,779				
	Event Center	-	34,871,207	8,717,802				
	Hotel	-	65,557,870	16,389,467				
	Retail	-	226,663	56,666				
	Eq. Support Center	-	28,003,124	7,000,781				
	RV Park	-	11,147,829	2,786,957				
Subtotal		**-**	**167,956,411**	**41,989,103**	**$ 2,289,181**	**$ 2,188,121**	**$ 2,385,511**	**$ 61,149**
Year 6	Casino	-	18,847,560	4,711,890				
	Restaurants	-	10,146,650	2,536,662				
	Event Center	-	35,917,344	8,979,336				
	Hotel	-	67,524,606	16,881,151				
	Retail	-	233,463	58,366				
	Eq. Support Center	-	28,843,217	7,210,804				
	RV Park	-	11,482,264	2,870,566				
Subtotal		**-**	**172,995,103**	**43,248,776**	**$ 2,357,856**	**$ 2,253,765**	**$ 2,457,076**	**$ 62,984**

APPENDIX 2
PENINSULA GAMING
ESTIMATED PROPERTY TAX REVENUE AT
2010 PROPERTY TAX RATE

YEAR	USE TYPE	EST. REAL PROPERTY VALUE	CUMULATIVE PROPERTY VALUE	ESTIMATED ASSESSED VALUE	USD 263 REVENUE	CITY OF MULVANE REVENUE	SUMNER COUNTY REVENUE	STATE OF KANSAS REVENUE
Year 7	Casino	-	19,412,987	4,853,247				
	Restaurants	-	10,451,049	2,612,762				
	Event Center	-	36,994,864	9,248,716				
	Hotel	-	69,550,344	17,387,586				
	Retail	-	240,467	60,117				
	Eq. Support Center	-	29,708,514	7,427,128				
	RV Park	-	11,826,732	2,956,683				
Subtotal		**-**	**178,184,956**	**44,546,239**	**$ 2,428,592**	**$ 2,321,378**	**$ 2,530,789**	**$ 64,873**
TOTAL		**$ 154,065,490**			**$ 11,286,704**	**$ 10,788,436**	**$ 11,761,657**	**$ 301,493**

APPENDIX 2, ASSUMPTIONS:

1. Estimated Real Property Value based on Estimated Taxable Construction Cost shown in Appendix 1 of this analysis.
2. Tax rate will remain constant at 2010 amount:

Entity-Fund	Tax Rate*	*rate per $1,000 of assessed value.
School District	$ 56.1540	Includes School District rate ($49.904), Recreation Commission ($5.25) and Historical Museum ($1.0)
City	$ 53.6750	
County	$ 58.5170	2009 levy amount, 2010 amount not available.
State	$ 1.5000	
	$ 169.8460	

Source: Sumner County Clerk's office. Rates include all funds for which property tax revenues are collected.
Tax rates could change due to changes in overall assessed value for the entity, these changes are not contemplated in this analysis.

3. 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.
4. Assessed value estimated at **25%** of appraised property value.
Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
5. Estimated property values are inflated 3% annually.
6. Property tax revenue is estimated in the year following construction and improvements to account for lien dates and work-in-progress.

APPENDIX 3
PENINSULA GAMING
ESTIMATED SALES TAX REVENUE

YEAR		SQUARE FT. BUILT	CONSTRUCTION MATERIALS COST ($)	FF&E PURCHASES	RETAIL SALES	TOTAL TAXABLE SALES	SUMNER COUNTY REVENUE	STATE OF KANSAS REVENUE
Year 1	Casino	-	$ 2,517,414	$ 32,613,528	$ -	$ 35,130,941		
	Restaurants	-	1,506,715	998,667	-	2,505,382		
	Event Center	44,100	5,333,504	3,535,105	-	8,868,609		
	Hotel	-	10,026,988	6,645,997	-	16,672,985		
	Retail	-	34,668	22,978	-	57,646		
	Eq. Support Center	-	-	-	-	-		
	RV Park	-	-	-	-	-		
Subtotal		**44,100**	**19,419,289**	**43,816,275**	**-**	**63,235,564**	**$ 632,356**	**$ 3,983,841**
Year 2	Casino	47,200	2,703,323	1,860,324	-	4,563,647		
	Restaurants	28,250	1,617,985	397,609	3,867,581	5,883,175		
	Event Center	55,900	5,727,379	1,407,466	-	7,134,846		
	Hotel	188,000	10,767,473	2,646,037	-	13,413,510		
	Retail	650	37,228	9,149	-	46,376		
	Eq. Support Center	-	-	-	-	-		
	RV Park	-	-	-	-	-		
Subtotal		**320,000**	**20,853,388**	**6,320,585**	**3,867,581**	**31,041,554**	**$ 310,416**	**$ 1,955,618**
Year 3	Casino	-	-	-	-	-		
	Restaurants	-	-	-	10,547,144	10,547,144		
	Event Center	-	-	-	-	-		
	Hotel	-	-	-	-	-		
	Retail	-	-	-	1,072,500	1,072,500		
	Eq. Support Center	-	-	-	-	-		
	RV Park	-	-	-	-	-		
Subtotal		**-**	**-**	**-**	**11,619,644**	**11,619,644**	**$ 116,196**	**$ 732,038**
Year 4	Casino	16,500	876,765	10,313,238	-	11,190,003		
	Restaurants	-	-	-	11,854,242	11,854,242		
	Event Center	-	-	-	-	-		
	Hotel	-	-	-	-	-		
	Retail	-	-	-	1,104,675	1,104,675		
	Eq. Support Center	251,198	13,347,980	4,312,051	-	17,660,031		
	RV Park	100,000	5,313,729	1,716,594	-	7,030,323		
Subtotal		**367,698**	**19,538,475**	**16,341,883**	**12,958,917**	**48,839,274**	**$ 488,393**	**$ 3,076,874**
Year 5	Casino	-	-	-	-	-		
	Restaurants	-	-	-	13,635,452	13,635,452		
	Event Center	-	-	-	-	-		
	Hotel	-	-	-	-	-		
	Retail	-	-	-	1,137,815	1,137,815		
	Eq. Support Center	-	-	-	-	-		
	RV Park	-	-	-	-	-		
Subtotal		**-**	**-**	**-**	**14,773,268**	**14,773,268**	**$ 147,733**	**$ 930,716**
Year 6	Casino	-	-	-	-	-		
	Restaurants	-	-	-	14,465,851	14,465,851		
	Event Center	-	-	-	-	-		
	Hotel	-	-	-	-	-		
	Retail	-	-	-	1,171,950	1,171,950		
	Eq. Support Center	-	-	-	-	-		
	RV Park	-	-	-	-	-		
Subtotal		**-**	**-**	**-**	**15,637,801**	**15,637,801**	**$ 156,378**	**$ 985,181**

APPENDIX 3
PENINSULA GAMING
ESTIMATED SALES TAX REVENUE

		SQUARE FT.	CONSTRUCTION MATERIALS	FF&E	RETAIL	TOTAL TAXABLE	SUMNER COUNTY	STATE OF KANSAS
Year 7	Casino	-	-	-	-	-		
	Restaurants	-	-	-	14,899,827	14,899,827		
	Event Center	-	-	-	-	-		
	Hotel	-	-	-	-	-		
	Retail	-	-	-	1,207,108	1,207,108		
	Eq. Support Center	-	-	-	-	-		
	RV Park	-	-	-	-	-		
Subtotal		**-**	**-**	**-**	**16,106,935**	**16,106,935**	**$ 161,069**	**$ 1,014,737**
TOTAL		**731,798**	**$ 59,811,151**	**$ 66,478,743**	**$ 74,964,146**	**$ 201,254,040**	**$ 2,012,540**	**$ 12,679,005**

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rate is as follows:

	Designation
1.000%	County
6.300%	State
7.300%	**TOTAL**

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Construction Materials Cost and FF&E purchases estimated in Appendix 1 of this analysis.
3. Taxable sales based on the following data from the developer:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Retail	$ -	$ -	$ 1,072,500	$ 1,104,675	$ 1,137,815	$ 1,171,950
F&B	-	3,867,581	10,547,144	11,854,242	13,635,452	14,465,851
Total	**$ -**	**$ 3,867,581**	**$ 11,619,644**	**$ 12,958,917**	**$ 14,773,268**	**$ 15,637,801**

Source: Developer's application template. Years 7 revenue is estimated by inflating Year 7 revenue by 3%.

APPENDIX 4
PENINSULA GAMING
ESTIMATED LOTTERY GAMING CONTRIBUTION REVENUE

YEAR		ESTIMATED GAMING REVENUE	CITY OF MULVANE REVENUE	SUMNER COUNTY REVENUE	SEDGWICK COUNTY REVENUE	STATE OF KANSAS REVENUE	STATE PROB. GAMBLING REVENUE
Year 1	Casino	$ -	$ -	$ -	$ -	$ -	$ -
Year 2	Casino	145,857,000	1,458,570	1,458,570	1,458,570	32,088,540	2,917,140
Year 3	Casino	150,232,710	1,502,327	1,502,327	1,502,327	33,051,196	3,004,654
Year 4	Casino	185,391,866	1,853,919	1,853,919	1,853,919	40,894,048	3,707,837
Year 5	Casino	190,953,621	1,909,536	1,909,536	1,909,536	42,228,869	3,819,072
Year 6	Casino	211,291,880	2,112,919	2,112,919	2,112,919	47,110,051	4,225,838
Year 7	Casino	217,630,636	2,176,306	2,176,306	2,176,306	48,631,353	4,352,613
TOTAL		**$ 1,101,357,712**	**$ 11,013,577**	**$ 11,013,577**	**$ 11,013,577**	**$ 244,004,057**	**$ 22,027,154**

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
WGR GGR	$ -	$ 132,614,000	$ 136,592,420	$ 178,683,731	$ 184,044,243	$ 209,183,759
Cummings GGR	-	159,100,000	163,873,000	192,100,000	197,863,000	213,400,000
Average	**$ -**	**$ 145,857,000**	**$ 150,232,710**	**$ 185,391,866**	**$ 190,953,621**	**$ 211,291,880**

Year 7 revenue is estimated by inflating average Year 6 revenue by 3%.

Source: Wells Gaming Research and Cummings Associates GGR estimates. GGR estimates assume no Wyandotte Tribe/Park City competition.

2. Local government revenue is estimated as follows:

State Prob. Gambling	**2%**	of all lottery gaming revenues.
Sumner County	**1%**	of all lottery gaming revenues.
Sedgwick County	**1%**	of all lottery gaming revenues.
City of Mulvane	**1%**	of all lottery gaming revenues.
State of Kansas	**22%**	of all lottery gaming revenues up to $180 million,
	24%	of all lottery gaming revenues between $180 million and $220 million,
	26%	of all lottery gaming revenues above $220 million.

Source: SB 66 and Developer's Lottery contract.

APPENDIX 5
PENINSULA GAMING
ESTIMATED STATE INCOME TAX REVENUE

YEAR		ESTIMATED PAYROLL EXPENDITURES	ESTIMATED PAYROLL/ EMPLOYEE	STATE OF KANSAS INCOME TAX REVENUE
Year 1	Construction	$ 17,261,589	$ 52,000	$ 956,524
	Operating	-	-	-
Subtotal		**17,261,589**	**52,000**	**956,524**
Year 2	Construction	18,536,345	52,000	1,027,163
	Operating	13,987,346	29,080	675,797
Subtotal		**32,523,691**	**81,080**	**1,702,960**
Year 3	Construction	-	52,000	-
	Operating	23,923,317	29,979	1,166,032
Subtotal		**23,923,317**	**81,979**	**1,166,032**
Year 4	Construction	17,367,532	52,000	962,395
	Operating	24,641,017	30,878	1,212,291
Subtotal		**42,008,549**	**82,878**	**2,174,686**
Year 5	Construction	-	-	-
	Operating	27,643,883	32,069	1,375,735
Subtotal		**27,643,883**	**32,069**	**1,375,735**
Year 6	Construction	-	-	-
	Operating	28,473,200	32,728	1,425,446
Subtotal		**28,473,200**	**32,728**	**1,425,446**
Year 7	Construction	-	-	-
	Operating	29,327,396	33,710	1,480,542
Subtotal		**29,327,396**	**33,710**	**1,480,542**
TOTAL		**$ 201,161,624**		**$ 10,281,926**

APPENDIX 5, ASSUMPTIONS:

1. Estimated construction payroll is provided by the Developer as follows:

	Year 1	Year 2	Year 3	Year 4
Payroll	$ 17,261,589	$ 18,536,345	$ -	$ 17,367,532
Annual Salary	$ 52,000	$ 52,000	$ 52,000	$ 52,000

Source: Developer's application template matrix. This includes salaries only, no benefits are included.

2. Estimated on-going operating payroll (without benefits) is estimated as follows:

	Year 1	Year 2	Year 3	Year 4
Payroll	$ -	$ 13,987,346	$ 23,923,317	$ 24,641,017
Employees	-	481	798	798
Salary	$ -	$ 29,080	$ 29,979	$ 30,878

	Year 5	Year 6
Payroll	$ 27,643,883	$ 28,473,200
Employees	862	870
Salary	$ 32,069	$ 32,728

Source: Developer's application template matrix.

3. Personal income tax revenue for the State is estimated as follows, using a 2010 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. 2010 Kansas Individual Income Tax schedule.

APPENDIX 6
PENINSULA GAMING
ESTIMATED TRANSIENT GUEST TAX REVENUE

YEAR		# OF ROOMS	ESTIMATED ROOM REVENUE	CITY OF MULVANE REVENUE
Year 1	Hotel	-	$ -	$ -
Year 2	Hotel	-	-	-
Year 3	Hotel	300	4,223,050	84,461
Year 4	Hotel	300	5,489,600	109,792
Year 5	Hotel	300	6,284,388	125,688
Year 6	Hotel	300	6,472,919	129,458
Year 7	Hotel	300	6,667,107	133,342
TOTAL			**$ 29,137,063**	**$ 582,741**

APPENDIX 6, ASSUMPTIONS:

1. The Developer did not provide information regarding hotel revenue, which is estimated using average revenue per room at buildout provided by Global Gaming for its casino:

Global Gaming-	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Hotel Revenue	$ 1,689,220	$ 2,195,840	$ 2,513,755	$ 2,589,168
# of Rooms	120	120	120	120
Revenue/Room	**$ 14,077**	**$ 18,299**	**$ 20,948**	**$ 21,576**

Year 7 revenue is estimated by inflating Year 6 revenue by 3%.

2. City of Mulvane is to receive **2%** of gross room

APPENDIX 7
PENINSULA GAMING
ESTIMATED BUILDING PERMIT AND IMPACT FEE REVENUE

FISCAL YEAR END	LAND USE	# OF SQ.FT. BUILT	CONSTRUCTION VALUATION	BUILDING PERMIT REVENUE	PLAN CHECK FEE REVENUE	TOTAL REVENUE
Year 1	Casino	-	$ -	$ -	$ -	$ -
	Restaurants	-	-	-	-	-
	Event Center	44,100	6,972,210	18,980	12,337	31,316
	Hotel	-	-	-	-	-
	Retail	-	-	-	-	-
	Eq. Support Center	-	-	-	-	-
	RV Park	-	-	-	-	-
Subtotal		**44,100**	**6,972,210**	**18,980**	**12,337**	**31,316**
Year 2	Casino	47,200	7,462,320	20,205	13,133	33,338
	Restaurants	28,250	3,827,593	11,118	7,227	18,345
	Event Center	55,900	8,837,790	23,643	15,368	39,012
	Hotel	188,000	26,184,640	67,011	43,557	110,567
	Retail	650	63,694	534	347	881
	Eq. Support Center	-	-	-	-	-
	RV Park	-	-	-	-	-
Subtotal		**320,000**	**46,376,036**	**122,511**	**79,632**	**202,143**
Year 3	Casino	-	-	-	-	-
	Restaurants	-	-	-	-	-
	Event Center	-	-	-	-	-
	Hotel	-	-	-	-	-
	Retail	-	-	-	-	-
	Eq. Support Center	-	-	-	-	-
	RV Park	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Year 4	Casino	16,500	2,608,650	8,071	5,246	13,317
	Restaurants	-	-	-	-	-
	Event Center	-	-	-	-	-
	Hotel	-	-	-	-	-
	Retail	-	-	-	-	-
	Eq. Support Center	251,198	18,611,260	48,077	31,250	79,327
	RV Park	100,000	5,503,000	-	-	-
Subtotal		**367,698**	**26,722,910**	**56,148**	**36,496**	**92,644**
TOTAL		**731,798**	**$ 80,071,156**	**$ 197,638**	**$ 128,465**	**$ 326,103**

APPENDIX 7
PENINSULA GAMING
ESTIMATED BUILDING PERMIT AND IMPACT FEE REVENUE

APPENDIX 7, ASSUMPTIONS:

1. Construction Valuation is calculated as follows:

	Suggested Value/Sq.Ft.
Casino	$158.10
Restaurants	$135.49
Event Center	$158.10
Hotel	$139.28
Retail	$97.99
Eq. Support Center	$74.09
RV Park	$55.03

Source: Building Valuation Data, 2006 International Building Code, values for IIB style construction.

Building permit fee revenue is estimated in the year of construction.

2. Building permit fees are estimated for the following values:

For values between $63,000 and $64,000, permit fee is **$ 534.00**

For values over $1,000,000, permit fee is **$ 4,049** per first **$ 1,000,000** plus **$2.50** for each additional **$1,000** of value.

Source: City of Mulvane Questionnaire.

3. Plan Check fee revenue calculated at **65.0%** of building permit revenue.

Source: City of Mulvane Questionnaire.

4. Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the construction details required for these estimates are unknown.

APPENDIX 8
PENINSULA GAMING
SUMMARY OF ESTIMATED REVENUE

YEAR		USD 263	CITY OF MULVANE	SUMNER COUNTY	SEDGWICK COUNTY	STATE OF KANSAS
Year 1	Property Tax	$ -	$ -	$ -	$ -	$ -
	Sales Tax	-	-	632,356	-	3,983,841
	Gaming Revenue	-	-	-	-	-
	Income Tax Revenue	-	-	-	-	956,524
	Transient Guest Tax	-	-	-	-	-
	Building Revenue	-	31,316	-	-	-
Subtotal		**-**	**31,316**	**632,356**	**-**	**4,940,365**
Year 2	Property Tax	899,820	860,096	937,685	-	24,036
	Sales Tax	-	-	310,416	-	1,955,618
	Gaming Revenue	-	1,458,570	1,458,570	1,458,570	35,005,680
	Income Tax Revenue	-	-	-	-	1,702,960
	Transient Guest Tax	-	-	-	-	-
	Building Revenue	-	202,143	-	-	-
Subtotal		**899,820**	**2,520,809**	**2,706,670**	**1,458,570**	**38,688,294**
Year 3	Property Tax	1,631,160	1,559,151	1,699,801	-	43,572
	Sales Tax	-	-	116,196	-	732,038
	Gaming Revenue	-	1,502,327	1,502,327	1,502,327	36,055,850
	Income Tax Revenue	-	-	-	-	1,166,032
	Transient Guest Tax	-	84,461	-	-	-
	Building Revenue	-	-	-	-	-
Subtotal		**1,631,160**	**3,145,939**	**3,318,324**	**1,502,327**	**37,997,492**
Year 4	Property Tax	1,680,095	1,605,925	1,750,795	-	44,879
	Sales Tax	-	-	488,393	-	3,076,874
	Gaming Revenue	-	1,853,919	1,853,919	1,853,919	44,601,885
	Income Tax Revenue	-	-	-	-	2,174,686
	Transient Guest Tax	-	109,792	-	-	-
	Building Revenue	-	92,644	-	-	-
Subtotal		**1,680,095**	**3,662,280**	**4,093,106**	**1,853,919**	**49,898,324**
Year 5	Property Tax	2,289,181	2,188,121	2,385,511	-	61,149
	Sales Tax	-	-	147,733	-	930,716
	Gaming Revenue	-	1,909,536	1,909,536	1,909,536	46,047,942
	Income Tax Revenue	-	-	-	-	1,375,735
	Transient Guest Tax	-	125,688	-	-	-
	Building Revenue	-	-	-	-	-
Subtotal		**2,289,181**	**4,223,345**	**4,442,780**	**1,909,536**	**48,415,542**
Year 6	Property Tax	2,357,856	2,253,765	2,457,076	-	62,984
	Sales Tax	-	-	156,378	-	985,181
	Gaming Revenue	-	2,112,919	2,112,919	2,112,919	51,335,889
	Income Tax Revenue	-	-	-	-	1,425,446
	Transient Guest Tax	-	129,458	-	-	-
	Building Revenue	-	-	-	-	-
Subtotal		**2,357,856**	**4,496,142**	**4,726,373**	**2,112,919**	**53,809,500**
Year 7	Property Tax	2,428,592	2,321,378	2,530,789	-	64,873
	Sales Tax	-	-	161,069	-	1,014,737
	Gaming Revenue	-	2,176,306	2,176,306	2,176,306	52,983,965
	Income Tax Revenue	-	-	-	-	1,480,542
	Transient Guest Tax	-	133,342	-	-	-
	Building Revenue	-	-	-	-	-
Subtotal		**2,428,592**	**4,631,027**	**4,868,164**	**2,176,306**	**55,544,117**
TOTAL		**$ 11,286,704**	**$ 22,710,857**	**$ 24,787,774**	**$ 11,013,577**	**$ 289,293,635**

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

APPENDIX 9
PENINSULA GAMING
CITY OF MULVANE
POLICE DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL CONSTR./ EQUIPMENT	TOTAL COST
Year 1	2	$ 94,347	$ 15,880	$ 52,500	$ 162,727
Year 2	4	194,355	32,712	30,900	257,968
Year 3	4	200,186	33,694	63,654	297,534
Year 4	4	206,191	34,705	-	240,896
Year 5	6	327,071	55,050	-	382,121
Year 6	6	336,883	56,702	-	393,585
Year 7	6	346,990	58,403	35,822	441,214
TOTAL		**$ 1,706,023**	**$ 287,146**	**$ 182,876**	**$ 2,176,045**

APPENDIX 9, ASSUMPTIONS:

1. A total of **6** new employees will be required to provide services to the development:

	# of Employees	Average Salary	Benefits	Total Cost
Officers	5	$ 38,043	$ 9,130	**$ 235,868**
Sergeant	1	44,138	10,593	**54,731**
Total	**6**			**$ 290,598**

Salary and benefits costs are increased 4% annually. Benefits are estimated at **24%** of salaries.
Source: "Police" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

2. Employee costs include a uniform, training and equipment at **$ 3,000** per officer. This cost is included in the estimated Services/Supplies amount.
Source: "Police" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

3. Services/supplies are estimated as follows:

	2008	2009	2010	2011	
Salaries	$ 707,523	$ 731,270	$ 740,134	$ 793,514	**$ 743,110**
Contractual	$ 25,500	$ 25,800	$ 30,000	$ 31,500	**28,200**
Commodities	91,000	98,000	97,500	101,000	**96,875**
% of Salaries	**16.5%**	**16.9%**	**17.2%**	**16.7%**	**16.8%**

Source: City of Mulvane Budget-2010. Police department costs.

4. The following capital costs are expected to be incurred:
A total of **4** police vehicles at a cost of **$ 30,000** per vehicle. Vehicles are estimated to be replaced every 6 years at full purchase cost. Maintenance cost is estimated at **$ 2,000** per vehicle annually.
This cost is included in the estimated Services/Supplies amount.
Source: "Police" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

5. An additional office within a new public safety building will be required to house these additional positions estimated at approximately **100** square feet of space at a cost of **$ 200** per square foot. Furniture, fixtures, and equipment (FF&E) will be purchased at a cost of **$ 2,500**
Source: "Police" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

APPENDIX 10
PENINSULA GAMING
CITY OF MULVANE
FIRE DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL EQUIPMENT	TOTAL COST
Year 1	0	$ -	$ -	$ 2,500,000	$ 2,500,000
Year 2	4	185,216	78,111	1,350,000	1,613,327
Year 3	6	286,159	120,681	-	406,841
Year 4	8	392,992	165,736	-	558,728
Year 5	12	618,175	260,702	-	878,877
Year 6	12	636,720	268,523	-	905,243
Year 7	12	655,822	276,578	-	932,400
TOTAL		**$ 2,775,086**	**$ 1,170,331**	**$ 3,850,000**	**$ 7,795,417**

APPENDIX 10, ASSUMPTIONS:

1. A total of **12** new employees will be required to service the development:

	# of Employees	Salary	Benefits	Total Cost
MICT	8	$ 36,254	$ 8,701	**$ 359,644**
Firefighter	3	36,254	8,701	**134,866**
Fire Lieutenants	1	44,138	10,593	**54,731**
Total	**12**			**$ 549,241**

Salary and benefits costs are increased 4% annually. Benefits are estimated at **24%** of salary.
Source: "Fire/EMS" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

2. Employee costs include a uniform, training and equipment at **$ 2,500** per position for firefighters and **$ 7,500** for MICTs. This cost is included in the estimated Services/Supplies amount.
Source: "Fire/EMS" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

3. Services/supplies are estimated as follows:

	2008	2009	2010	2011	
Salaries	$ 113,139	$ 124,927	$ 126,236	$ 131,634	**$ 123,984**
Contractual	9,000	8,500	8,500	8,500	**8,625**
Commodities	36,700	42,150	47,650	48,150	**43,663**
% of Salaries	**40.4%**	**40.5%**	**44.5%**	**43.0%**	**42.2%**

Source: City of Mulvane Budget-2010. Fire department costs.

4. The following capital costs are expected to be incurred:

Quint Ladder Truck	$ 1,000,000
Rescue Truck	200,000
Ambulance	150,000
	$ 1,350,000

Source: "Fire/EMS" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.
A new fire station may be required at a cost of **$ 2,500,000** including construction and equipment costs.
Source: "Fire/EMS" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

APPENDIX 11
PENINSULA GAMING
CITY OF MULVANE
WATER TREATMENT DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL EQUIPMENT	TOTAL COST
Year 1	0	$ -	$ -	$ 5,347,000	$ 5,347,000
Year 2	2	-	-	-	-
Year 3	2	-	-	-	-
Year 4	2	-	-	-	-
Year 5	2	-	-	-	-
Year 6	2	-	-	-	-
Year 7	2	-	-	-	-
TOTAL		**$ -**	**$ -**	**$ 5,347,000**	**$ 5,347,000**

APPENDIX 11, ASSUMPTIONS:

1. The following capital costs are expected to be incurred for this development:

0.5 MGD Reverse Osmosis WTP	$ 2,200,000
16" DIP Distribution Pipe	1,105,000
Cowskin Creek Crossing	45,000
Water Tower	1,000,000
Refurbishing wells	175,000
13,000' of 14" pipe	650,000
River Crossing	150,000
	$ 5,325,000

A fleet truck will also be required at a cost of **$ 22,000**

Source: "Water Treatment" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

2. Two additional employees will be required at the following costs:

	# of Employees	Salary	Benefits	Total Cost
Water Plant Operator	1	$ 39,772	$ 18,382	**$ 58,154**
Water Distribution Operator	1	32,662	17,073	**49,735**
Total	**2**	**$ 72,434**	**$ 35,455**	**$ 107,889**

Additional costs of **650** per employee are also expected.

Source: "Water Treatment" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

3. Operating costs are not included in the analysis as they are expected to be covered by fees paid by water users.

APPENDIX 12
PENINSULA GAMING
CITY OF MULVANE
WASTEWATER TREATMENT DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL/CONSTR. EQUIPMENT	TOTAL COST
Year 1	0	$ -	$ -	$ 4,828,500	$ 4,828,500
Year 2	2	-	-	-	-
Year 3	2	-	-	-	-
Year 4	2	-	-	-	-
Year 5	2	-	-	-	-
Year 6	2	-	-	-	-
Year 7	2	-	-	-	-
TOTAL		**$ -**	**$ -**	**$ 4,828,500**	**$ 4,828,500**

APPENDIX 12, ASSUMPTIONS:

1. Two new Wastewater Plants Operators will be required to service the development with an annual salary of **$ 35,360** and benefits of **$ 8,486** estimated at 24% of salary. Salary and benefits are inflated 3% annually starting in Year 2. Source: "Wastewater Treatment" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.
2. Operating costs are not included in the analysis as they are expected to be covered by fees paid by water users.
3. The following capital costs are expected to be incurred as follows:

Influent Pump Station	$ 2,000,000	
Aeration basin & digester	1,750,000	Excluded from total as not directly necessary for the development.
Cowskin Creek Pump Station	750,000	
Cowskin Creek Crossing	45,000	
River Crossing	225,000	
14" Pressure Main	850,000	
21" Sewer Main Site to PS	700,000	
Manholes	58,500	
Easements	200,000	
	$ 4,828,500	

Source: "Wastewater Treatment" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

APPENDIX 13
PENINSULA GAMING
CITY OF MULVANE
ELECTRIC DISTRIBUTION DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL EQUIPMENT	TOTAL COST
Year 1	0	$ -	$ -	$ 7,100,000	$ 7,100,000
Year 2	3	-	-	-	-
Year 3	3	-	-	-	-
Year 4	3	-	-	-	-
Year 5	3	-	-	-	-
Year 6	3	-	-	-	-
Year 7	3	-	-	-	-
TOTAL		**$ -**	**$ -**	**$ 7,100,000**	**$ 7,100,000**

APPENDIX 13, ASSUMPTIONS:

1. A total of **3** new employees will be required to service the development.

	# of Employees	**Salary**	**Benefits**	**Total Cost**
Lineman	2	$ 52,000	$ 12,480	**$ 128,960**
Power Plant Operator	1	52,000	12,480	**64,480**
Total	**3**	**$ 104,000**	**$ 24,960**	**$ 193,440**

Benefits are estimated at 24% of salaries. Salary and benefit costs are inflated 3% annually starting Year 2.
Source: "Electric Department" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

2. Operating costs are not included in the analysis as they are expected to be covered by fees paid by water users.
3. The following capital costs are expected to be incurred:

69KV Substation	$ 3,500,000	
69KV Transmission Line	2,100,000	
7KV Substation	1,500,000	
10MW Power Plant	9,000,000	Excluded from total as not directly necessary for the development.
	$ 7,100,000	

Source: "Electric Distribution" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

APPENDIX 14
PENINSULA GAMING
CITY OF MULVANE
SUMMARY OF ESTIMATED COSTS

YEAR	POLICE DEPARTMENT	FIRE/EMS DEPARTMENT	WATER DEPARTMENT	WASTEWATER DEPARTMENT	ELECTRIC DISTRIBUTION	BUILDING INSPECTION	ADMIN. OVERHEAD	TOTAL COSTS
Year 1	$ 162,727	$ 2,500,000	$ 5,347,000	$ 4,828,500	$ 7,100,000	$ 31,316	$ 1,535,104	$ 21,504,647
Year 2	257,968	1,613,327	-	-	-	202,143	159,390	2,232,828
Year 3	297,534	406,841	-	-	-	-	54,147	758,521
Year 4	240,896	558,728	-	-	-	92,644	68,591	960,859
Year 5	382,121	878,877	-	-	-	-	96,936	1,357,934
Year 6	393,585	905,243	-	-	-	-	99,844	1,398,672
Year 7	441,214	932,400	-	-	-	-	105,593	1,479,207
TOTAL	**$ 2,176,045**	**$ 7,795,417**	**$ 5,347,000**	**$ 4,828,500**	**$ 7,100,000**	**$ 326,103**	**$ 2,119,603**	**$ 29,692,668**

APPENDIX 14, ASSUMPTIONS:

1. See Appendices 9-13 for detailed calculations of all department costs.
2. No Public Works-Streets costs are estimated for Roads as the majority of roads constructed for this development will be privately maintained.
3. Building Inspection services will be contracted by the City, the cost of these services is unknown, building permit revenues will be used to pay for these services and will be adjusted as needed to cover the costs. As a result, the analysis assumes these costs as equal to building permit revenues.
   Source: Kent Hixson, City Manager, City of Mulvane.
4. Administrative overheard costs estimated at **8%** of all department costs estimated in this analysis.
   Source: City of Mulvane Budget. Three-year average indirect costs as percent of direct costs (2008-2011) for the General Fund.

Direct	**2008**	**2009**	**2010**	**2011**	**Average**
Street	231,146	207,515	240,552	245,000	231,053
Fire	159,166	217,577	178,274	180,000	183,754
Police	796,260	895,570	883,134	890,000	866,241
Parks/Mowing	150,919	197,724	223,656	225,000	199,325
Sports Complex	126,774	165,744	146,370	150,000	147,222
Municipal Court	95,510	102,050	107,950	110,000	103,878
Ambulance	354,824	396,891	401,798	405,000	389,628
Inspection	61,984	69,350	70,800	71,000	68,284
Fire District 12	14,623	19,400	18,900	19,000	17,981
Bindweed	1,791	3,000	3,000	3,000	2,698
Total	**1,992,997**	**2,274,821**	**2,274,434**	**2,298,000**	**2,210,063**

Indirect	**2008**	**2009**	**2010**	**2011**	**Average**
Administration	136,332	162,500	167,600	170,000	159,108
Planning Commiss.	11,638	10,500	10,500	10,500	10,785
Total	**147,970**	**173,000**	**178,100**	**180,500**	**169,893**
% Indirect of Direct	**7%**	**8%**	**8%**	**8%**	**8%**

APPENDIX 15
PENINSULA GAMING
SUMNER COUNTY
COST PROJECTIONS

YEAR	SHERIFF SALARIES & BENEFITS	SHERIFF SERVICES/ SUPPLIES	SHERIFF CAPITAL CONSTR./ EQUIPMENT	SHERIFF TOTAL SHERIFF COST	ROADS DEPARTMENT COST	ADMIN. OVERHEAD	TOTAL COST
Year 1	$ -	$ -	$ 206,250	$ 206,250	$ -	$ 49,093	$ 255,343
Year 2	247,200	94,757	185,400	527,357	103,000	150,042	780,399
Year 3	254,616	97,599	-	352,215	106,090	109,089	567,395
Year 4	262,254	100,527	-	362,782	109,273	112,362	584,416
Year 5	270,122	103,543	-	373,665	112,551	115,733	601,949
Year 6	278,226	106,650	-	384,875	115,927	119,205	620,007
Year 7	286,573	109,849	-	396,422	119,405	122,781	638,608
TOTAL	**$ 1,598,991**	**$ 612,926**	**$ 391,650**	**$ 2,603,567**	**$ 666,246**	**$ 778,304**	**$ 4,048,116**

APPENDIX 15, ASSUMPTIONS:

Sheriff:

1. A total of **6** new employees will be required to provide services to the development:

	# of Employees	Salary/Benefits	Total Cost*
Patrol Officers	5	$ 40,000	**$ 200,000**
Investigator	1	40,000	**40,000**
Total			**$ 240,000**

*Costs are increased 3% annually. Source: Gerald Gilkey, Sumner County Sheriff.

2. Employee costs include a uniform, training and equipment a **$ 5,000** per officer. This cost is not added as it is estimated to be included under Services/Supplies above. Source: Gerald Gilkey, Sumner County Sheriff.
3. Services/supplies are estimated as follows:

	2008	2009	2010	
Salaries	$ 789,304	$ 933,912	$ 943,301	**$ 888,839**
Commodities	$ 294,056	$ 268,800	$ 293,800	**285,552**
Contractual	63,174	51,700	50,600	**55,158**
% of Salaries	**45.3%**	**34.3%**	**36.5%**	**38.3%**

Source: Sumner County Budget. Three year average contractual and commodities costs as percent of personnel services costs (2008-2009) for the Sheriff's department.

4. The following capital costs are expected to be incurred:
A total of **6** police vehicles at a cost of **$ 30,000** per vehicle, inflated 3% annually. Vehicles are estimated to be replaced every 6 years at full purchase cost. Maintenance cost is included under Services/Supplies above.

Source: Gerald Gilkey, Sumner County Sheriff.

5. An additional office within a new public safety building will be required to house additional positions. Source: Gerald Gilkey, Sumner County Sheriff. Analysis estimates square footage and construction costs provided by discussions with Sheriff Gilkey and previous analyses by MBA as follows: **750** square feet including office, meeting and storage space at a cost of **$ 200** per square foot. Furniture, fixtures, and equipment (FF&E) will be purchased at a cost of **$ 75** per square foot.

Roads:

1. Additional traffic on County roads is expected to generated maintenance, salary, and supplies costs of **$ 100,000** annually, inflated by 3% starting in Year 2. Source: Melvin Matlock, Sumner County Roads Director.

Administrative Overhead:

1. Administrative overheard costs estimated at **24%** of Sheriff and Roads costs.

Source: Sumner County Budget. Three-year average indirect costs as percent of direct costs (2008-2010) for the General Fund.

Direct	**2007**	**2008**	**2009**	**Average**
Clerk	117,394	132,080	136,540	128,671
Sheriff	1,366,024	1,459,912	1,664,682	1,496,873
Registrar	93,412	101,265	102,749	99,142
Courthouse General	532,486	777,000	613,000	640,829
Unified Court	342,858	363,506	356,400	354,255
Attorney	229,435	258,580	261,047	249,687
Planning	150,529	153,223	157,550	153,767
CASA	123,758	115,957	118,984	119,566
R Frye Complex	32,708	4,000	40,200	25,636
Coroner	10,027	40,000	35,000	28,342
911 System	544,890	667,760	677,292	629,981
Cemetery	12,112	10,000	10,000	10,704
Econ Dev	100,996	101,488	101,488	101,324
Corrections Repairs	-	4,000	6,480	3,493
Juvenile Emergency	1,200	5,000	3,000	3,067
Public Transportation	14,000	16,000	16,000	15,333
Juvenile Court	6,782	9,643	9,643	8,689
Total	**3,678,611**	**4,219,414**	**4,310,055**	**4,069,360**

Indirect	**2008**	**2009**	**2010**	**Average**
County Commission	72,178	79,020	79,020	76,739
Treasurer	173,134	191,649	203,950	189,578
Counselor	61,912	69,360	68,885	66,719
Maintenance	182,789	216,434	213,907	204,377
Information Services	222,894	255,913	260,948	246,585
Care home Mainten.	30,000	27,000	27,000	28,000
Jail Maintenance	70,779	72,500	74,116	72,465
Miscellaneous	20,993	1,000	70,000	30,664
Geographical Info	47,671	56,627	56,173	53,490
Total	**882,350**	**969,503**	**1,053,999**	**968,617**
% Indirect of Direct	**24%**	**23%**	**24%**	**24%**

APPENDIX 16
PENINSULA GAMING
USD 263
ESTIMATED NUMBER OF NEW STUDENTS

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	NUMBER OF EMPLOYEES NEW TO AREA	# OF NEW HOUSEHOLDS	# OF NEW STUDENTS
Year 1	-	-	-	-
Year 2	481	92	92	92
Year 3	798	129	129	129
Year 4	798	129	129	129
Year 5	862	135	135	135
Year 6	870	137	137	137
Year 7	870	137	137	137

APPENDIX 16, ASSUMPTIONS:

1. Number of employees is provided by the Developer (application template).
   Analysis assumes only Professional, Manager, Executive and Technician positions will be new to the area.
   Other jobs are expected to be filled by existing area residents who are not expected to generate additional students for the School District.
2. The analysis uses a student per household ratio of **1.00** to estimate the number of new students added to the school district by this development. Source: USD 263, 2008.
3. The analysis assumes **no fiscal impact** on K-12 school districts due to the following reasons:
   a. The Wichita MSA had 25,198 unemployed people as of September 2010 (Kansas Dept of Labor) indicating that the labor force availability is more than sufficient to fill new jobs, eliminating the need to import new workers who may impact the school districts.
   b. Sumner County: Between 2000 and 2009, the County school districts experienced a decrease of 1,281 school-aged children. KU's Institute for Policy and Social Research estimates a decreasing population in the County through 2030, thus freeing up more K-12 capacity to absorb casino employees' children.
   c. In 2010-11, the Mulvane School District alone had an existing capacity of 273 students, 98 in primary and grade sch
   165 in middle school and 10 in high school. Source: Dr. Brad Rahe, USD 263.

APPENDIX 17
PENINSULA GAMING
USD 263
ESTIMATED SURPLUS/DEFICIT TO STATE

YEAR	STATE FINANCIAL AID	LOCAL EFFORT	GENERAL STATE AID	TOTAL COSTS
Year 1	$ -	$ -	$ -	$ -
Year 2	369,104	899,820	-	-
Year 3	517,548	1,631,160	-	-
Year 4	517,548	1,680,095	-	-
Year 5	541,620	2,289,181	-	-
Year 6	549,644	2,357,856	-	-
Year 7	549,644	2,428,592	-	-
TOTAL	**$ 3,045,108**	**$ 11,286,704**	**$ -**	**$ -**

APPENDIX 17, ASSUMPTIONS:

1. FY 10-11 State Financial Aid amount is estimated at **$ 4,012** per pupil.
   Source: Dr. Brad Rahe, USD 263. Number of new students is estimated in Appendix 16.
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 USD 263 in Appendix 2.
3. General State Aid is estimated by subtracting Local Effort revenue from State Financial Aid revenue. As the Local Effort revenue exceeds State Financial Aid revenue, no General State Aid revenue is estimated.
   Source: Dale Dennis, Deputy Commissioner, Kansas Department of Education.
4. No School District costs are estimated, see Appendix 16 for details.

Section 6
FISCAL IMPACT ANALYSIS

-PENINSULA GAMING-

SITE B

APPENDIX 1-SITE B
PENINSULA GAMING
LOTTERY GAMING CONTRIBUTION REVENUE

YEAR		ESTIMATED GAMING REVENUE	CITY OF MULVANE REVENUE	SUMNER COUNTY REVENUE	SEDGWICK COUNTY REVENUE	STATE OF KANSAS REVENUE	STATE PROB. GAMBLING REVENUE
Year 1	Casino	$ -	$ -	$ -	$ -	$ -	$ -
Year 2	Casino	134,156,430	1,341,564	1,341,564	1,341,564	29,514,415	2,683,129
Year 3	Casino	138,181,123	1,381,811	1,381,811	1,381,811	30,399,847	2,763,622
Year 4	Casino	170,994,061	1,709,941	1,709,941	1,709,941	37,438,575	3,419,881
Year 5	Casino	176,123,883	1,761,239	1,761,239	1,761,239	38,669,732	3,522,478
Year 6	Casino	195,970,293	1,959,703	1,959,703	1,959,703	43,432,870	3,919,406
Year 7	Casino	201,849,402	2,018,494	2,018,494	2,018,494	44,843,856	4,036,988
TOTAL		**$ 1,017,275,191**	**$ 10,172,752**	**$ 10,172,752**	**$ 10,172,752**	**$ 224,299,295**	**$ 20,345,504**

APPENDIX 1, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
WGR GGR	$ -	$ 128,751,456	$ 132,614,000	$ 173,479,350	$ 178,683,731	$ 203,091,028
Cummings GGR	-	139,561,404	143,748,246	168,508,772	173,564,035	188,849,558
Average	**$ -**	**$ 134,156,430**	**$ 138,181,123**	**$ 170,994,061**	**$ 176,123,883**	**$ 195,970,293**

Year 7 revenue is estimated by inflating average Year 6 revenue by 3%.
Source: Wells Gaming Research and Cummings Associates GGR estimates for Site A reduced by 13 to 14% for Cummings and 3% for Wells. GGR estimates assume no Wyandotte Tribe/Park City competition.

2. Local government revenue is estimated as follows:

State Prob. Gambling	**2%**	of all lottery gaming revenues.
Sumner County	**1%**	of all lottery gaming revenues.
Sedgwick County	**1%**	of all lottery gaming revenues.
City of Mulvane	**1%**	of all lottery gaming revenues.
State of Kansas	**22%**	of all lottery gaming revenues up to $180 million,
	24%	of all lottery gaming revenues between $180 million and $220 million,
	26%	of all lottery gaming revenues above $220 million.

Source: SB 66 and Developer's Lottery contract.

APPENDIX 2-SITE B
PENINSULA GAMING
SUMMARY OF ESTIMATED REVENUE

YEAR		USD 263	CITY OF MULVANE	SUMNER COUNTY	SEDGWICK COUNTY	STATE OF KANSAS
Year 1	Property Tax	$ -	$ -	$ -	$ -	$ -
	Sales Tax	-	-	632,356	-	3,983,841
	Gaming Revenue	-	-	-	-	-
	Income Tax Revenue	-	-	-	-	956,524
	Transient Guest Tax	-	-	-	-	-
	Building Revenue	-	31,316	-	-	-
Subtotal		**-**	**31,316**	**632,356**	**-**	**4,940,365**
Year 2	Property Tax	899,820	860,096	937,685	-	24,036
	Sales Tax	-	-	310,416	-	1,955,618
	Gaming Revenue	-	1,341,564	1,341,564	1,341,564	32,197,543
	Income Tax Revenue	-	-	-	-	1,702,960
	Transient Guest Tax	-	-	-	-	-
	Building Revenue	-	202,143	-	-	-
Subtotal		**899,820**	**2,403,803**	**2,589,665**	**1,341,564**	**35,880,157**
Year 3	Property Tax	1,631,160	1,559,151	1,699,801	-	43,572
	Sales Tax	-	-	116,196	-	732,038
	Gaming Revenue	-	1,381,811	1,381,811	1,381,811	33,163,469
	Income Tax Revenue	-	-	-	-	1,166,032
	Transient Guest Tax	-	84,461	-	-	-
	Building Revenue	-	-	-	-	-
Subtotal		**1,631,160**	**3,025,423**	**3,197,809**	**1,381,811**	**35,105,111**
Year 4	Property Tax	1,680,095	1,605,925	1,750,795	-	44,879
	Sales Tax	-	-	488,393	-	3,076,874
	Gaming Revenue	-	1,709,941	1,709,941	1,709,941	40,858,456
	Income Tax Revenue	-	-	-	-	2,174,686
	Transient Guest Tax	-	109,792	-	-	-
	Building Revenue	-	92,644	-	-	-
Subtotal		**1,680,095**	**3,518,302**	**3,949,128**	**1,709,941**	**46,154,895**
Year 5	Property Tax	2,289,181	2,188,121	2,385,511	-	61,149
	Sales Tax	-	-	147,733	-	930,716
	Gaming Revenue	-	1,761,239	1,761,239	1,761,239	42,192,210
	Income Tax Revenue	-	-	-	-	1,375,735
	Transient Guest Tax	-	125,688	-	-	-
	Building Revenue	-	-	-	-	-
Subtotal		**2,289,181**	**4,075,048**	**4,294,482**	**1,761,239**	**44,559,810**
Year 6	Property Tax	2,357,856	2,253,765	2,457,076	-	62,984
	Sales Tax	-	-	156,378	-	985,181
	Gaming Revenue	-	1,959,703	1,959,703	1,959,703	47,352,276
	Income Tax Revenue	-	-	-	-	1,425,446
	Transient Guest Tax	-	129,458	-	-	-
	Building Revenue	-	-	-	-	-
Subtotal		**2,357,856**	**4,342,926**	**4,573,157**	**1,959,703**	**49,825,888**
Year 7	Property Tax	2,428,592	2,321,378	2,530,789	-	64,873
	Sales Tax	-	-	161,069	-	1,014,737
	Gaming Revenue	-	2,018,494	2,018,494	2,018,494	48,880,844
	Income Tax Revenue	-	-	-	-	1,480,542
	Transient Guest Tax	-	133,342	-	-	-
	Building Revenue	-	-	-	-	-
Subtotal		**2,428,592**	**4,473,214**	**4,710,352**	**2,018,494**	**51,440,997**
TOTAL		**$ 11,286,704**	**$ 21,870,032**	**$ 23,946,949**	**$ 10,172,752**	**$ 267,907,222**

APPENDIX 2-SITE B
PENINSULA GAMING
SUMMARY OF ESTIMATED REVENUE

APPENDIX 2, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

APPENDIX 3-SITE B
PENINSULA GAMING
CITY OF MULVANE
WATER TREATMENT DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL EQUIPMENT	TOTAL COST
Year 1	0	$ -	$ -	$ 4,242,000	$ 4,242,000
Year 2	2	-	-	-	-
Year 3	2	-	-	-	-
Year 4	2	-	-	-	-
Year 5	2	-	-	-	-
Year 6	2	-	-	-	-
Year 7	2	-	-	-	-
TOTAL		**$ -**	**$ -**	**$ 4,242,000**	**$ 4,242,000**

APPENDIX 3, ASSUMPTIONS:

1. The following capital costs are expected to be incurred for this development:

0.5 MGD Reverse Osmosis WTP	$ 2,200,000			
Cowskin Creek Crossing	45,000			
Water Tower	1,000,000			
Refurbishing wells	175,000			
13,000' of 14" pipe	650,000			
River Crossing	150,000			
	$ 4,220,000	Reduced by	**$ 1,105,000**	from site A.

A fleet truck will also be required at a cost of **$ 22,000**
Source: "Water Treatment" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

2. Two additional employees will be required at the following costs:

	# of Employees	**Salary**	**Benefits**	**Total Cost**
Water Plant Operator	1	$ 39,772	$ 18,382	**$ 58,154**
Water Distribution Operator	1	32,662	17,073	**49,735**
Total	**2**	**$ 72,434**	**$ 35,455**	**$ 107,889**

Additional costs of **650** per employee are also expected.
Source: "Water Treatment" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

3. Operating costs are not included in the analysis as they are expected to be covered by fees paid by water users.

APPENDIX 4-SITE B
PENINSULA GAMING
CITY OF MULVANE
WASTEWATER TREATMENT DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL EQUIPMENT	TOTAL COST
Year 1	0	$ -	$ -	$ 2,891,250	$ 2,891,250
Year 2	2	-	-	-	-
Year 3	2	-	-	-	-
Year 4	2	-	-	-	-
Year 5	2	-	-	-	-
Year 6	2	-	-	-	-
Year 7	2	-	-	-	-
TOTAL		**$ -**	**$ -**	**$ 2,891,250**	**$ 2,891,250**

APPENDIX 4, ASSUMPTIONS:

1. Two new Wastewater Plants Operators will be required to service the development with an annual salary of **$ 35,360** and benefits of **$ 8,486** estimated at 24% of salary. Salary and benefits are inflated 3% annually starting in Year 2. Source: "Wastewater Treatment" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.
2. Operating costs are not included in the analysis as they are expected to be covered by fees paid by water users.
3. The following capital costs are expected to be incurred as follows:

Influent Pump Station	$ 2,000,000	
Aeration basin & digester	1,750,000	Excluded from total as not directly necessary for the development.
River Crossing	225,000	
14" Pressure Main	250,000	
21" Sewer Main Site to PS	200,000	
Manholes	16,250	
Easements	200,000	
	$ 2,891,250	

Source: "Wastewater Treatment" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

APPENDIX 5-SITE B
PENINSULA GAMING
CITY OF MULVANE
ELECTRIC DISTRIBUTION DEPARTMENT COST PROJECTIONS

YEAR	# OF NEW EMPLOYEES	SALARIES & BENEFITS	SERVICES/ SUPPLIES	CAPITAL EQUIPMENT	TOTAL COST
Year 1	0	$ -	$ -	$ 5,600,000	$ 5,600,000
Year 2	3	-	-	-	-
Year 3	3	-	-	-	-
Year 4	3	-	-	-	-
Year 5	3	-	-	-	-
Year 6	3	-	-	-	-
Year 7	3	-	-	-	-
TOTAL		**$ -**	**$ -**	**$ 5,600,000**	**$ 5,600,000**

APPENDIX 5, ASSUMPTIONS:

1. A total of **3** new employees will be required to service the development.

	# of Employees	Salary	Benefits	Total Cost
Lineman	2	$ 52,000	$ 12,480	**$ 128,960**
Power Plant Operator	1	52,000	12,480	**64,480**
Total	**3**	**$ 104,000**	**$ 24,960**	**$ 193,440**

Benefits are estimated at 24% of salaries. Salary and benefit costs are inflated 3% annually starting Year 2.
Source: "Electric Department" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

2. Operating costs are not included in the analysis as they are expected to be covered by fees paid by water users.
3. The following capital costs are expected to be incurred:

69KV Substation	$ 3,500,000	
69KV Transmission Line	600,000	
7KV Substation	1,500,000	
10MW Power Plant	9,000,000	Excluded from total as not directly necessary for the development.
	$ 5,600,000	

Source: "Electric Distribution" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas.

APPENDIX 6-SITE B
PENINSULA GAMING
CITY OF MULVANE
SUMMARY OF ESTIMATED COSTS

YEAR	POLICE DEPARTMENT	FIRE/EMS DEPARTMENT	WATER DEPARTMENT	WASTEWATER DEPARTMENT	ELECTRIC DISTRIBUTION	BUILDING INSPECTION	ADMIN. OVERHEAD	TOTAL COSTS
Year 1	$ 162,727	$ 2,500,000	$ 4,242,000	$ 2,891,250	$ 5,600,000	$ 31,316	$ 1,185,931	$ 16,613,224
Year 2	257,968	1,613,327	-	-	-	202,143	159,390	2,232,828
Year 3	297,534	406,841	-	-	-	-	54,147	758,521
Year 4	240,896	558,728	-	-	-	92,644	68,591	960,859
Year 5	382,121	878,877	-	-	-	-	96,936	1,357,934
Year 6	393,585	905,243	-	-	-	-	99,844	1,398,672
Year 7	441,214	932,400	-	-	-	-	105,593	1,479,207
TOTAL	**$ 2,176,045**	**$ 7,795,417**	**$ 4,242,000**	**$ 2,891,250**	**$ 5,600,000**	**$ 326,103**	**$ 1,770,430**	**$ 24,801,245**

APPENDIX 6, ASSUMPTIONS:

1. See Appendices 9-10 of Site A analysis for Police and Fire estimates.
2. No Public Works-Streets costs are estimated for Roads as the majority of roads constructed for this development will be privately maintained.
3. See Appendices 3-5 of Site B analysis for Water, Wastewater and Electric estimates.
3. Building Inspection services will be contracted by the City, the cost of these services is unknown, building permit revenues will be used to pay for these services and will be adjusted as needed to cover the costs. As a result, the analysis assumes these costs as equal to building permit revenues.
   Source: Kent Hixson, City Manager, City of Mulvane.
4. Administrative overheard costs estimated at **8%** of all department costs estimated in this analysis.
   Source: City of Mulvane Budget. Three-year average indirect costs as percent of direct costs (2008-2011) for the General Fund.

Direct	**2008**	**2009**	**2010**	**2011**	**Average**
Street	231,146	207,515	240,552	245,000	231,053
Fire	159,166	217,577	178,274	180,000	183,754
Police	796,260	895,570	883,134	890,000	866,241
Parks/Mowing	150,919	197,724	223,656	225,000	199,325
Sports Complex	126,774	165,744	146,370	150,000	147,222
Municipal Court	95,510	102,050	107,950	110,000	103,878
Ambulance	354,824	396,891	401,798	405,000	389,628
Inspection	61,984	69,350	70,800	71,000	68,284
Fire District 12	14,623	19,400	18,900	19,000	17,981
Bindweed	1,791	3,000	3,000	3,000	2,698
Total	**1,992,997**	**2,274,821**	**2,274,434**	**2,298,000**	**2,210,063**

Indirect	**2008**	**2009**	**2010**	**2011**	**Average**
Administration	136,332	162,500	167,600	170,000	159,108
Planning Commiss.	11,638	10,500	10,500	10,500	10,785
Total	**147,970**	**173,000**	**178,100**	**180,500**	**169,893**
% Indirect of Direct	**7%**	**8%**	**8%**	**8%**	**8%**

PENNINSULA GAMING
COMPARISON OF ESTIMATED REVENUES AND COSTS
OF SITES A AND B

REVENUES	USD 263	CITY OF MULVANE	SUMNER COUNTY	SEDGWICK COUNTY	STATE OF KANSAS
Site A	$ 11,286,704	$ 22,710,857	$ 24,787,774	$ 11,013,577	$ 289,293,635
Site B	11,286,704	21,870,032	23,946,949	10,172,752	267,907,222
Difference	**$ -**	**$ 840,825**	**$ 840,825**	**$ 840,825**	**$ 21,386,412**
COSTS					
Site A	$ -	$ 29,692,668	$ 4,048,116	$ -	$ -
Site B	-	24,801,245	4,048,116	-	-
Difference	**$ -**	**$ 4,891,423**	**$ -**	**$ -**	**$ -**

Assumptions:
1. Revenue difference is due to a difference is estimated gaming revenue generated by each site as estimated by Wells and Cummings.
2. Cost difference is due to the difference in Water, Wastewater, and Electric department costs and resulting Administrative Overhead estimates.