

*Gaming Revenue  
Projections for  
Kansas Entertainment –  
Northeast Gaming Zone*

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

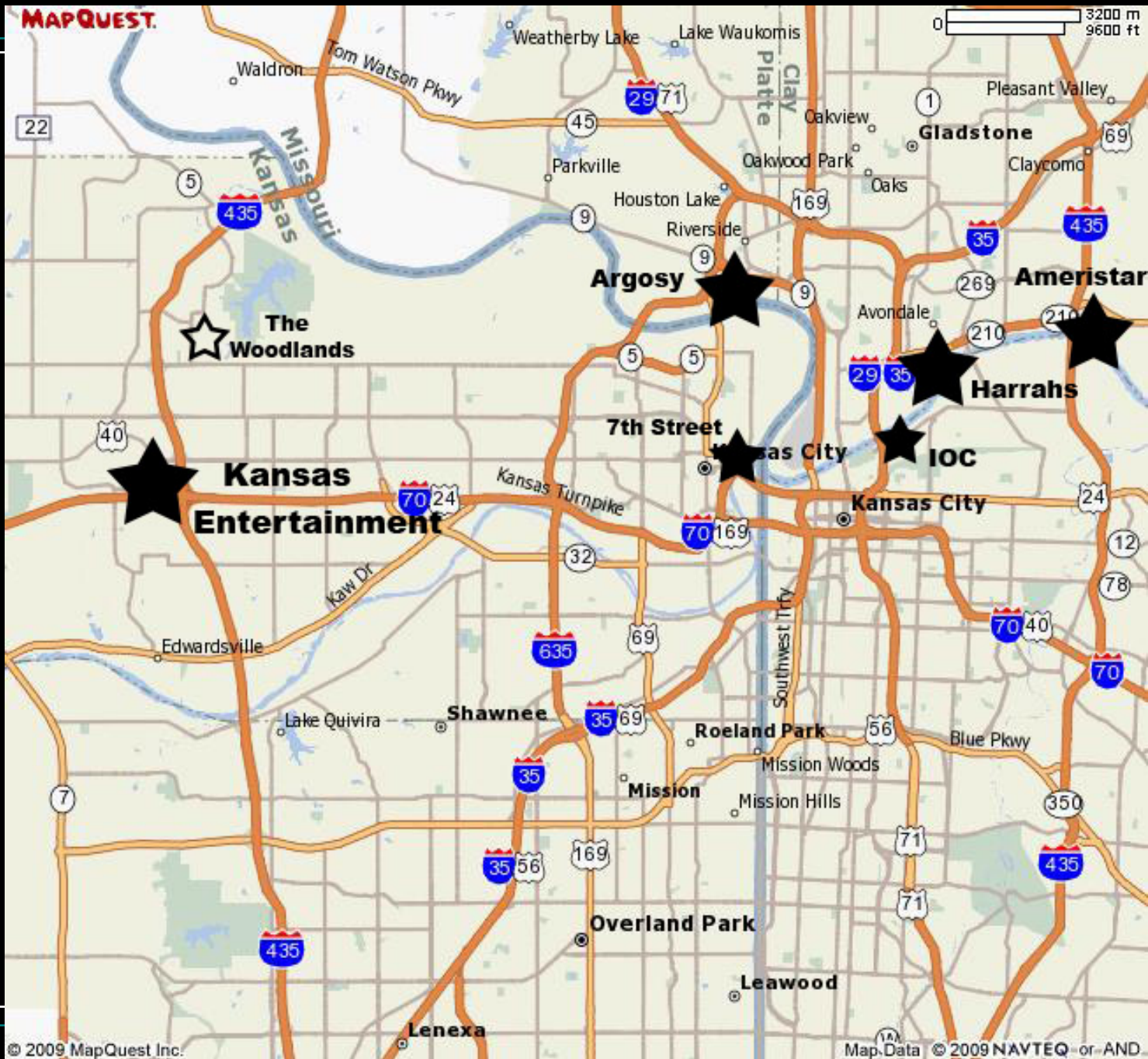
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*Questions, Please!*  
*-- at any time --*

# Overview

- Location, Location and Size . . . and
- Everything Else: “Power Ratings” +
- Cummings Projections
- Compare with Applicant’s
- “Fair Share” Perspective
- Net Export \$ and Tourist #s



# *Gravity Model(s) Updated*

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

“Power Ratings” + “Reach”

# 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
				Diamond Jo Worth, IA	116.7
		Mississippi / Louisiana (average of MANY facilities)	115.5	Terribles Lakeside. IA	115.6
				Iowa Natives average	112.0 e
				Upstate Wisconsin avg.	110.0 e
				Emmetsburg, IA	109.1
		Dubuque Greyh Park, IA	108.9		
		Albuquerque, NM avg.	107.4		
		Horseshoe / Bluffs Run, IA	107.4		
Atlantic City, NJ avg.	107.1	Dubuque Diamond Jo, IA	107.1	Colorado (2)	106.6
		Riverside, IA	106.7	IOC Marquette, IA	106.4 o
		Ameristar Council Bluffs, IA	105.7	IOC Boonville, MO	106.3 o
		Harrahs NKCMO	105.6	Other New Mexico avg.	105.7
Niagara (NY) casino	104.1 e	Argosy Riverside, MO	103.1	Mt. Pleasant, MI	102.6 e
		IOC Waterloo, IA	101.7	Wisconsin Dells	102.1 e
		Harrahs Council Bluffs, IA	101.2		
		Ameristar KCMO	101.0		
		Prairie Meadows, IA	100.4		
		Michigan City, IN	100.4		
		Harrahs Joliet, IL	100.0 o		
Mohegan Sun, CT	98.3 o	Harrahs W St Louis Clinton, IA	97.9 96.7	Metropolis, IL/KY	97.0 o
		Argosy Sioux City, IA	95.7 o		
		Ameristar St Chas, MO	95.4		
		Jumers Rock Island, IL	94.7		
		St Jo MO	94.6 o		
		Catfish Bend Burlington, IA	94.4		
		IOC Bettendorf, IA	94.0 o		
Foxwoods, CT	93.7 o	Belterra, Florence, IN	93.7		
Salemone, NY	93.7 o	Ameristar E Chicago, IN	93.6 o		

		Harrahs Council Bluffs, IA	101.2		
		Ameristar KCMO	101.0		
		Prairie Meadows, IA	100.4		
		Michigan City, IN	100.4		
<b>"Midwest Standard"</b>					
		Harrahs Joliet, IL	100.0	o	
Mohegan Sun, CT	98.3	Harrahs W St Louis	97.9		
		Clinton, IA	96.7		Metropolis, IL/KY 97.0 o
		Argosy Sioux City, IA	95.7	o	
		Ameristar St Chas, MO	95.4		
		Jumers Rock Island, IL	94.7		
		St Jo MO	94.6	o	
		Catfish Bend Burlington, IA	94.4		
		IOC Bettendorf, IA	94.0	o	
Foxwoods, CT	93.7	Belterra, Florence, IN	93.7		
Salamanca, NY	93.7	Ameristar, E Chicago IN	93.6	o	
					Mark Twain, MO 93.0 o
Dover Downs, DE	91.4				
		East St Louis, IL	90.4	o	
<b>Midwest Standard -10%</b>					
Harrington Raceway, DE	89.4	Green Bay, WI	89.6	e	
		Rhythm City, IA	88.7	o	
Wheeling, WV	88.4	Grand Vic, Rising Sun, IN	88.1	o	Caruthersville, MO 88.0 o
Delaware Park	87.4	Hammond, IN	87.9		French Lick, IN 87.9
Charles Town, WV	87.3				
Erie, PA	86.7	Aurora (Chicago), IL	86.6	o	
Mohegan @ Pocono Downs	86.0	Elgin (Chicago) IL	86.4	o	
Tioga Downs, NY	85.9	Hollywood, Lawr'burg, IN	86.1	o*	
Philadelphia Park	85.0	Joliet Empress, IL	85.1	o	
Saratoga, NY	84.7	Hoosier Park, IN	84.3		
Penn National (Harrisburg)	83.6	Louisville, KY/IN	84.0	o	
Vernon Downs, NY	83.4	Indiana Downs	83.4		
Harrahs @ Chester, PA	83.0	Majestic Star, Gary IN	83.1	o	
		Detroit (avg / 3 facils)	82.3	o	
Hollywood @ Bangor, ME	81.0	IOC KCMO	81.3	o	
Mount Airy (Pocono), PA	81.0	Milwaukee, WI	81.0	e o	
Finger Lakes, NY	80.1	Lumiere + Admiral, St Louis	80.3	o*	
Batavia, NY	79.6				
The Meadows (Pittsburgh)	77.9				
(Buffalo) Fairgrounds, NY	77.6				
Newport Grand, RI	77.1	South Dakota VLTs	77.3		
Mountaineer Park, WV	77.1				
Tri-State, WV	75.3				



**2008 Exhibit 1: Power Ratings Used in Previous Projections 2008**

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

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

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

## 2008 Exhibit 2: Power Ratings Updated for Northeast Applicants 2008

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

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

2009

Exhibit 5: Projected Power Ratings (etc.)

2009

Kansas Entertainment

Chisholm Creek

	Phase 1	Raving	Full Build	Phase 1	Raving	Full Build
Gaming Positions (not inc. poker):	2,666	2,666	3,450	1,480	1,480	2,300

Baselines for Slots:

Midwest Standard	100.00	100.00	100.00	100.00	100.00	100.00
Synergy with Area Attractions	1.00	1.00	1.00			
Distance from Major Population				1.00	1.00	1.00
Bricks & Mortar \$ / Gaming Position (in \$100ks)	1.35	1.35	1.82	0.84	1.52	0.98
Casino Square Footage / Gaming Position (x .02)	0.75	0.75	0.74	0.78	0.78	0.83
Hotel Rooms / Gaming Position (x 2)	0.00	0.15	0.29	0.00	0.14	0.13
<b>Total Power Rating</b>	<b>103.10</b>	<b>103.25</b>	<b>103.85</b>	<b>102.62</b>	<b>103.43</b>	<b>102.93</b>

"Reach" (miles before extra decline with distance)	150	200	200	120	200	200
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<b>Compare: Last year at this location</b>			<b>103.66</b>			<b>104.00</b>
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"Big Three" KCMO facilities currently range from 101 to 106. Table power ratings all 100 or less.

# *Cummings Projections*

	Slots	Tables	Total
Phase 1 ( 2,300 slots, no hotel )	\$ 171.7	\$ 31.7	\$ 203.3
Full Build ( 3,000 slots, 500 rooms)	\$ 222.9	\$ 38.6	\$ 261.6

(all \$ million in then-year dollars)

( 2013\$ for Phase 1, 2015\$ for Full Build)

# Cummings vs. Applicant

	Cummings	Applicant	%
Phase 1 ( 2,300 slots, no hotel )	\$ 203.3	\$ 220.2	+ 8%
Full Build ( 3,000 slots, 500 rooms)	\$ 261.6	\$ 326.8 *	+25%

(all \$ million in then-year dollars)

\* not clear that Cummings and Applicant are in same year for Full Build

# *“Fair Share” Perspective*

$$\text{“Fair Share”} = \text{\% Capacity} \times \text{Total Market Win}$$

Example: Casino X has 2,000 gaming positions  
Total Market has 10,000  
“Fair Share” = 20% of the market

# *Projected Win vs. Fair Share*

	Cummings	Applicant *
<b>Phase 1</b> ( 2,300 slots, no hotel )	106%	117%
<b>Full Build</b> ( 3,000 slots, 500 rooms)	105%	128%

\* Applicant's projections as interpreted by Cummings models.

*Projections for  
Net Exports & Tourist #s*



# *Projected Impacts on . . .*

	Net Exports	# "Tourists"*
Phase 1 ( 2,300 slots, no hotel )	\$ 137.7mn	110,400
Full Build ( 3,000 slots, 500 rooms )	\$ 183.3mn	209,600

\* "Tourists" defined as those traveling over 100 miles.

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