



KANSAS

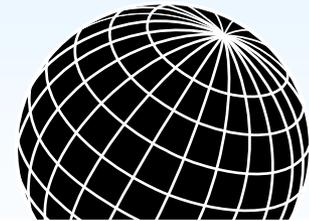
RACING AND GAMING COMMISSION



KRGC

**FISCAL IMPACT ANALYSIS
OF THE PROPOSED
KANSAS ENTERTAINMENT FACILITY
IN
NORTHEAST ZONE**

OCTOBER 2009



MERIDIAN
Business Advisors

Study Purpose

- Estimate the Financial Impact on State and Local Governments' Budgets of the Proposed Lottery Gaming Facility
- To Determine if the Lottery Gaming Facility Will Cause a Financial Surplus or Deficit To Governments' Budgets

Methodology

- Compare Proposer's Estimated Public Sector Revenue and Costs to Consultant's Estimate
- Over the Construction Period and 1st Full Year of Operations
- 7-Year Fiscal Impact Summary Captures Findings
- Used Fiscal Data Collected for 2008 Analyses; 2009 Analysis Sent to Representatives for Review and Comment

Methodology (continued)

Revenue Estimated:

- Gaming Revenue Sharing
- Property Tax
- Sales Tax
- Income Tax
- Building Permit Fee
- Transient Guest Tax

Costs Estimated:

- Law Enforcement
- Education
- Administrative Overhead

Assumptions

- Development Agreement provides that
 - Developer shall be responsible for funding all on-site infrastructure improvements required for the project
 - Developer shall be responsible for funding the off-site infrastructure improvements relating to the project including
 - Sanitary sewer, transportation
- No significant incremental costs
 - Fire, Community Development, and Wastewater departments
 - Source: Development Agreement and 2008 Interviews with UG representatives

Assumptions (continued)

- No significant incremental resident-driven costs:
 - Court, Health, Social Services, General Government, etc.
 - Assume only Professional, Manager, Executive and Technician positions new to area-144 to 161 positions
 - Remaining positions covered by existing unemployment pool of approximately 32,300 people (Kansas City area rate of 7.1%)



Assumptions (continued)

- No significant incremental school costs-existing capacity within area school districts
 - Between 2003-04 and 2008-09, Wyandotte Co. had a decrease in enrollment of 1,566 students
 - KU's Institute for Policy and Social Research estimates a decreasing population in Wyandotte County through 2030

Governments Analyzed

- State--Revenue Only
- Unified Government*
- Edwardsville
- Bonner Springs
- Kansas City School District

*Sum of Wyandotte County and Kansas City impacts

**KANSAS ENTERTAINMENT
7-YEAR SUMMARY**

		Unified Government	Bonner Springs	Edwardsville	KC School District
REVENUE	<u>State</u>				
Property Tax	\$ 594,169	\$ 28,019,049	\$ -	\$ -	\$ 25,706,807
Sales Tax Revenue	19,895,867	8,446,359	-	-	-
Gaming Revenue	247,123,914	33,464,697	4,854,440	2,868,182	-
Income Tax Revenue	15,804,436	-	-	-	-
Building Permit Fee	-	2,342,286	-	-	-
Transient Guest Tax	<u>13,551</u>	<u>663,985</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$283,431,938	\$ 72,936,375	\$ 4,854,440	\$ 2,868,182	\$ 25,706,807
COSTS	<u>State</u>	<u>Unified Government</u>	<u>Bonner Springs</u>	<u>Edwardsville</u>	<u>KC School District</u>
Law Enforcement	\$ -	\$ 2,542,886	\$ -	\$ -	\$ -
Education	-	-	-	-	-
Admin./Overhead	<u>-</u>	<u>307,698</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ -	\$ 2,850,584	\$ -	\$ -	\$ -

Gaming Revenue includes additional fee to UG of 1%.

**KANSAS ENTERTAINMENT
7-YEAR SUMMARY**

	<u>State</u>	<u>Unified Government</u>	<u>Bonner Springs</u>	<u>Edwardsville</u>	<u>KC School District</u>
Revenue	\$ 283,431,938	\$ 72,936,375	\$ 4,854,440	\$ 2,868,182	\$ 25,706,807
Cost	-	2,850,584	-	-	-
Surplus/ (Deficit)	\$283,431,938	\$70,085,791	\$4,854,440	\$2,868,182	\$25,706,807