



KANSAS

RACING AND GAMING COMMISSION



KRGC

**FISCAL IMPACT ANALYSES
OF
LOTTERY GAMING FACILITIES
IN
NORTHEAST ZONE**

SEPTEMBER 2008



MERIDIAN
Business Advisors

Study Purpose

Estimate the Financial Impact on State and
Local Governments' Budgets
Of the Proposed Lottery Gaming Facilities



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Study Purpose (Continued)

To Determine if the Lottery Gaming Facilities
Will Cause a Financial Surplus or Deficit
To Local Governments' Budgets

Methodology

- Compare Proposers' Estimated Public Sector Revenue and Costs to Consultant's Estimate
- 5-Year Fiscal Impact Summary Captures Findings
- Fiscal Data Collected through Telephone Interviews with Government Representatives



Revenue and Cost Estimates

Revenue Estimated:

- Gaming Revenue Sharing
- Property Tax
- Sales Tax
- Income Tax
- Building Permit Fees
- Lodging Tax
- Developer/Proposers' Contribution

Costs Estimated:

- Law Enforcement
- Fire Protection/Emergency Medical Services
- Public Works
- Education
- Administrative Overhead



Legends Sun Casino

5-Year Summary

	<u>State of Kansas</u>	<u>KC School District</u>	<u>Bonner Springs</u>	<u>Edwards- ville</u>	<u>Unified Government</u>
Revenue	\$183,625,000	\$ 24,863,000	\$ 2,376,000	\$1,500,000	\$61,828,000
DC*	-	-	-	-	15,065,000
Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,142,000</u>
Surplus/ Deficit	\$183,625,000	\$ 24,863,000	\$ 2,376,000	\$1,500,000	\$72,751,000

*DC-Developer's Contribution

Pinnacle Entertainment

5-Year Summary

	<u>State of Kansas</u>	<u>KC School District</u>	<u>Bonner Springs</u>	<u>Edwards- ville</u>	<u>Unified Government</u>
Revenue	\$ 182,117,000	\$ 28,326,000	\$ 2,732,000	\$ 1,725,000	\$ 61,157,000
DC*	-	-	-	-	4,000,000
Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,093,000</u>
Surplus/ Deficit	\$ 182,117,000	\$ 28,326,000	\$ 2,732,000	\$ 1,725,000	\$ 61,064,000

*DC-Developer's Contribution

Kansas Entertainment

5-Year Summary

	<u>State of Kansas</u>	<u>KC School District</u>	<u>Bonner Springs</u>	<u>Edwards- ville</u>	<u>Unified Government</u>
Revenue	\$206,679,000	\$27,351,000	\$3,149,000	\$1,988,000	\$70,069,000
DC*	-	-	-	-	-
Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,698,000</u>
Surplus/ Deficit	\$206,679,000	\$27,351,000	\$3,149,000	\$1,988,000	\$65,371,000

*DC-Developer's Contribution



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Golden Heartland

5-Year Summary

	<u>State of Kansas</u>	<u>KC School District</u>	<u>Bonner Springs</u>	<u>Kansas City</u>	<u>Wyandotte County</u>	<u>Edwards- ville</u>
Revenue	\$ 182,897,000	\$ 20,227,000	\$ 213,000	\$ 4,281,000	\$ 25,009,000	\$ 23,234,000
DC*	-	-	-	-	-	6,972,000
Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>841,000</u>	<u>3,882,000</u>
Surplus/ Deficit	\$ 182,897,000	\$ 20,227,000	\$ 213,000	\$ 4,281,000	\$ 24,168,000	\$ 26,324,000

*DC-Developer's Contribution



Northeast Zone Comparison

5-Year Summary

	<u>State of Kansas</u>	<u>KC School District</u>	<u>Bonner Springs</u>	<u>Edwards- ville</u>	<u>Unified Government*</u>
<u>Surplus/Deficit</u>					
Legends Sun	\$ 183,625,000	\$ 24,863,000	\$ 2,376,000	\$ 1,500,000	\$ 72,751,000
Pinnacle	182,117,000	28,326,000	2,732,000	1,725,000	61,064,000
KS Entertainment	206,679,000	27,351,000	3,149,000	1,988,000	65,371,000
Golden Heartland	182,897,000	20,227,000	213,000	26,324,000	28,449,000

*Golden Heartland will be located in Edwardsville, KS, not Kansas City and therefore will have different cost and revenue structures from the other three casinos. Wyandotte County and Kansas City surplus incurred for Golden Heartland is shown under Unified Government above.



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