

AGENDA  
KANSAS LOTTERY GAMING FACILITY REVIEW BOARD  
9 am, Tuesday, December 1, 2009 and  
9 am, Wednesday, December 2, 2009

Topeka Ramada Inn  
420 SE 6<sup>th</sup> Street, Topeka, Kansas

- A. CALL TO ORDER
- B. APPROVAL OF THE AGENDA
- C. BOARD ITEMS
  - 1. Regarding the northeast gaming zone:
    - a. Presentations by and responses to board questions posed to staff, Review Board consultants and the applicants
    - b. Final presentation by Kansas Entertainment LLC (15 minutes)
  - 2. Regarding the south central gaming zone:
    - a. Presentations by and responses to board questions posed to staff, Review Board consultants and the applicants
    - b. Final presentations by Chisholm Creek Casino and Resort (15 minutes)
  - 3. Executive session
    - a. Background reports

At this point it is anticipated that the Board will recess until 9 am, Wednesday, December

2

- 4. Discussion and vote on the lottery gaming facility management contract for the northeast zone
- 5. Discussion and vote on the lottery gaming facility management contract for the south central zone
- D. OTHER MOTIONS

E. STAFF REPORTS

1. Executive Director

F. ADJOURNMENT

## Table of Contents

Agenda .....	1
Table of Contents .....	3
Northeast Gaming Zone .....	4
Kansas Entertainment October 28 Responses.....	5
Kansas Entertainment November 24 Responses.....	6
Meridian Business Advisors Update.....	11
Raving Consulting Hotel Research.....	15
Cummings Associates Revised Report .....	20
South Central Gaming Zone .....	53
Chisholm Creek November 3 Response #1 .....	54
Chisholm Creek November 3 Response #2 .....	60
Chisholm Creek November 24 Responses.....	65
Civic Economics Update.....	77
Sumner County MOU with Chisholm Creek (highlighted).....	80
Sumner County Pre-Development Agreement with Chisholm Creek (highlighted) .....	82
Meridian Business Advisors Update.....	90
Wells Gaming Research Update .....	93
Public Comments .....	101

# Northeast Gaming Zone

## Penn National Responses to October 28 Follow-up Questions

1. What are your revenue projections for a facility that only satisfies your contractual obligations in your management agreement and your pre-development agreement with the Unified Government?

The projections that we have provided do anticipate satisfaction of the minimum standards of the Management Contract as they do not anticipate a hotel opening until the fifth year of operations with the first two years of operations being without a hotel as permitted by the the Management Contract and the Development Agreement and then construction of the hotel to take the following two years for completion. We expect to achieve the same results as far as gaming revenue either by utilizing a new hotel constructed by Kansas Entertainment or by entering into marketing agreements with the existing hoteliers in the area around the Kansas Speedway. We wish to emphasize that the projections that we are looking at are just the first five years of operations.

2. Please comment and provide your analysis regarding the disparity in the projected number of tourist visits by you and the Review Board's consultants for this project, considering it with and without a hotel.

Attached please find the statistics on admissions as well as patrons at the existing Kansas City, Missouri riverboats from data provided by the Missouri Gaming Commission. The data includes the admissions reported by the Commission for purposes of the admissions tax as well as an estimate of the number of actual patrons visiting each facility backing out re-entries on the same visit. You will note that for 2008 patrons at the Kansas City facilities ranged from 2.5 million to 3.6 million at the three largest facilities in the market. We believe that Kansas Entertainment's estimate of 2.9 million visits for the newest facility in the market that will be constructed as a pure land based facility with the access that the location at the Kansas Speedway provides, is not unreasonable.



**PENN NATIONAL**  
GAMING, INC.

November 24, 2009

Mr. Jay Hall  
Kansas Racing and Gaming Commission  
700 SW Harrison, Suite 500  
Topeka, KS 66603

Dear Mr. Hall:

Pursuant to your November 19, 2009 e-mailed questions to Kansas Entertainment, LLC (KE), please see responses below:

- 1) Appraisal of casino land
  - a. Has there been a private fair market appraisal, and if so, what was that appraisal

No. KE used a reasonableness test for land value utilizing a Residual Value calculation. This value is defined as “The quantity left over; in appraising, a term used to describe the result of an appraisal procedure in which the known components of value are accounted for, thus solving for the quantity that is left over, such as land residual or building residual.” (The Dictionary of Real Estate Appraisal, 4<sup>th</sup> edition, Appraisal Institute, 2002, p. 246.) In our case, the income approach, utilizing discounted cash flows, was used to determine the project value. Project cost, including developer’s profit, was then deducted to derive the residual land value. While “comparables” for uniquely situated projects of this magnitude are rare, the resulting valuation comports with other recent land valuations for gaming projects. For instance, a Penn National affiliate executed an option for land in Columbus, Ohio that may be entitled to gaming in a November, 2009 referendum that places the land value at \$1.5 million per acre. Similarly, a Penn National affiliate signed an option for the nearby Schlitterbahn site at \$500,000 per acre (in this case, the land required more infrastructure investment than the Speedway site and was obviously not as contiguous to the Speedway attractions).

- b. Has there been a county appraisal, and if so, what was that appraisal

No

- c. Has there been an appeal of any county appraisal of the land

No

- 2) Please provide the average daily rate for the casinos in the area, as well as the weighted average daily rate (average rate considering number of rooms).

Information from Smith Travel Research's confidential "Star" report for Speedway area hotels<sup>1</sup> shows an average daily room rate (ADR) for 2009 (ytd) of \$94.78 which represents a 6.7% decrease from the 2008 ADR. While October 2009 showed a 4% increase in ADR every other month in 2009 showed a decrease, including decreases of -13.7% and -18.3% for the months of August and September respectively. With average 2009 occupancy of 52%, average revenue per available room (RevPar) is less than \$50. This demonstrates excess hotel supply for the Speedway area.

<sup>1</sup> Candlewood Suites Kansas City, Country Inn & Suites Kansas City @ Village West, Holiday Inn, Express Kansas City Village West, Hampton Inn Kansas City Village West, Chateau Avalon Hotel

ADR information for the casino hotels in Missouri is not available from public sources as those properties consider such information to be proprietary.

- 3) Where does the Kansas project fit into Penn National's overall plans considering the Ohio vote, Fontainebleau and other potential projects?

Penn National Gaming currently has approximately \$600 million in cash and over \$800 million in available credit for a total of approximately \$1.4 billion that can be deployed for capital projects. Should attractive new projects such as those in Ohio, Las Vegas or elsewhere come to fruition, we believe that existing cash, credit resources and future cash flow, combined with the availability of specific project financing from recently thawing credit markets would be available to Penn National to complete any of the projects that Penn chooses to take on.

Penn Hollywood Kansas, Inc. intends to fund its portion of the capital needed to build its Wyandotte facility with cash provided through an intercompany loan or cash contribution from its immediate parent, Delvest Corp. Penn Hollywood Kansas, Inc. reserves the right to obtain debt financing for some or all construction and operating costs subject to any necessary approvals from Kansas regulatory authorities. However, Penn wishes to emphasize that its project is not contingent on obtaining such third party debt financing. ISC is also prepared to fund its capital contribution with cash.

If selected as the operator for the Northeast Zone, Penn expects that construction and funding for the Kansas project would begin almost immediately, before any significant outlays would be required for the other potential Penn projects not currently under construction. The Kansas City project is a major priority for Penn National and will continue to be so regardless as to how many other projects Penn pursues.

- 4) Please provide the status of arrangements with other- area hotels, as well as Kansas Entertainment's strategy for utilizing and integrating these area hotels in the destination casino plan (transportation, booking, etc.)

KE has not yet entered into any formal agreements with area hotels but the Applicant has had several discussions with local hotel owners on exploiting cooperative marketing agreements between the casino and the hotels. We are planning on using a virtual hotel concept to

integrate existing area hotels into KE's guest offerings. Penn National has experience in using the virtual hotel concept at many of its existing properties. Elements of this concept are:

- Hotel Usage: We expect that in comped nights alone, the casino will book hundreds, perhaps thousands of rooms over the course of year. We expect the use of many more room nights booked by cash paying guests at casino rates negotiated with local hotel owners by Hollywood casino.
- Package Deals: We will work with local hotels to develop "play and stay" packages that bundle hotel, casino and restaurant services.
- Hotel Sponsored Transportation: We will work with those local hotels that have their own shuttle busses to include stops at the casino facility for their guests.
- Casino Sponsored Transportation: KE's own Village West shuttle service (see attached **Exhibit A**) will provide free transportation to area attractions including local hotels.
- Booking Assistance: Our guest services personnel will be available to help guests book area rooms and to assist them with transportation. We are exploring putting dedicated phone lines in the casino that will connect to area hotels for patrons to book rooms themselves.
- Internet/Advertising Partnerships: On the Hollywood Kansas City website, we will include links to area hotels. We will also explore joint advertising projects with local hotels to increase casino visitation and hotel occupancy.

The virtual hotel concept will allow the casino to operate as a destination location even without a hotel of its own. The virtual hotel concept does not increase area hotel capacity which can be detrimental to the business of existing hotels. The virtual hotel will increase room occupancy and provide enhanced marketing opportunities which will lead to more rooms sold at higher prices to the benefit of local hotel operators and their employees.

5) Please provide any additional information about the "destination" elements of your proposal, particularly elements that will reach outside the region.

The raceway itself is an attraction that not only attracts people from across the country but also internationally. Upon approval of the casino facility, ISC has committed to expand its existing racing facility and to bring additional large racing events to the racetrack complex which will attract even more tourist dollars to the area. We expect the addition of a casino facility to the race track will increase the critical mass of tourist amenities in the area which will lead to increased visitation and spending from those guests living beyond 100 miles of Kansas City.

- A significant portion of people coming to the area to attend a racing event will be incented to stay a day or two longer either before or after racing events because the casino will provide them with an added entertainment option. As described above, the applicant will work with local hotels to add incentives for guests to add a casino day to their trip.
- Tourists have choices when deciding which NASCAR or other racing event to attend. The addition of the casino, fully integrated with the racetrack, will encourage race enthusiasts to choose to attend races held at the Kansas Speedway instead of going to a racing venue in another city.
- KE has committed to provide a free shuttle service to move area visitors between Village West attractions, hotels and public transportation links. The virtual hotel

concept coupled with the shuttle service will allow visitors to park their car and enjoy all of the many area attractions in a multi day stay without ever having to return to their vehicle until it is time to depart.

- In addition to the partnerships with the Kansas Speedway area hotels described above, Hollywood Casino Kansas City will also explore cooperative marketing agreements with other area attractions such as the Schlitterbahn Water Park, Kansas City T-Bones, and Village West retailers in an effort to increase the attractiveness of the area to tourists.
- The proposed addition of a second Sprint Cup event to the Kansas Speedway is expected to bring over 150,000 visitors to the area. The addition of a new road course to the casino/race complex will attract car clubs, driving schools and other driving-related activities. A large percentage of attendees to these racing events are tourists arriving from beyond 100 miles.

With the new road course, additional Sprint Cup race, first class integrated casino, virtual hotel concept and enhanced Village West transportation options, we believe we are creating an attractive tourist destination. With these major enhancements, we can expect many more tourists coming to the Village West area and that these visitors will stay longer and will visit multiple Village West attractions while they are there.

If you have any questions, or if you require any further information, feel free to contact me at 610-401-2932.

Sincerely,



Thomas N. Auriemma  
Vice President  
Penn National Gaming, Inc.

cc: Jeff Boerger – ISC

## EXHIBIT A

**4.01. Free Shuttle System.** From and after completion of construction of the Gaming Facility ("Project Completion"), Entertainment will, at its expense, cause to be operated a free one route shuttle bus system that connects the Village West shopping center to the Project with stops at The Great Wolf Lodge, Cabela's, Nebraska Furniture Mart, Schlitterbahn, Plaza at the Speedway, T-Bones Ball Park, and the Transit Park and Ride Center. The shuttle bus system shall tie in with the Unified Government's Transit State Avenue service. The Project/Village West/Schlitterbahn shuttle buses will run in approximate ten minute intervals during peak hours of the Project to facilitate the highest possible usage by both patrons and employees of the Project, Village West, and Schlitterbahn. Notwithstanding anything contained herein to the contrary: (i) Entertainment shall have the right to adjust the routes and schedules of the shuttle bus system described herein from time to time as Entertainment deems reasonably necessary or appropriate to reflect actual usage of the system and development in the area after meeting and conferring with the Unified Government with respect to such adjustment; and (ii) Entertainment's obligations to locate a shuttle terminus or stop as described in this Section shall be subject to Entertainment obtaining the written agreement of the owner and tenant of such terminus or stop location for the use of such location for such purpose, and subject to the terms and conditions set forth in such written agreement.

Entertainment shall procure, at its own expense, all equipment necessary to operate the shuttle bus system. The Unified Government acknowledges that Entertainment shall be permitted, subject to the written consent of the Unified Government, to select the equipment for the shuttle bus system.

Entertainment will coordinate its shuttle bus system service with the transportation service of the Unified Government and Kansas City Area Transportation Authority ("ATA") in full compliance with the Americans with Disabilities Act "ADA").



Economic Impact Analysis  
Fiscal Impact Analysis  
Forensic Accounting  
Business Valuation  
Gaming Feasibility  
Litigation Support

November 23, 2009

Mr. Jay Hall  
Review Board Liaison  
Kansas Racing and Gaming Commission  
700 SW Harrison, Suite 420  
Topeka, KS 66603

Dear Jay:

I am writing regarding the Board's question of the difference between our School District impact estimates and those of the Applicant for the Northeast zone. The question is why does MBA's report show a surplus to the impacted school districts<sup>1</sup> of \$25.7 million, which the Applicant showed a deficit of \$248,000.

The main difference in our estimates is that the Applicant did not show any revenue estimates for the School District. MBA is not aware of the reason why no revenues were estimated, but none were shown in the template submitted by the Development. MBA estimated property tax revenue to be generated by the development for the impacted school districts in the amount of \$25.7 million over the 7-year analysis period.

On the cost side, the Applicant estimated approximately 21 to 26 new students for the construction period of the project and 7 new students once the project is completed. They estimate costs to provide school services for these students at \$248,000 over the 7-year analysis period. MBA did not estimate any additional costs to the school districts on the assumption that the majority of employees of the development will be existing unemployed Wyandotte County residents and that due to recent decreases in school enrollment, capacity exists to serve any new students.

Below is a table summarizing the difference between MBA and Applicant estimates over the 7-year analysis period:

---

<sup>1</sup> According to the Wyandotte Unified Government, 97% of the development will be located in School District 204 and 3% in School District 500.

660 Sierra Rose Dr., Ste. 2  
Reno, Nevada 89511  
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P: 702-433-6835

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Mr. Jay Hall  
 November 23, 2009  
 Page 2 of 2

	<u>MBA</u>	<u>Applicant</u>
<b><u>REVENUE:</u></b>		
Gaming Rev. Sharing	\$ -	\$ -
Property Tax	25,706,807	-
Sales/Use Tax	-	-
Income Tax	-	-
Lodging Tax	-	-
<b>Total</b>	<b>\$ 25,706,807</b>	<b>\$ -</b>
<b><u>COSTS:</u></b>		
Law Enforcement	\$ -	\$ -
Public Works	-	-
Education	-	248,065
Fire Protection/EMS	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 248,065</b>
<b>Surplus/(Deficit)</b>	<b>\$ 25,706,807</b>	<b>\$ (248,065)</b>

Overall, the large difference between MBA and Applicant estimates is due to different methodologies. The Applicant did not estimate property tax revenue for the school districts, which is a large revenue source for these districts.

Please do not hesitate to call if you have any questions.

Sincerely,



Eugenia Larmore  
 Director

**Penn National Gaming  
Kansas City Admissions**

	2007 Admissions				2008 Admissions				2009 Admissions			
	Ameristar	Riverside	Harrah's NKC	Isle of Capri	Ameristar	Riverside	Harrah's NKC	Isle of Capri	Ameristar	Riverside	Harrah's NKC	Isle of Capri
Jan	643,616	401,518	492,329	271,290	618,461	444,119	448,844	246,885	653,569	499,054	468,992	247,207
Feb	655,439	418,217	514,554	271,251	633,813	449,156	456,310	270,960	642,880	477,156	472,866	255,638
March	725,172	475,521	601,831	315,057	682,745	477,854	483,725	274,009	658,563	480,719	471,780	268,317
April	629,036	438,171	534,662	286,005	613,802	439,710	455,192	249,006	633,176	477,024	464,615	251,390
May	662,413	444,170	509,302	286,273	692,758	464,721	477,807	254,383	657,091	474,349	457,124	266,256
June	656,027	443,177	521,804	273,469	665,551	433,801	440,746	244,306	595,777	432,032	436,493	247,140
July	700,054	463,334	515,385	277,341	703,873	474,760	460,649	250,019	666,613	474,469	445,555	278,767
August	678,337	454,171	506,564	267,839	656,650	489,191	487,955	252,298	653,946	467,594	433,008	266,566
September	643,847	464,192	478,283	253,360	557,245	440,258	422,939	227,070	594,153	439,269	390,803	261,093
October	611,820	452,721	472,220	252,373	556,403	461,692	426,669	236,750				
November	625,434	442,984	468,776	246,926	583,968	474,960	451,225	233,416				
December	604,268	437,726	442,049	237,156	595,264	462,135	466,528	224,982				
<b>Total</b>	<b>7,835,463</b>	<b>5,335,902</b>	<b>6,057,759</b>	<b>3,238,340</b>	<b>7,560,533</b>	<b>5,512,357</b>	<b>5,478,589</b>	<b>2,964,084</b>	<b>5,755,768</b>	<b>4,221,666</b>	<b>4,041,236</b>	<b>2,342,374</b>

**Penn National Gaming  
Kansas City Admissions**

	2007 Patrons				2008 Patrons				2009 Patrons			
	Ameristar	Riverside	Harrah's NKC	Isle of Capri	Ameristar	Riverside	Harrah's NKC	Isle of Capri	Ameristar	Riverside	Harrah's NKC	Isle of Capri
Jan	288,990	183,481	232,928	135,475	289,749	203,668	220,555	122,008	293,557	234,309	242,679	123,819
Feb	295,796	188,702	239,730	135,241	292,305	204,526	225,505	131,697	306,228	227,227	242,998	128,900
March	329,184	217,320	286,091	157,318	317,350	219,555	239,333	136,782	317,572	230,615	246,784	137,318
April	293,384	203,696	259,341	146,646	289,927	205,731	225,260	126,325	307,317	229,665	242,295	129,200
May	308,451	204,552	245,257	148,349	332,259	217,126	238,142	128,878	322,642	230,809	236,613	137,270
June	308,733	208,146	253,139	139,722	323,592	204,338	220,792	125,219	294,771	214,907	230,252	128,959
July	331,946	216,542	258,588	140,900	344,099	223,562	231,866	127,343	319,645	233,198	231,569	144,102
August	318,733	215,369	255,856	137,854	312,227	231,535	243,007	126,281	314,770	228,525	221,898	137,469
September	304,565	218,163	238,872	131,636	269,364	210,467	214,610	116,975	281,764	216,368	202,986	135,385
October	291,481	214,668	237,344	128,658	267,859	218,874	213,202	120,710				
November	296,571	206,689	233,008	124,728	270,054	224,432	231,993	118,835				
December	283,203	201,315	217,292	116,181	284,548	218,901	243,022	115,452				
<b>Total</b>	<b>3,651,037</b>	<b>2,478,643</b>	<b>2,957,446</b>	<b>1,642,708</b>	<b>3,593,333</b>	<b>2,582,715</b>	<b>2,747,287</b>	<b>1,496,505</b>	<b>2,758,266</b>	<b>2,045,623</b>	<b>2,098,074</b>	<b>1,202,422</b>

***Hotel Average Daily Rate (ADR)  
Projections and Analysis for the Northeast  
Zone, Wyandotte County, KS***

***Prepared for the Kansas Lottery Gaming Facility  
Review Board***

***November 2009***



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## Overview

Raving was asked by the Kansas Lottery Gaming Facility Review Board to estimate the current Average Daily Rate of the 10 hotels (999 total rooms) immediately nearby the Kansas Speedway (see listing of hotels and capacities on page 34 of Raving's Northeast Zone evaluation) and estimate what a reasonable ADR might be for a proposed hotel at Kansas Speedway should it be built as part of Kansas Entertainment's proposal.

To make this estimate, Raving Consultants Scott Cooper and Dennis Conrad looked at the following:

- Current posted internet room rates of the 10 hotels operating nearest Kansas Speedway
- Smith Travel Research Data
- The 2008 Probe Consulting Report for the Review Board
- Kansas Entertainment's own projections for a 2016 hotel as a part of its Performance Matrix estimates
- Scott Cooper's past experiential data as a casino operator in markets where a casino hotel was added to an already existing non-casino hotel room inventory

## Current Raving Hotel ADR Estimates

(Weighted Average of Posted Rates of 10 Hotel Properties  
Nearest Kansas Speedway)

Low: \$93.00
Mid-Point: \$103.00
High: \$113.00
Current National Average: \$97.00 ADR

## Existing Estimates of ADR and Occupancy Projections Pertinent to Kansas Entertainment’s Proposed Hotel (if built)

Probe (2008) Report for “Kansas City Market Area in 2013:”

\$139.63 ADR	70% Occupancy
--------------	---------------

Kansas Entertainment’s Estimates of Proposed Hotel in 2016:

\$137.00 ADR	75% Occupancy
--------------	---------------

Raving’s Estimates of Kansas Entertainment’s Proposed Hotel (2016):

Low: \$115.00	70% Occupancy
Mid-Point: \$120.00	75% Occupancy
High: \$125.00	80% Occupancy

## Analysis

- While subject to a wide number of potential factors (economy, quality of rooms built, number of suites included in total room count, etc.), Raving believes Kansas Entertainment’s ADR for its proposed hotel (if built) will be somewhat less than previous projections and its occupancy rate will be as projected or possibly somewhat higher.
- The estimated ADR and occupancy rates for Kansas Entertainment’s proposed hotel, whatever they may be, will likely be higher than the corresponding ADR and occupancy rates for the 10 hotels nearest to Kansas Speedway, when those comparisons are possible. This assumes that Kansas Entertainment’s 250 room hotel is a quality project and that lodgers will pay a premium, as in other markets, to stay at the casino (with its superior amenities and convenience of gaming product).
- If Kansas Entertainment does not build a hotel (or in the intervening period before the hotel is built, after the casino opening), a positive relationship between Kansas Entertainment and the nearest 10 hotels is critical to maximizing casino revenue and tourism for the state of Kansas.
- If Kansas Entertainment’s proposed hotel is built, strong branding, marketing and tourism partnerships have the definite ability to provide positive upside potential to Raving’s ADR and occupancy projection.
- Whether Kansas Entertainment’s proposed hotel would negatively affect the existing 10 hotels nearest Kansas Speedway is likely determined by numerous factors, including:
  - The quality of the casino hotel.
  - The price/value proposition of the casino hotel.
  - The ability of the casino hotel to develop new hotel market segments, especially the “gaming lodger” segment.
  - The strength of the relationship between the casino hotel and the 10 nearby hotels and their willingness and ability to work together.
  - The ability of the casino hotel, the 10 nearby hotels and other Legends business owners to collectively create traffic-driving “mega” events or “mega” promotions to benefit the entire business zone.
  - Kansas Speedway’s success in increasing races and activities at its racetrack.
  - Kansas Entertainment’s marketing success and ability to leverage Penn National’s regional gaming database, and to a lesser extent, Kansas Speedway’s customer database.

# **Cummings Associates**

## **Additional Projections for New Gaming Facilities in Kansas**

November 23, 2009

## **List of Exhibits**

### **Exhibit**

- A Summary of Projections
- 1 Power Ratings Updated (etc.)
- 2 Chisholm Creek Phase 1 as Now Proposed
- 3 Kansas Entertainment Phase 1 with 300-Room Hotel
- 4 With Slots at Tracks
- 5 With Class 2 Casino at Park City

Addenda (for each scenario):

- C Detail for Sources of Consumer Spending (2009\$)
- D Detail for Visitation by Source

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

# Additional Projections for New Gaming Facilities in Kansas

In response to developments at the meetings of the Kansas Lottery Gaming Facility Review Board in Topeka on October 26 and 27, and questions asked by the Board, I have prepared projections for likely gaming revenues under four additional scenarios. These are:

- o Chisholm Creek Phase 1 as Now Proposed – with additional food and beverage amenities and a (third-party) hotel with 100 rooms and modest amounts of meeting space, this configuration now closely mirrors that which we formerly examined as the “Raving Minimum.”
- o Kansas Entertainment Phase 1 with 300-Room Hotel – according to this applicant’s contract, construction of a hotel must begin within 24 months of opening or financial penalties will ensue. In response to a question from the Board, this projection assumes a 300-room hotel in 2013. As with Chisholm Creek above, this configuration also comes very close to our former Raving Minimum, which assumed a 200-room hotel.
- o Competition from slots at the three commercial race tracks of Kansas, under a scenario that is close to current legislation but also adds Wichita Greyhound Park: 800 slots at The Woodlands, 800 slots at Wichita Greyhound Park, and 600 slots at Camptown, with a “tax” rate substantially higher than that paid by the casinos.
- o Competition from a new Class 2 casino proposed by the Wyandotte Tribe at the site of the former Wild West World in Park City, just north of Wichita. In coordination with Wells Gaming Research, I have assumed 750 Class 2 gaming devices at this casino, and 12 table games. I have assumed these table games are not operated under compact with the State and thus cannot be house-banked; their performance should therefore mirror those of the casinos of Oklahoma – poor. The gaming devices, however, despite being “Class 2,” will present substantial competition for the new casino in Sumner County.

My projections for these scenarios are summarized in **Exhibit A**. The shaded lines indicate my new projections. For comparison, I have presented my previous projections unshaded. Detail for the new projections is presented in Exhibits 2 through 5, and additional detail is provided in Addenda.

My projections for Chisholm Creek Phase 1 as now proposed (**Exhibit 2**) are for total annual gaming revenues of \$166.5 million in 2013, or \$3.5 million higher than the former Phase 1. The increment amounts to roughly \$96 per room-night at the new 100-room hotel. (The total of \$166.5 million is not as close to my previous projections for the Chisholm Creek Raving Minimum as one might expect, because those were overly aggressive. I mistakenly assumed that

almost all of the \$225 million investment that is ultimately required was spent for this configuration. As a result, it achieved an increment of roughly \$145 per room-night at the hotel.)

For Kansas Entertainment Phase 1 with hotel (**Exhibit 3**), I project total gaming revenues at \$210.4 million in 2013. Since there are no other complications, this is very close to my previous projections for the Raving Minimum (\$209.2 million).

Competition from slots at the tracks has very different impacts in the two zones (**Exhibit 4**; see also Exhibit A). The Woodlands is *less* well-situated than any of the other gaming facilities in the Kansas City area, so I project it to attract very modest revenues (\$28.4 million) and have minor impacts on Kansas Entertainment (now \$193.7 million, a decline of just \$9.5 million from Phase 1 [without hotel], or 4.7%).

Wichita Greyhound Park, on the other hand, is somewhat closer to most of Wichita than Chisholm Creek will be. Despite only 800 slots (assumed, as well as a high “tax” rate), I therefore project it to draw very substantial amounts of revenue (\$100 million) and to have significant impacts on Chisholm Creek (\$127.6 million under this scenario, a reduction of \$39 million from Phase 1 as now proposed, or 23%).<sup>1</sup>

Note, however, that my projection for Chisholm Creek *with* slots at the Wichita track (\$127.6 million in 2013) remains very comparable to the applicant’s own projection, which is for \$124.6 million in 2012. With 3% inflation between 2012 and 2013, these projections would in fact be almost identical.

The impact of a modest Class 2 casino at Park City is very similar (**Exhibit 5**). I have assumed that this casino would be located on the Wyandotte Tribe’s property at the former Wild West World, which is served by the same exit off Interstate 135 as Wichita Greyhound Park. Its location is therefore essentially identical. Its Class 2 gaming devices would be somewhat less attractive than “real” (Class 3) slot machines, so I have assumed a “power rating” of 85 versus 90 for the slots at Wichita Greyhound Park. We have also assumed that this casino would have table games. If these are not operated under compact with the State, however, they would not be very attractive, even if the tribe foregoes antes like some of those in Oklahoma do, turning their table games into loss-leaders. I therefore project that table game win would amount to just \$4 million

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<sup>1</sup> This 23% impact is substantially less than the 37% figure I cited at the hearings in Topeka. That figure was based on 1,000 slots at Wichita Greyhound Park, and was also, in retrospect, somewhat aggressive. I subsequently extended my drive-time analysis for Wichita Greyhound Park to additional surrounding areas for the current projections, with the result that its advantage over Chisholm Creek from outlying areas (Hutchinson, for example) is not as great as I previously projected.

(with very little impact on Chisholm Creek), versus \$86.2 million at the Class 2 gaming devices of this casino, for total win of roughly \$90 million in 2013.

With such competition, I project Chisholm Creek's gaming revenues at \$130.7 million in 2013, or 21.5% below Phase 1 as now proposed. As with slots at Wichita Greyhound Park, my projection for Chisholm Creek *with* this type of competition is very comparable to the applicant's own projection *without* (we presume) such competition.

# **Cummings Associates**

## **Additional Projections for New Gaming Facilities in Kansas**

### **Exhibits**

November 23, 2009

**Exhibit A: Summary of Projections**  
**( New Entries Highlighted )**

**Phase 1s, in 2013 Dollars**  
 ( at 3% per annum, skipping 2010 )

**Gaming Facility / Location:**

**Kansas Entertainment / Northeast Zone:**

Phase I as proposed	2,300	103.1	\$171.7	\$204	\$203.3
Raving Minimum	2,300	103.3	\$176.4	\$210	\$209.2
Phase I with 300 rooms	2,300	103.5	\$177.7	\$212	\$210.4
with Slots at Tracks	2,300	103.1	\$162.1	\$193	\$193.8
impact (vs. Phase 1 as proposed):			-5.5%		-4.7%

**Chisholm Creek / South-Central Zone:**

Former Phase I	1,300	102.6	\$140.8	\$297	\$163.0
Phase I as Now Proposed	1,300	102.8	\$143.6	\$303	\$166.5
Former Raving Minimum	1,300	103.4	\$145.4	\$306	\$168.3 *
with Slots at Tracks	1,300	102.8	\$104.7	\$221	\$127.6
impact (vs. Phase 1 as proposed):			-27.1%		-23.4%
with Class 2 Casino	1,300	102.8	\$111.9	\$236	\$130.7
in Park City (with impact):			-22.0%		-21.5%

**Full Build-Outs, in 2015 Dollars**  
 ( at 3% per annum, skipping 2010 )

**Gaming Facility / Location:**

**Kansas Entertainment / Northeast Zone:**

Full Build-Out	3,000	103.9	\$222.9	\$204	\$261.6
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**Chisholm Creek / South-Central Zone:**

Full Build-Out	2,000	102.9	\$166.7	\$228	\$192.8
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\* My former projection for Raving Minimum was overly aggressive.

## Exhibit 1: Power Ratings Updated (etc.)

	Kansas Entertainment			Chisholm Creek		
	Phase 1	with Hotel	Full Build	Old Phase 1	New Phase 1	Full Build
Gaming Positions (not inc. poker):	2,666	2,666	3,450	1,480	1,480	2,300
<b>Baselines for Slots:</b>						
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	1.51	1.82	0.84	0.93	0.98
Casino Square Footage / Gaming Position (x .02)	0.75	0.75	0.74	0.78	0.72	0.83
Hotel Rooms / Gaming Position (x 2)	0.00	0.23	0.29	0.00	0.14	0.13
<b>Total Power Rating</b>	<b>103.10</b>	<b>103.48</b>	<b>103.85</b>	<b>102.62</b>	<b>102.78</b>	<b>102.93</b>
"Reach" (miles before extra decline with distance)	150	200	200	120	200	200
<b>Compare: Last year at this location</b>			<b>103.86</b>			<b>104.00</b>

Note: 100 = "Midwest Standard." Latest major facilities in Iowa range from 102 to 107.  
 "Big Three" KCMO facilities currently range from 101 to 106. Table power ratings all 100 or less.  
 I have assumed 103 for tables in KCKS (the "3" reflects poker), 100 at Chisholm Creek.

**Exhibit 2: Gaming Revenue Projections (\$mn / 2013\$)  
Chisholm Creek Phase 1 as Now Proposed**

<b>Gaming Facility / Location:</b>	<b># Slots</b>	<b>Power Rating</b>	<b>Slot Win (\$mn)</b>	<b>win/slot/day</b>	<b>Total Win (\$mn)</b>
Woodlands Camptown Wichita Gh Park					
Kansas Entertainment	2,300	103.1	\$171.6	\$204	\$203.2
<b>Chisholm Creek</b>	<b>1,300</b>	<b>102.8</b>	<b>\$143.6</b>	<b>\$303</b>	<b>\$166.5</b>
Boot Hill / Dodge City	875	112.0	\$41.2	\$129	\$46.1
Subtotal Kansas Taxable	4,475		\$356.3	\$218	\$415.7
KCK 7th Street Park City	560	72.7	\$14.1	\$69	\$14.1
4 Northeast KS Natives	3,293	116.9	\$163.2	\$136	\$182.6
Total Kansas	8,328		\$533.6	\$176	\$612.4
memo: Northeast Zone	2,300		\$171.6	\$204	\$203.2
memo: Southeast Zone					
memo: South Central Zone	1,300		\$143.6	\$303	\$166.5
Argosy Riverside	1,899	103.2	\$158.2	\$228	\$173.0
IOC KC	1,514	81.3	\$69.2	\$125	\$74.9
Harrahs NKC	1,783	105.6	\$155.9	\$240	\$180.5
Ameristar KC	3,009	100.9	\$205.0	\$187	\$228.5
Sugar Creek					
Subtotal KCMO	8,205		\$588.4	\$196	\$656.9
Greater KC Total	11,065		\$774.1	\$192	\$874.2
Greater Joplin Total	8,463		\$190.7	\$62	\$200.3
Greater Wichita Total	7,032		\$244.8	\$95	\$271.5
<b>Slot Spending in Total:</b>		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$480.1	\$279.0	\$759.1	
from Others ( " )		\$132.3			
<b>Net Plus or Minus:</b>			<b>(\$146.6)</b>		

**Exhibit 3: Gaming Revenue Projections (\$mn / 2013\$)**  
**Kansas Entertainment Phase 1 with 300-Room Hotel**

<b>Gaming Facility / Location:</b>	<b># Slots</b>	<b>Power Rating</b>	<b>Slot Win (\$mn)</b>	<b>win/slot/day</b>	<b>Total Win (\$mn)</b>
Woodlands Camptown Wichita Gh Park					
<b>Kansas Entertainment</b>	<b>2,300</b>	<b>103.5</b>	<b>\$177.7</b>	<b>\$212</b>	<b>\$210.4</b>
Chisholm Creek	1,300	102.8	\$143.2	\$302	\$166.0
Boot Hill / Dodge City	875	112.0	\$41.0	\$128	\$45.9
Subtotal Kansas Taxable	4,475		\$362.0	\$222	\$422.3
KCK 7th Street Park City	560	72.7	\$14.1	\$69	\$14.1
4 Northeast KS Natives	3,293	116.9	\$162.7	\$135	\$182.1
<b>Total Kansas</b>	<b>8,328</b>		<b>\$538.7</b>	<b>\$177</b>	<b>\$618.4</b>
memo: Northeast Zone	2,300		\$177.7	\$212	\$210.4
memo: Southeast Zone					
memo: South Central Zone	1,300		\$143.2	\$302	\$166.0
Argosy Riverside	1,899	103.2	\$157.8	\$228	\$172.5
IOC KC	1,514	81.3	\$69.1	\$125	\$74.8
Harrahs NKC	1,783	105.6	\$155.6	\$239	\$180.1
Ameristar KC	3,009	100.9	\$204.6	\$186	\$228.1
Sugar Creek					
<b>Subtotal KCMO</b>	<b>8,205</b>		<b>\$587.1</b>	<b>\$196</b>	<b>\$655.5</b>
Greater KC Total	11,065		\$778.9	\$193	\$880.0
Greater Joplin Total	8,463		\$190.2	\$62	\$199.8
Greater Wichita Total	7,032		\$244.3	\$95	\$270.9
<b>Slot Spending in Total:</b>		<b>to Kansas</b>	<b>to Others</b>	<b>Total KS</b>	
from Kansas (\$mn)		\$481.7	\$277.9	\$759.6	
from Others ( " )		\$136.7			
<b>Net Plus or Minus:</b>			<b>(\$141.1)</b>		

## Exhibit 4: Gaming Revenue Projections (\$mn / 2013\$) With Slots at Tracks

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day	Total Win (\$mn)
Woodlands	800	95.0	\$28.4	\$97	\$28.4
Camptown	600	104.0	\$26.9	\$123	\$26.9
Wichita Gh Park	800	90.0	\$100.4	\$344	\$100.4
<b>Kansas Entertainment</b>	<b>2,300</b>	<b>103.1</b>	<b>\$162.1</b>	<b>\$193</b>	<b>\$193.8</b>
<b>Chisholm Creek</b>	<b>1,300</b>	<b>102.8</b>	<b>\$104.7</b>	<b>\$221</b>	<b>\$127.6</b>
Boot Hill / Dodge City	875	112.0	\$40.4	\$126	\$45.2
Subtotal Kansas Taxable	----- 6,675		----- \$463.0	\$190	----- \$522.4
KCK 7th Street Park City	560	72.7	\$13.6	\$67	\$13.6
4 Northeast KS Natives	3,293	116.9	\$159.7	\$133	\$179.1
Total Kansas	----- 10,528		----- \$636.3	\$166	----- \$715.2
memo: Northeast Zone	3,100		\$190.6	\$168	\$222.2
memo: Southeast Zone	600		\$26.9	\$123	\$26.9
memo: South Central Zone	2,100		\$205.1	\$268	\$228.0
Argosy Riverside	1,899	103.2	\$153.6	\$222	\$168.3
IOC KC	1,514	81.3	\$67.5	\$122	\$73.2
Harrahs NKC	1,783	105.6	\$152.0	\$233	\$176.5
Ameristar KC	3,009	100.9	\$200.3	\$182	\$223.8
Sugar Creek					
Subtotal KCMO	----- 8,205		----- \$573.3	\$191	----- \$641.8
Greater KC Total	11,865		\$777.5	\$180	\$877.6
Greater Joplin Total	9,063		\$211.4	\$64	\$221.1
Greater Wichita Total	7,832		\$299.6	\$105	\$326.3
<b>Slot Spending in Total:</b>		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$566.8	\$256.1	\$822.9	
from Others ( " )		\$148.4			
<b>Net Plus or Minus:</b>			<b>(\$107.8)</b>		

**Exhibit 5: Gaming Revenue Projections (\$mn / 2013\$)  
With Class 2 Casino at Park City**

<b>Gaming Facility / Location:</b>	<b># Slots</b>	<b>Power Rating</b>	<b>Slot Win (\$mn)</b>	<b>win/slot/day</b>	<b>Total Win (\$mn)</b>
Woodlands					
Camptown					
Wichita Gh Park					
Kansas Entertainment	2,300	103.1	\$171.5	\$204	\$203.1
Chisholm Creek	1,300	102.8	\$111.9	\$236	\$130.7
Boot Hill / Dodge City	875	112.0	\$40.6	\$127	\$45.5
Subtotal Kansas Taxable	4,475		\$324.1	\$198	\$379.3
KCK 7th Street	560	72.7	\$14.1	\$69	\$14.1
Park City	750	85.0	\$86.2	\$315	\$90.1
4 Northeast KS Natives	3,293	116.9	\$162.7	\$135	\$182.1
Total Kansas	9,078		\$587.1	\$177	\$665.5
memo: Northeast Zone	2,300		\$171.5	\$204	\$203.1
memo: Southeast Zone					
memo: South Central Zone	1,300		\$111.9	\$236	\$130.7
Argosy Riverside	1,899	103.2	\$158.1	\$228	\$172.8
IOC KC	1,514	81.3	\$69.2	\$125	\$74.9
Harrahs NKC	1,783	105.6	\$155.8	\$239	\$180.3
Ameristar KC	3,009	100.9	\$204.9	\$187	\$228.4
Sugar Creek					
Subtotal KCMO	8,205		\$588.0	\$196	\$656.5
Greater KC Total	11,065		\$773.6	\$192	\$873.7
Greater Joplin Total	8,463		\$190.0	\$61	\$199.6
Greater Wichita Total	7,782		\$294.2	\$104	\$320.6
<b>Slot Spending in Total:</b>		to Kansas	to Others	Total KS	
from Kansas (\$mn)		\$533.3	\$270.3	\$803.6	
from Others ( " )		\$132.3			
<b>Net Plus or Minus:</b>			<b>(\$138.0)</b>		

# **Cummings Associates**

## **Additional Projections for New Gaming Facilities in Kansas**

### **Addenda**

November 23, 2009

# **Addenda - Sources of Spending**

## **Northeast & South-Central Zones**

November 23, 2009

**Exhibit 2-C: Detail for Sources of Consumer Spending (2009 \$000)  
Chisholm Creek Phase 1 as Now Proposed**

		Total	Woodlnds	Camptown	WGhPk	open	KS Entmt	open	Chisholm	open	Boot Hill	open
Number of Slots		4,475					2,300		1,300		875	
Slot Power Rating							103.1		102.8		112.0	
Win/Slot/Day							\$187		\$271		\$118	
Kansas	Tourists	\$11,334					\$3,013		\$3,827		\$4,494	
Kansas	Locals	305,243					129,950		141,913		33,380	
Kansas	Total	\$316,577	\$0	\$0	\$0	\$0	\$132,963	\$0	\$145,739	\$0	\$37,874	\$0
Missouri	Tourists	\$5,693					\$4,917		\$716		\$59	
Missouri	Locals	45,860					45,860		0		0	
Missouri	Total	\$51,553	\$0	\$0	\$0	\$0	\$50,778	\$0	\$716	\$0	\$59	\$0
Okla + Ark	Tourists	\$3,608					\$316		\$1,698		\$1,593	
Okla + Ark	Locals	1,195					0		685		510	
Okla + Ark	Total	\$4,803	\$0	\$0	\$0	\$0	\$316	\$0	\$2,383	\$0	\$2,103	\$0
Iowa		\$774	\$0	\$0	\$0	\$0	\$744	\$0	\$22	\$0	\$8	\$0
Nebraska		\$2,607	\$0	\$0	\$0	\$0	\$865	\$0	\$462	\$0	\$1,280	\$0
Other Near		\$1,212	\$0	\$0	\$0	\$0	\$284	\$0	\$106	\$0	\$821	\$0
Frontage Traffic		\$2,931							\$2,931			
Total All Sources		\$380,452	\$0	\$0	\$0	\$0	\$185,947	\$0	\$152,360	\$0	\$42,145	\$0
total Tourists		\$28,154					\$10,137		\$9,761		\$8,256	
total locals		\$352,298					\$175,811		\$142,598		\$33,890	

Note: Totals may not add due to rounding.

**Exhibit 3-C: Detail for Sources of Consumer Spending (2009 \$000)**  
**Kansas Entertainment Phase 1 with 300-Room Hotel**

	Total	Woodlnds	Camptown	WGhPk	open	KS Entmt	open	Chisholm	open	Boot Hill	open
Number of Slots	4,475					2,300		1,300		875	
Slot Power Rating						103.5		102.8		112.0	
Win/Slot/Day						\$194		\$271		\$118	
Kansas Tourists	\$12,327					\$4,118		\$3,779		\$4,430	
Kansas Locals	305,989					131,160		141,516		33,313	
Kansas Total	\$318,316	\$0	\$0	\$0	\$0	\$135,277	\$0	\$145,295	\$0	\$37,743	\$0
Missouri Tourists	\$7,209					\$6,441		\$709		\$59	
Missouri Locals	46,494					46,494		0		0	
Missouri Total	\$53,703	\$0	\$0	\$0	\$0	\$52,935	\$0	\$709	\$0	\$59	\$0
Okla + Ark Tourists	\$4,031					\$745		\$1,695		\$1,591	
Okla + Ark Locals	1,194					0		684		509	
Okla + Ark Total	\$5,225	\$0	\$0	\$0	\$0	\$745	\$0	\$2,380	\$0	\$2,101	\$0
Iowa	\$1,358	\$0	\$0	\$0	\$0	\$1,327	\$0	\$22	\$0	\$8	\$0
Nebraska	\$3,322	\$0	\$0	\$0	\$0	\$1,599	\$0	\$456	\$0	\$1,266	\$0
Other Near	\$1,614	\$0	\$0	\$0	\$0	\$688	\$0	\$106	\$0	\$820	\$0
Frontage Traffic	\$2,931							\$2,931			
Total All Sources	\$386,460	\$0	\$0	\$0	\$0	\$192,564	\$0	\$151,899	\$0	\$41,997	\$0
total Tourists	\$32,783					\$14,910		\$9,699		\$8,174	
total locals	\$353,677					\$177,654		\$142,201		\$33,822	

Note: Totals may not add due to rounding.

**Exhibit 4-C: Detail for Sources of Consumer Spending (2009 \$000)  
With Slots at Tracks**

		Total	Woodinds	Camptown	WGHpk	open	KS Entmt	open	Chisholm	open	Boot Hill	open
Number of Slots		6,675	800	600	800		2,300		1,300		875	
Slot Power Rating			95.0	104.0	90.0		103.1		102.8		112.0	
Win/Slot/Day			\$89	\$113	\$315		\$177		\$196		\$116	
Kansas	Tourists	\$12,425	\$366	\$644	\$731		\$2,859		\$3,791		\$4,034	
Kansas	Locals	386,511	17,044	17,000	90,771		122,188		106,389		33,118	
Kansas	Total	\$398,937	\$17,410	\$17,645	\$91,503	\$0	\$125,047	\$0	\$110,180	\$0	\$37,153	\$0
Missouri	Tourists	\$7,526	\$612	\$1,194	\$76		\$4,881		\$705		\$58	
Missouri	Locals	57,916	7,767	4,964	0		45,185		0		0	
Missouri	Total	\$65,443	\$8,380	\$6,157	\$76	\$0	\$50,067	\$0	\$705	\$0	\$58	\$0
Okla + Ark	Tourists	\$4,282	\$22	\$464	\$199		\$316		\$1,694		\$1,587	
Okla + Ark	Locals	1,546	0	339	17		0		683		507	
Okla + Ark	Total	\$5,827	\$22	\$803	\$216	\$0	\$316	\$0	\$2,377	\$0	\$2,093	\$0
Iowa		\$878	\$94	\$9	\$3	\$0	\$742	\$0	\$22	\$0	\$8	\$0
Nebraska		\$2,788	\$94	\$11	\$85	\$0	\$862	\$0	\$460	\$0	\$1,275	\$0
Other Near		\$1,275	\$29	\$26	\$9	\$0	\$284	\$0	\$106	\$0	\$820	\$0
Frontage Traffic		\$2,931							\$2,931			
Total All Sources		\$478,074	\$26,029	\$24,650	\$91,891	\$0	\$177,315	\$0	\$116,781	\$0	\$41,408	\$0
total Tourists		\$32,100	\$1,218	\$2,347	\$1,103		\$9,941		\$9,709		\$7,782	
total locals		\$445,973	\$24,811	\$22,303	\$90,788		\$167,373		\$107,072		\$33,625	

Note: Totals may not add due to rounding.

**Exhibit 5-C: Detail for Sources of Consumer Spending (2009 \$000)  
With Class 2 Casino at Park City**

		Total	Woodlnds	Camptown	WGhPk	open	KS Entmt	open	Chisholm	open	Boot Hill	open
Number of Slots		4,475					2,300		1,300		875	
Slot Power Rating							103.1		102.8		112.0	
Win/Slot/Day							\$187		\$210		\$116	
Kansas	Tourists	\$11,028					\$2,967		\$3,890		\$4,171	
Kansas	Locals	272,199					129,928		109,087		33,185	
Kansas	Total	\$283,227	\$0	\$0	\$0	\$0	\$132,894	\$0	\$112,977	\$0	\$37,356	\$0
Missouri	Tourists	\$5,691					\$4,916		\$716		\$59	
Missouri	Locals	45,858					45,858		0		0	
Missouri	Total	\$51,549	\$0	\$0	\$0	\$0	\$50,774	\$0	\$716	\$0	\$59	\$0
Okla + Ark	Tourists	\$3,600					\$316		\$1,695		\$1,588	
Okla + Ark	Locals	1,190					0		682		508	
Okla + Ark	Total	\$4,789	\$0	\$0	\$0	\$0	\$316	\$0	\$2,377	\$0	\$2,096	\$0
Iowa		\$774	\$0	\$0	\$0	\$0	\$744	\$0	\$22	\$0	\$8	\$0
Nebraska		\$2,602	\$0	\$0	\$0	\$0	\$864	\$0	\$461	\$0	\$1,278	\$0
Other Near		\$1,211	\$0	\$0	\$0	\$0	\$284	\$0	\$106	\$0	\$820	\$0
Frontage Traffic		\$2,931										
Total All Sources		\$347,080	\$0	\$0	\$0	\$0	\$185,874	\$0	\$119,589	\$0	\$41,617	\$0
total Tourists		\$27,833					\$10,088		\$9,821		\$7,925	
total locals		\$319,246					\$175,786		\$109,769		\$33,692	

Note: Totals may not add due to rounding.

# **Addenda - Sources of Visitation**

## **Northeast & South-Central Zones**

November 23, 2009

**Exhibit 2-D: Detail for Visitation by Source  
Chisholm Creek Phase 1 as Now Proposed**

		Total	Woodlnds	Camptown	WGhPk	open	KS Entmt	open	Chisholm	open	Boot Hill	open
Number of Slots		4,475					2,300		1,300		875	
Slot Power Rating							103.1		102.8		112.0	
Win/Slot/Day							\$187		\$271		\$118	
Kansas	Tourists	132,022					32,308		41,275		58,439	
Kansas	Locals	3,796,800	0	0	0	0	1,526,749	0	1,746,809	0	523,243	0
Kansas	Total	3,928,823	0	0	0	0	1,559,057	0	1,788,084	0	581,681	0
Missouri	Tourists	62,482					53,869		7,823		790	
Missouri	Locals	562,168	0	0	0	0	562,168	0	0	0	0	0
Missouri	Total	624,650	0	0	0	0	616,037	0	7,823	0	790	0
Okla + Ark	Tourists	44,771					3,565		19,262		21,944	
Okla + Ark	Locals	16,052	0	0	0	0	0	0	8,326	0	7,726	0
Oklahoma	Total	60,823	0	0	0	0	3,565	0	27,589	0	29,670	0
Iowa		8,439	0	0	0	0	8,091	0	244	0	103	0
Nebraska		31,031	0	0	0	0	9,348	0	5,002	0	16,681	0
Other Near		13,217	0	0	0	0	2,880	0	1,040	0	9,297	0
Frontage Traffic		29,226							29,226			
Total All Sources		4,696,209	0	0	0	0	2,198,979	0	1,859,008	0	638,222	0
	total Tourists	321,188					110,061		103,873		107,253	
	total locals	4,375,021					2,088,917		1,755,135		530,969	
Spending Per Visitor		\$81					\$85		\$82		\$66	

Note: Totals may not add due to rounding.

**Exhibit 3-D: Detail for Visitation by Source  
Kansas Entertainment Phase 1 with 300-Room Hotel**

		Total	Woodlnds	Camptown	WGhPk	open	KS Entmt	open	Chisholm	open	Boot Hill	open
Number of Slots		4,475					2,300		1,300		875	
Slot Power Rating							103.5		102.8		112.0	
Win/Slot/Day							\$194		\$271		\$118	
Kansas	Tourists	142,286					43,833		40,800		57,653	
Kansas	Locals	3,791,163	0	0	0	0	1,524,981	0	1,743,582	0	522,600	0
Kansas	Total	3,933,449	0	0	0	0	1,568,813	0	1,784,383	0	580,253	0
Missouri	Tourists	78,461					69,916		7,760		785	
Missouri	Locals	564,063	0	0	0	0	564,063	0	0	0	0	0
Missouri	Total	642,524	0	0	0	0	633,979	0	7,760	0	785	0
Okla + Ark	Tourists	49,499					8,323		19,248		21,928	
Okla + Ark	Locals	16,044	0	0	0	0	0	0	8,323	0	7,721	0
Oklahoma	Total	65,543	0	0	0	0	8,323	0	27,571	0	29,649	0
Iowa		14,664	0	0	0	0	14,317	0	244	0	103	0
Nebraska		38,596	0	0	0	0	17,144	0	4,944	0	16,509	0
Other Near		17,240	0	0	0	0	6,909	0	1,040	0	9,291	0
Frontage Traffic		29,247							29,247			
Total All Sources		4,741,263	0	0	0	0	2,249,485	0	1,855,188	0	636,590	0
	total Tourists	369,994					160,442		103,283		106,269	
	total locals	4,371,269					2,089,044		1,751,905		530,321	
Spending Per Visitor		\$82					\$86		\$82		\$66	

Note: Totals may not add due to rounding.

**Exhibit 4-D: Detail for Visitation by Source  
With Slots at Tracks**

		Total	Woodinds	Camptown	WGhPk	open	KS Entmt	open	Chisholm	open	Boot Hill	open
Number of Slots		6,675	800	600	800		2,300		1,300		875	
Slot Power Rating			95.0	104.0	90.0		103.1		102.8		112.0	
Win/Slot/Day			\$89	\$113	\$315		\$177		\$196		\$116	
Kansas	Tourists	148,603	4,822	8,633	7,711		30,977				52,469	
Kansas	Locals	5,017,256	250,460	290,216	1,084,739	0	1,453,222	0	1,417,502	0	521,117	0
Kansas	Total	5,165,859	255,282	298,849	1,092,450	0	1,484,199	0	1,461,492	0	573,586	0
Missouri	Tourists	88,535	8,224	16,299	810		54,171				778	
Missouri	Locals	761,148	118,683	80,129	0	0	562,336	0	0	0	0	0
Missouri	Total	849,684	126,907	96,428	810	0	616,507	0	8,254	0	778	0
Okla + Ark	Tourists	55,030	314	6,593	2,195		3,597				21,912	
Okla + Ark	Locals	21,818	0	5,093	197	0	0	0	8,827	0	7,701	0
Oklahoma	Total	76,848	314	11,686	2,392	0	3,597	0	29,246	0	29,613	0
Iowa		9,949	1,247	115	34	0	8,185	0	264	0	103	0
Nebraska		33,767	1,246	143	899	0	9,449	0	5,371	0	16,659	0
Other Near		14,086	355	318	86	0	2,918	0	1,099	0	9,310	0
Frontage Traffic		31,312							31,312			
Total All Sources		6,181,505	385,351	407,539	1,096,671	0	2,124,855	0	1,537,038	0	630,051	0
total Tourists		381,282	16,207	32,101	11,735		109,296		110,709		101,233	
total locals		5,800,223	369,143	375,437	1,084,936		2,015,559		1,426,329		528,818	
Spending Per Visitor		\$77	\$68	\$60	\$84		\$83		\$76		\$66	

Note: Totals may not add due to rounding.

**Exhibit 5-D: Detail for Visitation by Source  
With Class 2 Casino at Park City**

		Total	Woodlnds	Camptown	WGhPk	open	KS Entmt	open	Chisholm	open	Boot Hill	open
Number of Slots		4,475					2,300		1,300		875	
Slot Power Rating							103.1		102.8		112.0	
Win/Slot/Day							\$187		\$210		\$116	
Kansas	Tourists	130,715					31,787		44,606		54,321	
Kansas	Locals	3,493,472	0	0	0	0	1,526,680	0	1,445,222	0	521,570	0
Kansas	Total	3,624,187	0	0	0	0	1,558,467	0	1,489,829	0	575,891	0
Missouri	Tourists	62,954					53,861		8,302		791	
Missouri	Locals	562,216	0	0	0	0	562,216	0	0	0	0	0
Missouri	Total	625,170	0	0	0	0	616,076	0	8,302	0	791	0
Okla + Ark	Tourists	45,800					3,564		20,319		21,917	
Okla + Ark	Locals	16,483	0	0	0	0	0	0	8,776	0	7,708	0
Oklahoma	Total	62,283	0	0	0	0	3,564	0	29,094	0	29,625	0
Iowa		8,456	0	0	0	0	8,092	0	261	0	103	0
Nebraska		31,331	0	0	0	0	9,339	0	5,316	0	16,676	0
Other Near		13,279	0	0	0	0	2,880	0	1,093	0	9,306	0
Frontage Traffic		30,960										
Total All Sources		4,395,666	0	0	0	0	2,198,419	0	1,564,855	0	632,393	0
	total Tourists	323,495					109,523		110,856		103,115	
	total locals	4,072,171					2,088,896		1,453,998		529,277	
Spending Per Visitor		\$79					\$85		\$76		\$66	

Note: Totals may not add due to rounding.

# **Detail for Slots**

## **Northeast & South-Central Zones**

November 23, 2009

**Exhibit 2-S: Slot Projections (\$mn / 2009\$)  
Chisholm Creek Phase 1 as Now Proposed**

<b>Gaming Facility / Location:</b>	<b># Slots</b>	<b>Power Rating</b>	<b>Slot Win (\$mn)</b>	<b>win/slot/day</b>
Woodlands				
Camptown				
Wichita Gh Park				
Kansas Entertainment	2,300	103.1	\$157.0	\$187
Chisholm Creek	1,300	102.8	\$131.4	\$277
Boot Hill / Dodge City	875	112.0	\$37.7	\$118
	-----		-----	
Subtotal Kansas Taxable	4,475		\$326.1	\$200
KCK 7th Street	560	72.7	\$12.9	\$63
Park City				
4 Northeast KS Natives	3,293	116.9	\$149.3	\$124
	-----		-----	
Total Kansas	8,328		\$488.3	\$161
memo: Northeast Zone	2,300		\$157.0	\$187
memo: Southeast Zone				
memo: South Central Zone	1,300		\$131.4	\$277
Argosy Riverside	1,899	103.2	\$144.8	\$209
IOC KC	1,514	81.3	\$63.3	\$115
Harrahs NKC	1,783	105.6	\$142.7	\$219
Ameristar KC	3,009	100.9	\$187.6	\$171
Sugar Creek				
	-----		-----	
Subtotal KCMO	8,205		\$538.5	\$180
Greater KC Total	11,065		\$708.4	\$175
Greater Joplin Total	8,463		\$174.5	\$56
Greater Wichita Total	7,032		\$224.1	\$87
<b>Slot Spending in Total:</b>		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$383.9	\$234.1	\$618.0
from Others ( " )		\$104.5		
<b>Net Plus or Minus:</b>			<b>(\$129.6)</b>	

**Exhibit 3-S: Slot Projections (\$mn / 2009\$)**  
**Kansas Entertainment Phase 1 with 300-Room Hotel**

Gaming Facility / Location:	# Slots	Power Rating	Slot Win (\$mn)	win/slot/day
Woodlands				
Camptown				
Wichita Gh Park				
Kansas Entertainment	2,300	103.5	\$162.6	\$194
Chisholm Creek	1,300	102.8	\$131.1	\$276
Boot Hill / Dodge City	875	112.0	\$37.6	\$118
	-----		-----	
Subtotal Kansas Taxable	4,475		\$331.3	\$203
KCK 7th Street	560	72.7	\$12.9	\$63
Park City				
4 Northeast KS Natives	3,293	116.9	\$148.9	\$124
	-----		-----	
Total Kansas	8,328		\$493.0	\$162
memo: Northeast Zone	2,300		\$162.6	\$194
memo: Southeast Zone				
memo: South Central Zone	1,300		\$131.1	\$276
Argosy Riverside	1,899	103.2	\$144.4	\$208
IOC KC	1,514	81.3	\$63.2	\$114
Harrahs NKC	1,783	105.6	\$142.4	\$219
Ameristar KC	3,009	100.9	\$187.3	\$170
Sugar Creek				
	-----		-----	
Subtotal KCMO	8,205		\$537.3	\$179
Greater KC Total	11,065		\$712.8	\$176
Greater Joplin Total	8,463		\$174.1	\$56
Greater Wichita Total	7,032		\$223.6	\$87
<b>Slot Spending in Total:</b>		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$385.2	\$233.2	\$618.4
from Others ( " )		\$107.8		
<b>Net Plus or Minus:</b>			<b>(\$125.4)</b>	

**Exhibit 4-S: Slot Projections (\$mn / 2009\$)  
With Slots at Tracks**

<b>Gaming Facility / Location:</b>	<b># Slots</b>	<b>Power Rating</b>	<b>Slot Win (\$mn)</b>	<b>win/slot/day</b>
Woodlands	800	95.0	\$26.0	\$89
Camptown	600	104.0	\$24.7	\$113
Wichita Gh Park	800	90.0	\$91.9	\$315
 Kansas Entertainment	 2,300	 103.1	 \$148.4	 \$177
Chisholm Creek	1,300	102.8	\$95.8	\$202
Boot Hill / Dodge City	875	112.0	\$36.9	\$116
 Subtotal Kansas Taxable	 6,675		 \$423.7	 \$174
KCK 7th Street Park City	560	72.7	\$12.5	\$61
4 Northeast KS Natives	3,293	116.9	\$146.1	\$122
<b>Total Kansas</b>	<b>10,528</b>		<b>\$582.3</b>	<b>\$152</b>
 memo: Northeast Zone	 3,100		 \$174.4	 \$154
memo: Southeast Zone	600		\$24.7	\$113
memo: South Central Zone	2,100		\$187.7	\$245
 Argosy Riverside	 1,899	 103.2	 \$140.5	 \$203
IOC KC	1,514	81.3	\$61.8	\$112
Harrahs NKC	1,783	105.6	\$139.1	\$214
Ameristar KC	3,009	100.9	\$183.3	\$167
Sugar Creek				
 Subtotal KCMO	 8,205		 \$524.7	 \$175
 Greater KC Total	 11,865		 \$711.5	 \$164
Greater Joplin Total	9,063		\$193.5	\$58
Greater Wichita Total	7,832		\$274.2	\$96
 <b>Slot Spending in Total:</b>		<b>to Kansas</b>	<b>to Others</b>	<b>Total KS</b>
from Kansas (\$mn)		\$463.2	\$213.2	\$676.4
from Others ( " )		\$119.2		
<b>Net Plus or Minus:</b>			<b>(\$94.1)</b>	

**Exhibit 5-S: Slot Projections (\$mn / 2009\$)  
With Class 2 Casino at Park City**

<b>Gaming Facility / Location:</b>	<b># Slots</b>	<b>Power Rating</b>	<b>Slot Win (\$mn)</b>	<b>win/slot/day</b>
Woodlands				
Camptown				
Wichita Gh Park				
Kansas Entertainment	2,300	103.1	\$156.9	\$187
Chisholm Creek	1,300	102.8	\$102.4	\$216
Boot Hill / Dodge City	875	112.0	\$37.2	\$116
	-----		-----	
Subtotal Kansas Taxable	4,475		\$296.6	\$182
KCK 7th Street	560	72.7	\$12.9	\$63
Park City	750	85.0	\$78.9	\$288
4 Northeast KS Natives	3,293	116.9	\$148.9	\$124
	-----		-----	
Total Kansas	9,078		\$537.2	\$162
memo: Northeast Zone	2,300		\$156.9	\$187
memo: Southeast Zone				
memo: South Central Zone	1,300		\$102.4	\$216
Argosy Riverside	1,899	103.2	\$144.7	\$209
IOC KC	1,514	81.3	\$63.3	\$115
Harrahs NKC	1,783	105.6	\$142.6	\$219
Ameristar KC	3,009	100.9	\$187.5	\$171
Sugar Creek				
	-----		-----	
Subtotal KCMO	8,205		\$538.1	\$180
Greater KC Total	11,065		\$708.0	\$175
Greater Joplin Total	8,463		\$173.8	\$56
Greater Wichita Total	7,782		\$269.3	\$95
<b>Slot Spending in Total:</b>		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$432.8	\$226.4	\$659.2
from Others ( " )		\$104.4		
<b>Net Plus or Minus:</b>			<b>(\$121.9)</b>	

# **Detail for Tables**

## **Northeast & South-Central Zones**

November 23, 2009

**Exhibit 2-T: Table Projections (\$mn / 2009\$)  
Chisholm Creek Phase 1 as Now Proposed**

<b>Gaming Facility / Location:</b>	<b># Tabs</b>	<b>Power Rating</b>	<b>Tab Win (\$mn)</b>	<b>win/tab/day</b>
Woodlands				
Camptown				
Wichita Gh Park				
Kansas Entertainment	61	103.0	\$28.9	\$1,300
Chisholm Creek	30	100.0	\$21.0	\$1,914
Boot Hill / Dodge City	15	100.0	\$4.5	\$816
	-----		-----	
Subtotal Kansas Taxable	106		\$54.4	\$1,405
KCK 7th Street				
Park City				
4 Northeast KS Natives	59	110.6	\$17.8	\$826
	-----		-----	
Total Kansas	165		\$72.1	\$1,198
memo: Northeast Zone	61		\$28.9	\$1,300
memo: Southeast Zone				
memo: South Central Zone	30		\$21.0	\$1,914
Argosy Riverside	39	91.3	\$13.5	\$947
IOC KC	24	72.4	\$5.2	\$598
Harrahs NKC	47	100.1	\$22.4	\$1,308
Ameristar KC	60	94.1	\$21.5	\$982
Sugar Creek				
	-----		-----	
Subtotal KCMO	170		\$62.7	\$1,010
Greater KC Total	231		\$91.6	\$1,086
Greater Joplin Total	114		\$8.8	\$212
Greater Wichita Total	81		\$24.4	\$827
<b>Table Spending in Total:</b>		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$55.5	\$21.2	\$76.7
from Others ( " )		\$16.6		
<b>Net Plus or Minus:</b>			<b>(\$4.6)</b>	

**Exhibit 3-T: Table Projections (\$mn / 2009\$)**  
**Kansas Entertainment Phase 1 with 300-Room Hotel**

Gaming Facility / Location:	# Tabs	Power Rating	Tab Win (\$mn)	win/tab/day
Woodlands				
Camptown				
Wichita Gh Park				
Kansas Entertainment	61	103.0	\$29.9	\$1,344
Chisholm Creek	30	100.0	\$20.8	\$1,903
Boot Hill / Dodge City	15	100.0	\$4.4	\$811
	-----		-----	
Subtotal Kansas Taxable	106		\$55.2	\$1,427
KCK 7th Street				
Park City				
4 Northeast KS Natives	59	110.6	\$17.7	\$823
	-----		-----	
Total Kansas	165		\$72.9	\$1,211
memo: Northeast Zone	61		\$29.9	\$1,344
memo: Southeast Zone				
memo: South Central Zone	30		\$20.8	\$1,903
Argosy Riverside	39	91.3	\$13.5	\$946
IOC KC	24	72.4	\$5.2	\$598
Harrahs NKC	47	100.1	\$22.4	\$1,306
Ameristar KC	60	94.1	\$21.5	\$981
Sugar Creek				
	-----		-----	
Subtotal KCMO	170		\$62.6	\$1,009
Greater KC Total	231		\$92.5	\$1,097
Greater Joplin Total	114		\$8.8	\$211
Greater Wichita Total	81		\$24.3	\$823
<b>Table Spending in Total:</b>		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$55.6	\$21.1	\$76.7
from Others ( " )		\$17.3		
<b>Net Plus or Minus:</b>			<b>(\$3.8)</b>	

**Exhibit 4-T: Table Projections (\$mn / 2009\$)  
With Slots at Tracks**

<b>Gaming Facility / Location:</b>	<b># Tabs</b>	<b>Power Rating</b>	<b>Tab Win (\$mn)</b>	<b>win/tab/day</b>
Woodlands				
Camptown				
Wichita Gh Park				
Kansas Entertainment	61	103.0	\$28.9	\$1,300
Chisholm Creek	30	100.0	\$21.0	\$1,914
Boot Hill / Dodge City	15	100.0	\$4.5	\$816
	-----		-----	
Subtotal Kansas Taxable	106		\$54.4	\$1,405
KCK 7th Street				
Park City				
4 Northeast KS Natives	59	110.6	\$17.8	\$826
	-----		-----	
Total Kansas	165		\$72.1	\$1,198
memo: Northeast Zone	61		\$28.9	\$1,300
memo: Southeast Zone				
memo: South Central Zone	30		\$21.0	\$1,914
Argosy Riverside	39	91.3	\$13.5	\$947
IOC KC	24	72.4	\$5.2	\$598
Harrahs NKC	47	100.1	\$22.4	\$1,308
Ameristar KC	60	94.1	\$21.5	\$982
Sugar Creek				
	-----		-----	
Subtotal KCMO	170		\$62.7	\$1,010
Greater KC Total	231		\$91.6	\$1,086
Greater Joplin Total	114		\$8.8	\$212
Greater Wichita Total	81		\$24.4	\$827
<b>Table Spending in Total:</b>		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$55.5	\$21.2	\$76.7
from Others ( " )		\$16.6		
<b>Net Plus or Minus:</b>			<b>(\$4.6)</b>	

**Exhibit 5-T: Table Projections (\$mn / 2009\$)  
With Class 2 Casino at Park City**

<b>Gaming Facility / Location:</b>	<b># Tabs</b>	<b>Power Rating</b>	<b>Tab Win (\$mn)</b>	<b>win/tab/day</b>
Woodlands				
Camptown				
Wichita Gh Park				
Kansas Entertainment	61	103.0	\$28.9	\$1,300
Chisholm Creek	30	100.0	\$17.1	\$1,565
Boot Hill / Dodge City	15	100.0	\$4.4	\$810
	-----		-----	
Subtotal Kansas Taxable	106		\$50.5	\$1,306
KCK 7th Street				
Park City	12	60.0	\$3.5	\$805
4 Northeast KS Natives	59	110.6	\$17.8	\$826
	-----		-----	
Total Kansas	177		\$71.8	\$1,112
memo: Northeast Zone	61		\$28.9	\$1,300
memo: Southeast Zone				
memo: South Central Zone	30		\$17.1	\$1,565
Argosy Riverside	39	91.3	\$13.5	\$947
IOC KC	24	72.4	\$5.2	\$598
Harrahs NKC	47	100.1	\$22.4	\$1,307
Ameristar KC	60	94.1	\$21.5	\$982
Sugar Creek				
	-----		-----	
Subtotal KCMO	170		\$62.6	\$1,009
Greater KC Total	231		\$91.6	\$1,086
Greater Joplin Total	114		\$8.8	\$212
Greater Wichita Total	93		\$24.1	\$710
<b>Table Spending in Total:</b>		to Kansas	to Others	Total KS
from Kansas (\$mn)		\$55.2	\$21.0	\$76.2
from Others ( " )		\$16.6		
<b>Net Plus or Minus:</b>			<b>(\$4.4)</b>	

# South Central Gaming Zone

**Memorandum**

**TO:** Stephen Martino and Jay Hall, Kansas Racing and Gaming Commission

**CC:** Nicholas Hecker, Mark Schwartz, Tim Cope, Aly Champsi, William Bettman, John Petersen, Damon Schramm, John Frieden and Clint Patty

**FROM:** Martha Sabol

**DATE:** November 3, 2009

**RE:** *Chisholm Creek Casino Resort, LLC - Response to Review Board Requests for Information*

---

**QUESTION 1**

**Please explain in detail the plan for the hotel on your property. This explanation should include:**

**1(a) The planning and financing for the hotel component:**

Double Down Development, LC (“DD”) will be responsible for developing and constructing the hotel at its own expense; provided, upon 50% completion of the hotel, Chisholm Creek Casino Resort, LLC (“CCCR”) will pay \$1.5 million to DD to be used for construction of the hotel. To further support the hotel, CCCR will also commit to purchase 40% of the rooms for \$99/night for five years.

**1(b) The management agreement between the applicant and the Double Down group:**

As DD will own and operate the hotel, there will not be a hotel management agreement between CCCR and DD.

**1(c) How the hotel will be connected or integrated to the casino:**

CCCR and DD are still finalizing the exact location of the hotel on the casino site. It is currently anticipated that the hotel will be connected to the casino facility either via a common wall or a short walkway.

**1(d) The branding of the hotel, if any:**

The branding of the hotel has not been determined at this time. The brand of the hotel (if any) would be of comparable (or higher) quality and reputation to a mid-scale hotel.

To: Stephen Martino and Jay Hall, Kansas Racing and Gaming Commission  
 From: Martha Sabol  
 Date: November 3, 2009  
 Re: Chisholm Creek Casino Resort, LLC - Response to Review Board Requests for Information

**1(e) The quality of the hotel and details:**

The design, construction, operation and marketing of hotel will be of comparable (or higher) quality to a mid-scale hotel. The exterior architectural design for the hotel will be compatible with the casino facility.

**1(f) The number of rooms and suites in the hotel:**

There will be a minimum of 100 rooms, including at least seven luxury suites.

**1(g) Ancillary features of the hotel (pool, spa, fitness center, etc.) including sizes:**

At a minimum, the amenities will include a pool, an exercise room, and 5,000 square feet of multi-function meeting and conference space.

**QUESTION 2**

Please detail the Memoranda of Understanding between the applicant and all necessary utilities (water, gas, electric) and emergency (fire district, police, ambulance) to show the Board what costs, if any, will be covered by the applicant and what costs, if any, will be covered by other sources, including other developers, local units of government (cities and counties) or other public taxing entities.

Item	Description
Water / wastewater	CCCR is in discussions with local municipalities to provide water and wastewater service to the project. As currently contemplated, CCCR would pay for all upfront capital costs and ongoing operations costs related to servicing the project site.
Electricity / gas	CCCR is in discussions with Westar (electricity) and Black Hills (gas), both of which are willing to commit to service the project site. Rates and any up-front capital costs are subject to business negotiations between the parties.
Roadways	At CCCR's sole expense, and with the approval of the Kansas Department of Transportation and Kansas Turnpike Authority, roadway improvements will be made in and around the casino site.

As Sumner County (the "County") and the City of Mulvane (the "City") are currently in litigation related to annexation of the project site, CCCR is working with both the County and

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the City to allow for the development and operation of the casino project notwithstanding the outcome of the litigation. As such, we have been in discussions with the County and the City to create MOUs related to major issues related thereto.

The following represents the current status of discussions with the County:

Item	Description
Life Safety (law enforcement, emergency medical services, and fire protection)	<p>At CCCR's expense, CCCR would construct a public safety building at the project site, provide required equipment (e.g., patrol cars, ambulance, and firefighting equipment), and fund salaries for life safety personnel prior to opening of the casino (including training).</p> <p>After opening of the casino, CCCR would dedicate the public safety building to the County, and the County would be responsible for ongoing costs of operations.</p> <p>Should the project site be annexed into the City, the County acknowledges that the City would assume life safety responsibilities, and the County would cooperate in transitioning operations.</p>
Building Codes	<p>The County intends to adopt the International Building Code, which would apply to the casino project.</p> <p>The County may contract with and delegate responsibility to third parties to perform inspections and issue temporary and final certificates of occupancy.</p>
Utilities (water, sewer, electricity, etc.)	<p>The County would cooperate with third-party providers of utilities to the project site (e.g., assisting in the acquisition of County right-of-way for water from local municipality).</p>

The following represents the current status of discussions with the City:

Item	Description
Life Safety (law enforcement, emergency medical services, and fire Protection)	(same as County)
Building Codes	The City has adopted the International Building Code and will accept the plan review, permits,

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	inspections, and certificates of occupancy, if any, previously issued by the County.
Utilities (water, sewer, electricity, etc.)	<p>If the project site were annexed into the City prior to CCCR committing to utility providers other than through the City, the City would provide all available utilities; CCCR would pay for the extension of these utilities to the project site.</p> <p>If the project site were annexed into the City after CCCR committed to other utility providers, the City would receive a franchise fee for allowing these third-party providers to service the project site.</p>

**QUESTION 3**

**Please detail the investor redemption agreements for all funds involved by Clairvest and Och-Ziff.**

Clairvest: The limited partners are not allowed to assign, transfer or withdraw amounts in CEP IV without the prior written consent of the GP. Redemptions are not permitted under the LPA.

Och-Ziff: (to be provided by Och-Ziff under separate cover)

**QUESTION 4**

**4(a) Are these numbers correct? Have you indicated correctly that these two buildings totaling 142,216 square feet will in your estimation have a construction cost equal to \$49,232,000?**

As shown in the attached chart, the construction cost of \$49,232,000 includes approximately \$11.3 million of site infrastructure and architectural and engineering costs. Excluding those costs, the two buildings totaling 142,216 square feet would have an estimated construction cost of \$37.9 million, or \$267 per square foot overall.

**4(b) If this information and/or the assumptions are incorrect, please clarify the discrepancies.**

**a. The Performance Matrix information provided by the Applicant lists the “Building” costs as \$49,232,000.**

Correct.

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Page 5

**b. The Construction Questionnaire information provided by the Applicant lists the “Building” gross square feet as 114,687 (Main Building) plus 27,529 (Out Building), for a total of 142,216 square feet.**

Correct.

**c. Of the information made available, we have not seen any indication that there are any other buildings other than the Main and Out Buildings.**

Correct. We will likely construct a public safety building of approximately 3,000 square feet near the western border of the project site to be dedicated to the City or County upon opening of the casino.

**d. Of the information made available, we have not seen any additional information suggesting the \$49M “Building” cost is budgeted for anything other than the Main and Out Buildings.**

See 4(a) above.

**e. Given the above information, we are only able to conclude that the applicant is suggesting that the Main and Out Buildings combined will cost \$346.18/sf.**

See 4(a) above.

**f. The Out Building is an “Administrative and Facilities Structure” whose average cost per square foot should be significantly lower than the cost of a casino or the Main Building. The Out Building also represents nearly 20% of the total building area. Given these parameters and using \$346/sf as the average of the two buildings, one must conclude that the Out Building should be significantly less than this average cost, and the Main Building in turn should be greater than this average cost.**

The construction cost of \$37.9 million shown in 4(a) above is comprised of (i) Main Building, at a cost of \$33.6 million, or \$293 per square foot, and (ii) Out Building, at a cost of \$4.3 million, or \$158 per square foot.

Please do not hesitate to contact me should you have any questions or require any additional information.

(3) Investors in the Och-Ziff Real Estate Fund do not have redemption rights. The partnerships that comprise the fund have a 10 year life (which runs through 2015). Should the partnerships continue to hold investments at the end of that period, the general partner can request an extension from its advisory committee, which is comprised of certain limited partners. Were the advisory committee to deny an extension, outstanding investments would be sold. In the case of the partnerships' investment in Chisholm Creek Casino Resort LLC, any such transfer would require the approval of the Kansas Lottery and a finding of suitability (or waiver) by the Kansas Racing & Gaming Commission, no different from any other proposed transfer of a direct or indirect interest in Chisholm Creek Casino Resort LLC. Any buyer would inherit the then-outstanding obligations under Chisholm Creek Casino Resort LLC's Management Agreement with the Kansas Lottery.

This structure is customary for private equity funds, including, for example, Apollo and Texas Pacific Group, the purchasers of Harrah's Entertainment, which was awarded the South Central Gaming Zone Management Contract in 2008.

**Memorandum**

**TO:** Stephen Martino and Jay Hall, Kansas Racing and Gaming Commission

**CC:** Nicholas Hecker, Mark Schwartz, Tim Cope, Aly Champsi, William Bettman, John Petersen, Damon Schramm, John Frieden and Clint Patty

**FROM:** Martha Sabol

**DATE:** November 3, 2009

**RE:** *Chisholm Creek Casino Resort, LLC - Response to Review Board Requests for Information*

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**QUESTION 1**

**Please explain in detail the plan for the hotel on your property. This explanation should include:**

**1(a) The planning and financing for the hotel component:**

Double Down Development, LC (“DD”) will be responsible for developing and constructing the hotel at its own expense; provided, upon 50% completion of the hotel, Chisholm Creek Casino Resort, LLC (“CCCR”) will pay \$1.5 million to DD to be used for construction of the hotel. To further support the hotel, CCCR will also commit to purchase 40% of the rooms for \$99/night for five years.

**1(b) The management agreement between the applicant and the Double Down group:**

As DD will own and operate the hotel, there will not be a hotel management agreement between CCCR and DD.

**1(c) How the hotel will be connected or integrated to the casino:**

CCCR and DD are still finalizing the exact location of the hotel on the casino site. It is currently anticipated that the hotel will be connected to the casino facility either via a common wall or a short walkway.

**1(d) The branding of the hotel, if any:**

The branding of the hotel has not been determined at this time. The brand of the hotel (if any) would be of comparable (or higher) quality and reputation to a mid-scale hotel.

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**1(e) The quality of the hotel and details:**

The design, construction, operation and marketing of hotel will be of comparable (or higher) quality to a mid-scale hotel. The exterior architectural design for the hotel will be compatible with the casino facility.

**1(f) The number of rooms and suites in the hotel:**

There will be a minimum of 100 rooms, including at least seven luxury suites.

**1(g) Ancillary features of the hotel (pool, spa, fitness center, etc.) including sizes:**

At a minimum, the amenities will include a pool, an exercise room, and 5,000 square feet of multi-function meeting and conference space.

**QUESTION 2**

Please detail the Memoranda of Understanding between the applicant and all necessary utilities (water, gas, electric) and emergency (fire district, police, ambulance) to show the Board what costs, if any, will be covered by the applicant and what costs, if any, will be covered by other sources, including other developers, local units of government (cities and counties) or other public taxing entities.

Item	Description
Water / wastewater	CCCR is in discussions with local municipalities to provide water and wastewater service to the project. As currently contemplated, CCCR would pay for all upfront capital costs and ongoing operations costs related to servicing the project site.
Electricity / gas	CCCR is in discussions with Westar (electricity) and Black Hills (gas), both of which are willing to commit to service the project site. Rates and any up-front capital costs are subject to business negotiations between the parties.
Roadways	At CCCR's sole expense, and with the approval of the Kansas Department of Transportation and Kansas Turnpike Authority, roadway improvements will be made in and around the casino site.

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Please do not hesitate to contact me should you have any questions or require any additional information.

## CHISHOLM CREEK CASINO RESORT THIRD PARTY HOTEL DEVELOPMENT

### 1. Clarifications on all issues relating to the hotel component.

*You have provided information on some of this already, but any information that you can provide to the Board specific to the hotel to give them clarity and a level of comfort relating to the hotel piece is critical in the decision. Please provide all information on the ownership structure, money flow, plan for integration and any floor or development plans to the Board, as well as any other information relating to the hotel.*

Chisholm Creek Casino Resort LLC ("Chisholm") has signed an agreement ("Agreement") with Double Down Development, LC ("DD") for the development, construction and operation of a hotel of comparable quality to a mid-scale property with a minimum of 100 rooms (including seven suites), business center, fitness area and 5,000 square feet of meeting/conference space. The Agreement has previously been provided to the Review Board and contains all relevant terms and conditions regarding this transaction.

Pursuant to the Agreement, DD shall open the hotel for business no later than 6 months after the opening of the casino to the public. Chisholm shall (i) provide a graded site, at no cost to DD, for the hotel; (ii) contribute \$1.5 million toward the development and construction of the hotel upon 50% completion of the hotel; and (iii) guarantee the occupancy of 40% of the hotel's rooms (not to exceed 60 rooms) at a rate of \$99 per night for 5 years.

DD will be responsible for the daily operation of the hotel. As DD will be a third-party owner and operator of the hotel, all 'money flow' derived from the operation of the hotel will be handled by DD.

The hotel will be located adjacent to the casino with a physical connection to the casino (either exterior or interior) allowing guests to pass to and from the hotel to the casino.

Should DD elect to sell the hotel, Chisholm will have a right of first refusal to purchase the hotel.

**CHISHOLM CREEK CASINO RESORT  
LIFE SAFETY SERVICES**

**2. Please provide the status of the agreement between the project and the County relating to providing health and emergency services to the project site.**

Chisholm has been in discussions with Sumner County ("County") concerning the provision of these services. Individual meetings have been held with the County Sheriff's department, District 9 Volunteer Fire Department, and the County attorney and Chairman of the Board of Commissioners.

At Chisholm's expense, Chisholm would construct a public safety building at the project site, provide required equipment, and fund salaries for life safety personnel prior to opening of the casino. After opening of the casino, the County would be responsible for ongoing costs of operations. Chisholm has identified a lot on the project site for this structure.

With respect to specific issues:

**Law Enforcement -**

The County Sheriff provided Chisholm last week with a memorandum of what he believes the County will need to provide law enforcement services to the site. Chisholm is currently working with the Sheriff and the Chairman of the Board of Commissioners to develop an agreement workable for all parties.

**Emergency Medical Services –**

The County currently obtains EMS under a contract with the City of Mulvane. The County has not yet determined how the additional EMS to the project will be provided; it is our understanding, however, that the County is considering enhancing its contract with Mulvane to include the casino.

**Fire Protection –**

Chisholm has met with the District 9 Volunteer Fire Department to discuss their services for the project.

**CHISHOLM CREEK CASINO RESORT  
KDOT and KTA Discussions**

**3. Please provide information regarding the arrangement between the project and the Kansas Turnpike Authority and Kansas Department of Transportation for direct access from the Turnpike to the project site.**

**KDOT –**

Chisholm has met with the District Director and Engineer for District 5 Area 3 and the Assistant Secretary for Transportation in Topeka.

As requested by KDOT, a formal traffic study is currently underway to determine traffic volumes, required levels of service, peak hours of traffic, etc. The traffic study will include a series of proposed transportation improvements for KDOT's review.

KDOT has advised us that the approval of these improvements is an administrative process within KDOT and does not require the involvement of other agencies.

Attached is a letter from the District Area Engineer outlining KDOT's willingness to work with us.

**KTA –**

Chisholm has had several meetings with Michael Johnson, the President/CEO of KTA, and various staff members to discuss the impacts of the project on the Exit 33 area and the potential improvements to mitigate traffic impacts to KTA's system.

Like KDOT, the KTA will make judgments on required improvements based on the conclusions of the formal traffic study. Attached is a letter from Mr. Johnson summarizing our discussions and the KTA's willingness to work with us.

## **CHISHOLM CREEK CASINO RESORT Annexation Law Suit**

### **4. How will the Chisholm Creek project proceed dependent on either outcome of the annexation lawsuit?**

In anticipation of proceeding with the project under either jurisdiction, Chisholm has held parallel discussions with the County and the City of Mulvane ("City").

#### **Zoning and Land Use Issues –**

The site is currently located exclusively within the County and is going through the final plat process related thereto. If the site is annexed into the City, the City will accept the plan review, permits, inspections, and certificates of occupancy, if any, previously issued by the County.

#### **Life Safety Services –**

Chisholm has had discussions with the Mulvane Director of Public Safety (oversees police, fire and EMS). If the site is annexed into the City, then, depending upon the timing of such annexation, the City would become responsible for providing these services.

#### **Building Permits, Inspections and Occupancy Permits –**

The City and County have both adopted the International Building Code. This agreement will include their acceptance of any building permits, inspections, and occupancy permits, if any. This process should be simplified as both the County and the City have adopted the same building code.

#### **Utilities –**

Chisholm is in discussion with three municipalities for the provision of water and sewer services to the site, including the City. If the project site were annexed into the City prior to Chisholm committing to utility providers other than through the City, the City would provide all available utilities; Chisholm would pay for the extension of these utilities to the project site. If the project site were annexed into the City after Chisholm committed to other utility providers, the City would receive a franchise fee for allowing these third-party providers to service the project site.

**CHISHOLM CREEK CASINO RESORT**  
**Sedgwick County Native American Casino**

**5. Please provide the Chisholm Creek project position on the potential development of a Native American casino in Sedgwick County**

As the Review Board's consultants have previously commented, a Native American casino development in Sedgwick County would have a material adverse impact on Chisholm and, indirectly, the State of Kansas.

**CHISHOLM CREEK CASINO RESORT  
Site Drainage**

**6. Please provide information regarding how surface water will be handled to avoid causing flooding to surrounding land.**

The following is a depiction of the currently contemplated flow of storm water from the site to the area wide drainage system.

As shown below, all site drainage will be directed to an outfall point on the southeast corner of the site through a series of detention ponds, which will temporarily store the storm water on site. At this outfall point, KTA will mechanically pump the storm water into a drainage ditch which then follows the natural drainage flows of the area. Water will flow from this outfall point at no greater rate than is does currently. The duration of the flows will be extended to accommodate additional waters as needed.



**CHISHOLM CREEK CASINO RESORT**  
**Lakes Entertainment Additional Capital**

**7. Provide updated information on Lakes' ability to raise financing in the capital markets**

Lakes' S-3 shelf registration has received approval from the SEC and has gone effective. Lakes continues to be cautiously optimistic that it will have the capability to provide the remaining \$17 million on its capital commitment to the project either through selling equity in Lakes, borrowing money at the Lakes level or through future cash flows of Lakes.

**CHISHOLM CREEK CASINO RESORT**  
**Fee Arrangements with Prior Members of the Project**

**8. What are the fixed fee agreements between Chisholm Creek and Double Down Entertainment, Foxwoods and Rick Worner?**

Double Down Development: Double Down Development has received \$250,000 for consulting services and reimbursement of previously-incurred expenses .

Foxwoods: Foxwoods will receive fees from Kansas Gaming Holdings LLC in consideration of Foxwoods' previous role in pursuing the Project. Specifically, Foxwoods will receive:

- (i) \$3.5 million, consisting of \$2 million upon commencement of construction and \$1.5 million upon opening of the project;
- (ii) \$500,000 per year; and
- (iii) up to an additional \$1,000,000 per year based on the project achieving certain performance thresholds.

Rick Worner: Lakes will pay Sumner Associates (Rick Worner's consulting company) \$1,000,000 when the casino opens, provided that Lakes is an equity owner of the entity that owns the casino or is managing the casino.

**CHISHOLM CREEK CASINO RESORT  
Management of LLC**

**9. Who is the managing member of this project?**

Kansas Gaming Partners LLC is the manager of Chisholm Creek Casino Resort LLC. Kansas Gaming Partners LLC is controlled by a three-member board of managers, with two representatives appointed by Och-Ziff and one representative appointed by Clairvest. More detail can be found in the operating agreement of Kansas Gaming Partners LLC, which has previously been provided to the Review Board.

## **CHISHOLM CREEK CASINO RESORT Description Added of Project Amenities**

After the initial discussions with the Review Board, Chisholm has added the following additional amenities:

1. A hotel to be built by a third-party developer including:
  - a. minimum of 100 rooms, including 93 standard rooms and 7 specialty suites
  - b. Exercise room
  - c. Business center
  - d. Outdoor pool
  - e. 5,000 square feet of meeting and conference space
2. Sports Bar – Addition of a sports bar on the gaming floor with multiple monitors for display of sporting and other events.
3. Multi-Functional Restaurant and Night Club –
  - a. Restaurant that can provide up-scale dining for lunch and dinner.
  - b. Internal bar area for casual dining
  - c. Bar, band stage, and dance floor to provide a nightclub after dinner hours.
  - d. Band stage will be located such that it can play to either the nightclub or to the gaming floor to provide live entertainment.
4. Oversize vehicle parking spaces increased to 50 to accommodate additional RVs, busses and large trucks.

### Hotel

We believe that the hotel will attract tourists to the project. Pursuant to the Agreement with Double Down, Chisholm will have access to a minimum of 40 rooms per night that could be marketed and “comped” to customers coming from outside the local market. Chisholm also intends to work with area hotels and RV parks in order to further drive tourist demand.

### Restaurants

The multi-function steakhouse will have the flexibility to increase seating during peak demand times. The space will also be able to accommodate private parties and may be converted into a nightclub after hours. The flexibility of this space will allow Chisholm to market to a wide variety of customers.

### Beverage

The multi-function steakhouse will allow for live entertainment to be experienced by guests who are seated at the steakhouse bar and on the casino floor. The sports bar will allow guests near the stage to watch live sporting events.

### Convention/Meeting Space

The third-party hotel will include at least 5,000 square feet of meeting and conference space. This space will be able to accommodate small meeting groups and area businesses, and could also serve as a reception area for casino customers.

### Other Amenities

The number of parking spaces for oversized vehicles has been increased to 50. While these spaces will not have RV full hook-ups, there is an existing KOA nearby with full hook-ups that can accommodate RVs for full-service stays. As such, Chisholm can focus on customers with RVs looking for shorter stays, which would compliment (and not necessarily compete with) the existing KOA. The increased number of oversized parking spaces would also allow the property to accommodate more truck parking.

**ECONOMIC IMPACTS OF PROPOSED GAMING FACILITY  
AS CURRENTLY PROPOSED IN THE SOUTH CENTRAL GAMING ZONE**

**NOVEMBER 23, 2009**

Since Civic Economics prepared its previous economic impact analyses and reported to the Lottery Gaming Facility Review Board, the proposed facility in Sumner County, Chisholm Creek, has changed somewhat from the originally proposed Phase I. The essential change is the addition of a 100-room hotel of some type in the first phase of development.

It should be noted that, while the proponents have made no assurances as to the type of hotel under consideration, the impact analysis requires that an assumption about hotel revenue be made. In this case, we have used the previous "Raving Alternative Minimum" hotel revenue in order to conduct the analysis. The assumption entered is based on a 100-room hotel achieving occupancy of 85% at an average daily rate of \$107 (including the value of complementary or discounted rooms).

**ECONOMIC IMPACT OF PROPOSED GAMING FACILITY**

**REVENUE PROJECTIONS**

The following revenue projections for the New Phase I proposal at Chisholm Creek are derived from the reports of Wells, Cummings, and Raving Consulting.

<b>ADJUSTED REVENUE FORECASTS, 2013</b>		
<i>New Phase I Proposal</i>		
<b>CHISOLM CREEK, SUMNER, (In 2013 Dollars)</b>		
<b>GAMING REVENUE PROJECTIONS</b>		
Estimated gaming revenue: Applicant	\$	124,588,337
Estimated gaming revenue: Wells	\$	153,386,156
Estimated gaming revenue: Cummings	\$	166,500,000
<b>Average of Wells &amp; Cummings</b>	<b>\$</b>	<b>159,943,078</b>
<b>Ratio of Wells/Cummings to Applicant</b>		<b>1.28</b>
<b>ADJUSTED NON-GAMING REVENUE PROJECTIONS</b>		
Hotel Revenue	\$	3,300,000
Food & Beverage Revenue	\$	16,118,611
Retail Revenue	\$	1,692,608
Other Revenue	\$	320,553

<b>NET GAMING REVENUES, 2013</b>		
<i>New Phase I Proposal</i>		
<b>CHISHOLM CREEK, SUMNER (2013 dollars)</b>		
<b>Wells</b>		
Estimated Gaming Revenue	\$	153,386,156
Estimated Gaming Export	\$	3,769,383
Estimated Gaming Import Substitution	\$	81,809,445
Net or New Revenue	\$	85,578,828
<b>Cummings</b>		
Estimated Gaming Revenue	\$	166,500,000
Estimated Gaming Export	\$	6,308,577
Estimated Gaming Import Substitution	\$	44,119,374
Net or New Revenue	\$	50,427,951
<b>Average Net Revenue</b>	<b>\$</b>	<b>68,003,389</b>
<b>Net as a % of Gaming Revenue</b>		<b>44.3%</b>
<b>New Gaming Spending by Kansans</b>	<b>\$</b>	<b>91,939,689</b>

**ECONOMIC IMPACT OF PROPOSED GAMING FACILITY**

**ECONOMIC IMPACT OF OPERATIONS**

The following chart is reproduced from our October report to the Board with an additional line for the new Phase I Revised proposal.

<b>OPERATING IMPACTS SUMMARY</b>					
<b>CHISHOLM CREEK, SUMNER COUNTY</b>					
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>	<b>Relative Impacts</b>
<b>OUTPUT</b> <span style="float:right">Total revenues associated with operations (\$ Millions, Current Year Dollars)</span>					
Phase I Original	\$ 81,406,546	\$ 35,738,372	\$ 22,817,413	\$ 139,962,328	
<b>Phase I Revised</b>	<b>\$ 89,435,164</b>	<b>\$ 39,024,816</b>	<b>\$ 25,178,018</b>	<b>\$ 153,637,998</b>	
Raving Minimum	\$ 97,878,637	\$ 42,770,767	\$ 27,481,926	\$ 168,131,330	
Full Build-Out	\$ 128,444,845	\$ 56,272,159	\$ 35,970,867	\$ 220,687,876	
<b>EMPLOYMENT</b> <span style="float:right">Total workers, including full-time and part-time</span>					
Phase I Original	650	258	196	1,105	
<b>Phase I Revised</b>	<b>786</b>	<b>309</b>	<b>237</b>	<b>1,331</b>	
Raving Minimum	760	311	237	1,308	
Full Build-Out	932	385	292	1,609	
<b>WAGES</b> <span style="float:right">Total wages paid to workers identified above (\$ Millions, Current Year Dollars)</span>					
Phase I Original	\$ 17,980,731	\$ 11,890,804	\$ 6,932,848	\$ 36,804,383	
<b>Phase I Revised</b>	<b>\$ 19,964,847</b>	<b>\$ 12,997,461</b>	<b>\$ 7,650,103</b>	<b>\$ 40,612,411</b>	
Raving Minimum	\$ 21,677,326	\$ 14,297,537	\$ 8,350,034	\$ 44,324,898	
Full Build-Out	\$ 28,293,773	\$ 18,797,968	\$ 10,929,402	\$ 58,021,146	

Source: Applicant Submissions, IMPLAN, Civic Economics

## MEMORANDUM OF UNDERSTANDING

WHEREAS, the Board of County Commissioners of Sumner County, Kansas, provided an endorsement for the application of Chisholm Creek Casino Resort, LLC, to become a lottery gaming facility manager in the South Central Zone;

WHEREAS, subsequent to the endorsement, certain changes occurred in the membership and makeup of the Chisholm Creek Casino Resort, LLC, and other aspects of the management and development of the Chisholm Creek casino project, the basic nature of which has been communicated to the Board of County Commissioners, including identification of the members of Chisholm Creek Casino Resort, LLC;

WHEREAS, the applicant has indicated an interest and willingness to develop this project, including amenities or ancillary development under its control, within an unincorporated area of Sumner County in a good faith partnership and cooperative working relationship with Sumner County;

WHEREAS, the applicant seeks a reaffirmation of the endorsement for the application of Chisholm Creek Casino Resort, LLC, by the Board of County Commissioners;

WHEREAS, in exchange for such reaffirmation, the applicant promises and affirms the following:

1 Chisholm Creek Casino Resort, LLC, reaffirms each and every promise and agreement made in Section 2 of its Predevelopment Agreement previously executed with Sumner County.

2 In addition, Chisholm Creek Casino Resort, LLC, will not consent to annexation by any municipality seeking to annex any land owned by Chisholm Creek Casino Resort, LLC upon which amenities or ancillary development are planned to be constructed.

3 In addition, Chisholm Creek Casino Resort, LLC, agrees that in the development of the Project, it shall construct, cause to be constructed, or provide the funds to utility districts, the County (or other appropriate public body) for construction of adequate infrastructure to serve the Project without regard to jurisdictional boundaries. Adequate infrastructure shall mean roadways, utilities, and public safety and emergency service facilities in a size and type to serve the employees and patrons of the Project as determined by mutual agreement of the professional planning, engineering, and technical consultants of Applicant and County. Applicant shall purchase and supply designated police, emergency and fire equipment and technology necessitated by the Project as agreed to in writing between the parties.

4 Chisholm Creek Casino Resort, LLC agrees, upon obtaining title to any land for which a previous land owner consented to annexation by a municipality, to execute and file with such municipality a revocation of such consent.

Memorandum of Understanding Page 2

CHISHOLM CREEK CASINO RESORT, LLC

By: [Signature]

Title: MANAGER

THE BOARD OF COUNTY COMMISSIONERS OF  
SUMNER COUNTY, KANSAS

[Signature]

Garey E. Martin, Chairman  
County Commissioner, District 1

[Signature]

Jim D. Newell  
County Commissioner, District 2

[Signature]

Eldon Gracy  
County Commissioner, District 3



Attest:

[Signature]  
Sumner County Clerk

Approved as to Form:

[Signature]  
John "Jack" A. Potucek, II, County Counselor

## PREDEVELOPMENT AGREEMENT

THIS PREDEVELOPMENT AGREEMENT (this "Agreement") is entered into as of the 11th day of May, 2009 (the "Effective Date"), between The Board of County Commissioners of Sumner County, Kansas ("County"), and Chisholm Creek Casino Resort, LLC, a Delaware Limited Liability Company ("applicant") (the County and applicant are hereby collectively referred to as the "Parties").

### RECITALS

A. WHEREAS, the County is a duly organized and existing body corporate and politic under the laws of the State of Kansas; and

B. WHEREAS, the County pursuant to K.S.A. 19-101 *et. seq.*, and such other relevant statutory provisions, has the authority to promote the general and economic welfare of the County, to encourage development in order to enhance the local tax base and the creation of employment opportunities, and to enter into contractual agreements with landowners and prospective employers to achieve those purposes; and

C. WHEREAS, Senate Bill 66, the Kansas Expanded Lottery Act (the "Act"), was approved by the Kansas Legislature, signed by the Governor, and was published in the Kansas Register, Vol. 26, No. 16, Pg. 518 on April 19, 2007, and all defined terms used herein shall have the meanings ascribed to them in the Act unless the context clearly requires to the contrary; and

D. WHEREAS, the Act provides for the development of one Lottery Gaming Facility or Lottery Gaming Enterprise per Gaming Zone in the State, as defined in the Act; and

E. WHEREAS, Sumner County and Sedgwick are the counties located in the South central Kansas Gaming Zone; and

F. WHEREAS, the Act provides that each county in each gaming zone must submit to the qualified voters a resolution to permit the operation of a Lottery Gaming Facility within the County further provides that the election requirement may be waived by the Lottery Commission if that body determines "that after December 31, 2004, and before the effective date of this act, the county has held an election of qualified voters pursuant to the county's home rule authority: (1) At which the ballot question was in substantial compliance with the requirements of this section; (2) which was administered by the county election officer in a manner consistent with the requirements of state election law; and (3) at which a majority of the votes cast and counted was in favor of the proposition." and

G. WHEREAS, the County called an election on December 20, 2005, upon the question of "Do you support a destination resort casino in Sumner County, Kansas, in the

event such is legally permitted by the state and is otherwise deemed in the best interest of the County by the Board of County Commissioners?"; and

H. WHEREAS, the question was approved with 4,842 votes in favor and 2,838 against; and

I. WHEREAS, on June 22, 2007, the Kansas Lottery Commission approved election of December 20, 2005, pursuant to Section 6(e) of the Act; and

J. WHEREAS, the Act requires a Resolution of Endorsement from the County of any prospective Lottery Gaming Facility Manager, (the "Manager"), submitting a Lottery Gaming Facility Management Contract, (the "Management Contract"), to the Lottery Commission; and

K. WHEREAS, the County solicited proposals from parties seeking a Resolution of Endorsement from the County to serve as a Manager; and

L. WHEREAS, the County conducted a public hearing on May 5, 2009 ("Public Hearing") to receive information about prospective Managers regarding their qualifications, proposed sites for the Lottery Gaming Facility, and their specific development plans for a Lottery Gaming Facility or Lottery Gaming Enterprise (collectively referred to herein as the "Project"); and

M. WHEREAS, applicant submitted a proposal and appeared and presented information and testimony at the Public Hearing; and

N. WHEREAS, after duly considering all information and testimony provided in advance of and at the Public Hearing the County determined that Applicant possesses the qualifications and financial resources to construct the Project in Sumner County, Kansas and Applicant possesses the qualifications and financial resources to manage the Project; and

O. WHEREAS, the Board of County Commissioners deems it in the best interest of the County that a Lottery Gaming Facility be permitted in the County; and

Q. WHEREAS, the County has determined this Project proposed by Applicant is well suited to attract tourism and enhance the economic development prospects of the County and State; and

R. WHEREAS, to facilitate the location of the South central Kansas Lottery Gaming Facility in Sumner County the County has determined it is in the best interest of the County based on the information and testimony provided at the Public Hearing and review of prospective Managers to issue a Resolution of Endorsement and enter into this Agreement; and

S. WHEREAS, the County desires to implement the Act and to support the Project provided there is no cost to the County to do so;

NOW, THEREFORE, in consideration of the foregoing recitals, mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the

Parties agree as follows:

- 1) Resolution of Endorsement. The County agrees to provide a resolution of endorsement to Applicant pursuant to Section 5(a) of the Act. Subject to terms and conditions set forth herein.
- 2) Agreements of the Applicant.
  - a) Revenue.
    - i) The applicant shall pay lottery gaming revenues to Sumner County, Sedgwick County, and any City (if applicable) the percentages as set forth in SB 66. Additionally, applicant shall pay all real property ad valorem and sales taxes as the same become due and payable, subject to any rights of protest.
    - ii) Additional revenue.
      - (1) Without regard to the percentages of lottery gaming facility revenues to be paid to any entity other than Sumner County as set forth in the Act, or any amendments thereto, the applicant shall agree in its Management Contract with the Lottery Commission to pay additional lottery gaming facility revenues to Sumner County in the amount of One percent (1%) of lottery gaming facility revenues between Three Hundred Million Dollars (\$300,000,000) and Three Hundred and Fifty Million Dollars (\$350,000,000) and to pay additional lottery gaming facility revenues to Sumner County in the amount of Two percent (2%) of lottery gaming facility revenues over Three Hundred Fifty Million Dollars (\$350,000,000) per applicable year of operation. These additional revenues shall be paid on a monthly basis.
      - (2) Applicant's master plan for peripheral development around its Lottery Gaming Facility will cause all peripheral development to occur to the south keeping the real property ad valorem and sales taxes to be generated by such peripheral development entirely in Sumner County.
  - b) Development of the Project. Applicant agrees to develop a first class project. The project shall be generally consistent in its program components as depicted on a preliminary master plan provided by the applicant contemporaneous with the Predevelopment Agreement or as described and/or depicted in the materials

submitted with Applicant's proposal. Applicant shall make, or cause to be made, an infrastructure investment of at least Two Hundred and Twenty Five Million Dollars (\$225,000,000), as defined in SB 66 and its regulations in accordance with the fully executed Lottery Facility Management Contract in development of its proposed project. In addition, applicant shall identify a site on its master plan and aggressively pursue a third-party developer to finance, construct and open a hotel of not less than 150 rooms as soon as possible prior to or following the opening of applicant's Lottery Gaming Facility.

- c) Provision for Adequate Infrastructure. Applicant agrees that in the development of the project, it shall construct, cause to be constructed, or provide the funds to the County for construction of adequate infrastructure to serve the project. Adequate infrastructure shall mean roadways, utilities, and public safety and emergency service facilities in a size and type to serve the employees and patrons of the project as determined by mutual agreement of applicant and the County. Applicant shall purchase and supply designated police, emergency and fire equipment and technology for the project as mutually agreed by applicant and the County.
  
- d) Professional Consultants. Applicant agrees to reimburse the County for the reasonable expenses incurred by the County for professional consultants it may hire to assist in its review and consideration of any portion or phase of the proposal and/or development of a lottery gaming facility in Sumner County. This includes outside legal counsel to advise and assist the County in any matter related to the Kansas Expanded Lottery Act. Such expenses incurred by the County will be reimbursed by all applicants on a pro rata basis, based upon the number of developers endorsed by the County first from applicant's application security deposit then within ten (10) days of notice from the County for amounts in excess of the applicant's security deposit. Upon selection and approval by the Lottery Review Board and the Kansas Racing and Gaming Commission of the manager of the South Central gaming zone, the chosen manager shall agree to reimburse the County for reasonable expenses incurred for services rendered after the date the manager is selected and approved pursuant to the terms of a Development Agreement provided for in section (g) below.
  
- e) Applicant agrees to and shall use good faith commercially reasonable efforts
  - i) To be designated the Lottery Gaming Facility Manager for and enter into a Lottery Gaming Facility Management Contract with respect to the Southcentral Gaming Zone,
    - (1) To be selected by the Kansas Lottery Gaming Facility Review Board;
    - (2) To be approved by the Kansas Racing and Gaming Commission as the Lottery Gaming Facility Manager for the Southcentral Gaming Zone; and

- (3) To develop and operate the proposed Gaming Facility.
- f) Negative Covenants. In connection with the development of the Project, applicant shall NOT:
- i) Request that the County use its power of eminent domain to acquire any interest in real property for the Lottery Gaming Enterprise;
  - ii) Request the use of STAR Bond or Tax Increment Financing for construction of the Lottery Gaming Enterprise;
  - iii) Request the use of Revenue Bonds for construction of the Lottery Gaming Enterprise; or
  - iv) Request the abatement of real property taxes for the Lottery Gaming Enterprise.
- g) Development Agreement. Following receipt of the final approval of applicant as the manager of the South Central Gaming Zone, the parties shall enter into a Development Agreement mutually agreeable to the parties, which will set forth in detail the obligations and duties of the parties regarding the construction of the proposed project.
- h) Applicable Law and Venue. The Predevelopment Agreement will be deemed to be entered into in the State of Kansas, and will be enforceable under the laws of that state. Venue for any dispute in connection with the Predevelopment Agreement shall lie in the District Court of Sumner County, Kansas, and/or the District Court of Shawnee County, Kansas.
- 3) State of Kansas Rules and Regulations. The Commission and R&G Commission are in the process of drafting rules and regulations pursuant to the provisions of the Act ("Act Regulations"). Following the promulgation of the Act Regulations, in the event any of the provisions of this Agreement are in violation of the Act Regulations, the parties agree to modify such affected provision to comply with the Act Regulations or, if such provision cannot be modified so as to comply with the Act Regulations, to delete the same from this Agreement.
- 4) Miscellaneous.
- a) Assignability. Neither party will assign this Agreement without the written consent of the other party except that APPLICANT may assign this agreement to a wholly owned direct or indirect subsidiary of Applicant;

- b) Amendments. This Agreement may be supplemented or amended only by written instrument executed by the Parties affected by such supplement or amendment.
- c) Applicable Law and Venue. This Agreement will be deemed to be entered into in the State of Kansas, and will be enforceable under the laws of that state. Venue for any dispute in connection with this agreement shall lie exclusively in the District Court of Sumner County, Kansas and/or the District Court of Shawnee County, Kansas.
- d) Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants or portions of this Agreement and, to that end, any provisions, covenants, agreements or portions of this Agreement are declared to be severable.
- e) Binding Effect. This Agreement will inure to the benefit of, and be binding upon the parties hereto, and the permitted successors and assigns of the parties.
- f) No Partnership. The provisions of this Agreement are not intended to create, nor shall they in any way be interpreted or construed to create, a joint venture, partnership, or any other similar relationship between the Parties.
- g) No Waiver of Immunity. The provisions of this Agreement are not intended in any way to waive any of governmental immunity by the County.
- h) Counterparts. This Agreement may be executed in one or more counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be original, and all of which shall constitute one and the same instrument.
- i) Entire Agreement. This Agreement contains the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous understandings or agreements with respect to such subject matter.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

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THE BOARD OF COUNTY COMMISSIONERS OF  
SUMNER COUNTY, KANSAS

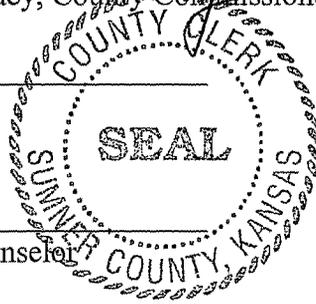
Gary E. Martini  
Garey E. Martini, Chairman,  
County Commissioner, District 1

Jim D. Newell  
Jim D. Newell, Chairman,  
County Commissioner, District 2

Eldon Gracy  
Eldon Gracy, County Commissioner, District 3

Attest:  
Shane J. Smith  
Sumner County Clerk

Approved as to Form:  
John "Jack" A. Potucek II  
John "Jack" A. Potucek, II, County Counselor



CHISHOLM CREEK CASINO RESORT, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

THE BOARD OF COUNTY COMMISSIONERS OF  
SUMNER COUNTY, KANSAS

\_\_\_\_\_  
Garey E. Martin, Chairman,  
County Commissioner, District 1

\_\_\_\_\_  
Jim D. Newell, Chairman,  
County Commissioner, District 2

\_\_\_\_\_  
Eldon Gracy, County Commissioner, District 3

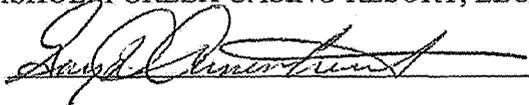
Attest:

\_\_\_\_\_  
Sumner County Clerk

Approved as to Form:

\_\_\_\_\_  
John "Jack" A. Potucek, II, County Counselor

CHISHOLM CREEK CASINO RESORT, LLC

By:  \_\_\_\_\_

Title: MANAGER

November 18, 2009

Mr. Jay Hall  
Review Board Liaison  
Kansas Racing and Gaming Commission  
700 SW Harrison, Suite 420  
Topeka, KS 66603

Dear Jay:

I am writing regarding the Board's question of our deficit estimate of \$4.4 million over six years for the Sumner County Rural Fire District #9 presented in our original analysis. The primary reason for the deficit was that our cost estimate included staffing.

We were unable to speak with representatives of the Fire District prior to the submittal of the report and, therefore, utilized service data we received from the City of Mulvane for our 2008 analysis. In that analysis, we assumed that paid firefighters will be required for the development. We also assumed that EMS services would be provided by the Fire District and included those costs in the analysis.

Subsequent to the Board meeting in October when the question regarding our estimate was posed, we spoke with Shane Shields, Sumner County Clerk and David Cooper from Fisher Patterson Saylor & Smith, LLP, a representative of the Sumner County Board of County Commissioners. Mr. Shields provided financial documents for the Fire District and Mr. Cooper provided a better explanation of the operation of Fire District #9. The following changes were made to our estimate of costs for the Fire District (see attached revised Appendix 9 for calculation details):

1. Fire District #9 is a volunteer fire department and is expected to remain so after the construction of the development. As a result, no salary and benefits are estimated in our revised analysis.
2. EMS services are provided to the area of the development by the City of Mulvane through a contract with Sumner County. Sumner County, not the Fire District is responsible for this cost. As a result, the analysis does not estimate any EMS costs for the Fire District.

Economic Impact Analysis

Fiscal Impact Analysis

Forensic Accounting

Business Valuation

Gaming Feasibility

Litigation Support

660 Sierra Rose Dr., Ste. 2  
Reno, Nevada 89511  
P: 775-827-5300  
F: 775-827-5301

Las Vegas  
P: 702-433-6835

[www.mbareno.com](http://www.mbareno.com)

- a. It is unknown what additional EMS costs will be generated by the development for Sumner County. Contractual ambulance costs as shown in the Sumner County 2009 budget were approximately \$610,000 per year. However, it is unknown what population is served by the contract and therefore it is difficult to estimate how the additional development cost will be covered by the contract. Sumner County is estimated to generate a surplus of \$11.9 million over the analysis period, which is expected to be more than sufficient to cover any additional costs.
3. Some Fire District commodity costs are expected to be generated by the development, including training, fuel, insurance and other operating costs. It is difficult to estimate the exact amount of additional operating costs to be generated by the development. Total 2008 costs for the Fire District #9 were approximately \$92,000, which is overestimated as it includes equipment purchases (see point 4 below as to why equipment purchases are excluded from analysis). The analysis estimates that the \$521,000 in property tax revenue generated by the development over the analysis period will be sufficient to cover these costs.
4. Both the original and revised fire estimates exclude costs of equipment purchase and construction of adequate facilities and infrastructure as these will be covered by the development according to the Predevelopment Agreement.

Incorporating these changes, the analysis estimates minimal costs will be generated by the development for the Sumner County Rural Fire District #9, and these costs will be covered by the projected increase in property tax revenue. As a result, Meridian Business Advisors revises its previous finding of a deficit to the Fire District #9 to a finding of no negative fiscal impact.

Please do not hesitate to call if you have any questions.

Sincerely,



Eugenia Larmore  
Director

**APPENDIX 9-REVISED NOVEMBER 2009  
SUMNER COUNTY FIRE DISTRICT #9  
FIRE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED REVENUES</u>	<u>SALARIES &amp; BENEFITS</u>	<u>CONTRACTUAL/ COMMODITIES</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL COST</u>	<u>REVENUE SURPLUS/ (DEFICIT)</u>
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	33,204	-	-	-	-	33,204
Year 3	82,371	-	-	-	-	82,371
Year 4	84,842	-	-	-	-	84,842
Year 5	137,408	-	-	-	-	137,408
Year 6	183,116	-	-	-	-	183,116
<b>TOTAL</b>	<b>\$ 520,941</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 520,941</b>

**APPENDIX 9, ASSUMPTIONS:**

1. See Appendix 2 for detailed revenue calculations.
2. According to David Cooper, representative of the Sumner County Board of Commissioners, District #9 stations are currently staffed with volunteer firefighters and will continue to do so. Therefore, no salary and benefits costs are estimated.
3. The Chisholm Creek development is expected to increase commodities costs for the Fire District. District's 2008 commodities expenditures were as follows:  
Source: "Special Districts Annual Summary, Fire District #9," Year Ending December 31, 2008.

<u>Expenditure</u>	<u>Amount</u>
Fire Runs/Training	\$ 38,412
Fuel	4,738
Insurance	9,132
Normal Expense	20,256
Misc. Repair	19,091
<b>Total</b>	<b>\$ 91,629</b>

4. It is unknown how these costs will increase due to the development, but are expected to be covered by property tax revenues.
5. According to the Memorandum of Understanding between Chisholm Creek and Sumner County, the developer will cover all capital purchase and construction costs. No capital costs are estimated.
6. EMS services to the area are provided by the City of Mulvane by contract with Sumner County. Source: David Cooper, representative of the Sumner County Board of Commissioners. Additional EMS costs are difficult to estimate, but are assumed to be covered by the **\$11.9** million surplus estimated for the County over the analysis period.

# *Supplemental Report*

## *For the Kansas SC Gaming Zone*

### *Chisholm Creek Casino Resort Project*

**Comparison of the Applicant's New Phase 1 vs. Old Phase 1  
Impact Analysis of Slots at Wichita Greyhound Park,  
New Kaw Nation Casino at I-35 & OK Border, &  
New Wyandotte Nation Class II Casino at Park City**

Prepared for



**November 12, 2009**

Prepared by

**Wells Gaming Research**

495 Apple Street, Suite 205 - Reno, NV 89502  
775-826-3232 - <http://www.wellsgaming.com>

**Supplemental Report  
For the SC Gaming Zone in Kansas**

**Chisholm Creek Casino Resort**

**Background**

The Lottery Gaming Facility Review Board (Board) heard the consultants' reports and applicant presentations at a public hearing in Topeka, Kansas on October 26, 2009. During the presentation by Mr. Wells, president of Wells Gaming Research (WGR), the Board asked if WGR had analyzed the impacts of slot machines located at the Wichita Greyhound Park and/or the potential new tribal casino to be located in Park City, north of Wichita. Even though it was not part of the original scope of work, WGR had conducted the following three supplemental impact analyses:

1. Impact of The Woodlands
2. Impact of Wichita Greyhound Park
3. Impact of a Park City Wyandotte Tribe casino

A brief overview summarizing the impacts that racetracks located in both the North East and South Central gaming zones, as well as a potential new Wyandotte Tribe Casino located in Park City, Kansas were presented to the Board (per request WGR provided copies of the supplemental studies to Mr. Jay Hall for distribution to the Board).

During the applicant's presentation, the Chisholm Creek Casino Resort's presenter announced that they had reached agreement with a third party to build a 100-room hotel facility to be incorporated into their Phase 1 development plans.

Subsequent to this meeting, WGR requested and on November 6, 2009 received, via racing and gaming commission staff, revised capacity data and estimates of casino visits and gaming revenues provided by the applicant. WGR has subsequently conducted additional analyses. New casino visit and gaming revenue projections have been developed for Chisholm Creek's revised Phase 1 project.

A news article was published on November 6, 2009 in the Winfield Daily Courier with the headline "Casino near Braman gets approval from Kay County". Prior to receiving this article, WGR was not aware of plans for this new casino.

The article indicated that the new casino is apparently in the final stages of approval by the Bureau of Indian Affairs and that it has received approval from Kay County officials, neighboring Indian tribes, and the mayor of Braman, Oklahoma.

The Kaw Nation owns 21.25 acres of property at the intersection of Interstate 35 and US 177 near Braman. The property is now occupied by the Kaw Tribe's Kanza Travel Plaza, a gas station and truck stop with a restaurant, retail shop, and a seven-unit motel. A 300,000-gallon water tower is being constructed on the property and is expected to be completed by the summer of 2010.

***Supplemental Report  
For the SC Gaming Zone in Kansas***

Nancy Walton, marketing director of the Kaw Enterprise Development Authority (KEDA) was interviewed and quoted in the article. The article indicated that the Kaw Tribe hopes to build a 36,000 square foot casino employing 200 to 250 persons, which is about half the size of the Tribe's South Wind Casino east of Newkirk. However, the size of the Kaw casino depends on what happens in Sumner County, Kansas. If the Sumner County casino were built, the Kaw Tribe would scale back the size of its Braman casino to about 9,000 to 10,000 square feet. WGR's impact analysis contained herein assumes that the Kaw Tribe would build a 10,000 square foot casino.

**Supplemental Report  
For the SC Gaming Zone in Kansas**

**Comparison of the Applicant's New Phase 1 vs. Old Phase 1**

A summary comparison of Chisholm Creek's new Phase 1 proposal versus the old Phase 1 for the SC Zone is shown in the figure below. Both projections are for the year 2013, or first full year of normalized operations. WGR's projected gaming revenues have been inflated using a 3% CPI factor.

<b>Chisholm Creek Casino Resort</b>			
<b>WGR Projections for 2013</b>			
(Revenues are Inflated)			
Capacities & Amenities	Old Phase I	New Phase I	Variance
<b>Capital Investment</b>	\$125,000,000	\$125,000,000	\$0
<b>Gaming Revenues:</b>			
Applicant	\$121,139,087	\$124,588,337	\$3,449,250
WGR <sup>1</sup>	\$144,643,292	\$153,974,493	\$9,331,201
Difference	-\$23,504,205	-\$29,386,156	-\$5,881,951
<b>Gaming Visits:</b>			
Applicant <sup>2</sup>	1,866,744	1,911,149	44,405
WGR <sup>1</sup>	2,052,682	2,178,432	125,750
Difference	-185,938	-267,283	-81,345
<b>Casino:</b>			
Square Footage	57,475	53,150	-4,325
# of Slots	1,300	1,300	0
# of Tables	30	30	0
# of Poker	0	0	0
<b>Hotel Rooms</b>	0	100	100
<b>Restaurants/Entertainment:</b>			
# of Restaurants	3	3	0
# of Small Entertainment Venues	0	1	1
# of Large Entertainment Venues	0	0	0
<b>Convention Square Footage</b>	0	5,000	5,000
<b>Parking Spaces</b>	1,925	1,950	25

**Footnotes:**

1 - At a 68% confidence interval (one standard deviation from the mean, assuming normal distribution) revenues and visits can be expected to vary +8% and -10%. In other words, predicted revenues can be expected to fall within this range 68% of the time.

2 - To calculate total gaming visits, subtract total non-gaming visits from total visits.

	Old Phase 1 (2013)	New Phase 1 (2013)
Chisholm Creek Application		
Total Gaming Visits	1,866,744	1,911,149
Total Non-Gaming Visits	204,729	209,599
Total Visits	2,071,473	2,120,748

**Supplemental Report  
For the SC Gaming Zone in Kansas**

**Differences between the Old Phase 1 & New Phase 1**

**Hotel**

Chisholm Creek Casino Resort has revised its proposal to include a 100-room hotel in Phase 1 to be built by a third party.

**Entertainment**

The new Phase 1 includes a bar with a live music entertainment stage (not included in the old Phase 1).

**Convention Space**

The new Phase 1 includes 5,000 square feet of convention space as part of the third party 100-room hotel project (not included in the old Phase 1).

**Gaming Revenue Projections**

Chisholm Creek's new Phase 1 proposal includes \$124.6 million in gaming revenue for 2013. This represents an increase of \$3.4 million over the \$121.1 million forecasted in the old Phase 1 proposal.

Wells Gaming Research projects that Chisholm Creek would generate \$153.9 million with the New Phase 1 casino in 2013. This compared with a forecast of \$144.6 million for the Old Phase 1, a net increase of \$9.3 million increase. WGR's gaming revenue projection is \$23.5 million higher than the applicant's for the Old Phase 1 and \$29.4 million above the applicant's projections for the New Phase 1.

**Casino Visits**

Chisholm Creek Casino Resort proposed 1,866,744 casino visits in 2013 for the Old Phase 1 and 1,911,149 casino visits with the New Phase 1. The applicant apparently included non-casino visits in their total gaming visit numbers. WGR has adjusted the numbers to include only casino visits.

Based on the gravity model and capacities provided by the applicant, WGR projects that Chisholm Creek would have 2,052,682 casino visits in 2013 for the Old Phase 1 project and 2,178,432 casino visits with the New Phase 1 casino project. This is 186 thousand visits more than the applicant states in their proposal for the Old Phase 1 and 267,283 more for the New Phase 1.

**Supplemental Report  
For the SC Gaming Zone in Kansas**

**Impact Analysis of Chisholm Creek Casino Resort's New Phase 1**

The three potential new competitors for the Chisholm Creek Casino Resort include:

1. New Kaw Nation Casino at Oklahoma Border
2. Slots at Wichita Greyhound Park
3. New Wyandotte Nation Class II Casino at Park City

The following analyses show the effect that the increased competition could have on Chisholm Creek's New Phase 1 proposal.

**Casino Visits**

Total annual casino visits as projected by WGR's gravity models are shown in the following data table. Absent any new competition, Chisholm Creek's visits are estimated at 2,178,432 (2013) increasing to 2,197,391 (2015). WGR estimates that the number of casino visits would be reduced by 2% in both 2013 and 2015 if the new Kaw Casino were built.

Casinos	2013 Visits		2015 Visits				
	Chisholm Creek	With Kaw Nation	Chisholm Creek	With Kaw Nation	With Kaw Nation and Wichita Greyhound	With Kaw Nation and Wyandotte Nation	With Kaw Nation, Wichita Greyhound, and Wyandotte Nation
Chisholm Creek Casino New Phase I	2,178,432	2,142,347	2,197,391	2,161,043	1,633,794	1,545,500	1,296,804
Kaw Nation Casino		118,279		118,933	105,766	103,035	94,772
Wichita Greyhound Racetrack					1,237,964		822,560
Wyandotte Nation Casino						1,395,404	1,030,677
<b>Subtotal</b>	<b>2,178,432</b>	<b>2,260,626</b>	<b>2,197,391</b>	<b>2,279,976</b>	<b>2,977,524</b>	<b>3,043,939</b>	<b>3,244,813</b>
<b>Impact on Chisholm Creek</b>		<b>-36,085</b>		<b>-36,348</b>	<b>-563,597</b>	<b>-651,891</b>	<b>-900,587</b>
<b>% Impact on Chisholm Creek</b>		<b>-2%</b>		<b>-2%</b>	<b>-26%</b>	<b>-30%</b>	<b>-41%</b>

Chisholm Creek's casino visits for 2015 are projected to decline by:

- 26% (563,597) if slots were added at Wichita Greyhound Park and the Kaw Nation casino were built.
- 30% (651,891) if the Kaw Nation casino and a new Wyandotte Nation Class II casino were both built.
- 41% (900,587) if all three new competitors were built.

**Supplemental Report  
For the SC Gaming Zone in Kansas**

**Gaming Revenue**

WGR's gravity model projects total annual gaming revenues for Chisholm Creek's New Phase 1 casino absent any of the three potential new competitors at \$153,974,493 (2013) increasing to \$164,727,290 (2015).

Casinos	2013 Revenues (Inflated)		2015 Revenues (Inflated)				
	Chisholm Creek	With Kaw Nation	Chisholm Creek	With Kaw Nation	With Kaw Nation and Wichita Greyhound	With Kaw Nation and Wyandotte Nation	With Kaw Nation, Wichita Greyhound, and Wyandotte Nation
Chisholm Creek Casino New Phase I	\$153,974,493	\$151,331,477	\$164,727,290	\$161,903,921	\$118,135,437	\$111,800,825	\$94,123,687
Kaw Nation Casino		\$8,743,028		\$9,321,108	\$8,111,908	\$7,908,854	\$7,284,861
Wichita Greyhound Racetrack					\$87,988,707		\$59,225,713
Wyandotte Nation Casino						\$99,212,595	\$73,990,504
<b>Subtotal</b>	<b>\$153,974,493</b>	<b>\$160,074,505</b>	<b>\$164,727,290</b>	<b>\$171,225,030</b>	<b>\$214,236,053</b>	<b>\$218,922,274</b>	<b>\$234,624,765</b>
<b>Impact on Chisholm Creek</b>		<b>-\$2,643,016</b>		<b>-\$2,823,368</b>	<b>-\$46,591,853</b>	<b>-\$52,926,465</b>	<b>-\$70,603,603</b>
<b>% Impact on Chisholm Creek</b>		<b>-2%</b>		<b>-2%</b>	<b>-28%</b>	<b>-32%</b>	<b>-43%</b>

The forecasted gaming revenue impact of a new Kaw Nation casino located at I-35 near the Oklahoma-Kansas border includes:

- 2% decline in 2015 (approximately \$3 million).

If slots were added at the Wichita Greyhound Park and the new Kaw Nation casino were built, Chisholm Creek's gaming revenues would decrease by:

- 28% in 2015 (a projected \$46.6 million).

If the new Wyandotte Nation casino were added at Park City and the new Kaw Nation casino were built, Chisholm Creek's gaming revenues have been forecasted to be:

- 32% lower in 2015 (an estimated \$52.9 million).

If all three of the subject competitors enter the market, Chisholm Creek's gaming revenues could decline by:

- 43% in 2015 (approximately \$70.6 million).

**Summary**

**Chisholm Creek New Phase 1**

The addition of 100 hotel rooms, convention space, and a live music entertainment venue to the New Phase 1 casino proposal increased the attraction factor in WGR's gravity models enough to increase gaming revenues from \$144.6 million to \$153.9 million, up \$9.3 million (6.3%) in 2013.

**Supplemental Report  
For the SC Gaming Zone in Kansas**

New Competition

The resultant completion of potential casino gaming projects in the Chisholm Creek trade area is unknown at this time. Current research and discussions have indicated that the probability of Wichita Greyhound Park and Park City Wyandotte Tribal casino coming to fruition is low; however, the impact will be substantial if they do. The addition of the Kaw Tribe casino to the possible competitors mix appears more likely, but would have a minor negative affect on Chisholm Creek's revenue projections.

- The addition of a new casino by the Kaw Nation on I-35 near the OK-KS border has been projected to reduce gaming revenues at Chisholm Creek by approximately \$3 million (2%) per year.
- The addition of slot machines at the Wichita Greyhound Park along with the new Kaw Nation casino have been estimated to reduce Chisholm Creek gaming revenues by \$46.6 million (28%) in 2015.
- The addition of a new Class II Wyandotte Nation casino at Park City along with the new Kaw Nation casino have been projected to reduce gaming revenues at Chisholm Creek by \$52.9 million (32%) in 2015.
- The addition of all three new competitors, Kaw, Wichita Greyhound, and Wyandotte, could reduce gaming revenues at the Chisholm Creek Casino and Resort by \$70.6 million (43%) in 2015.

# Public Comment

Thanks for taking my call yesterday. To recap our conversation, first let me say I very much support the Hollywood Casino proposal. Furthermore I think it was very wise to pull the hotel out of phase one and I applaud the Review Board for seeing the benefit in this in the short run. The economic conditions of the last two years have really torpedoed the travel and in particular the hotel industry.

Many hotels all over KC are now in receivership or being sold at fire-sale prices. Village West is very fortunate to have fared much better than the KC area at large. This is thanks in large part to the unique mix of destination retailers as well as the fact that the area wasn't over built with hotels at the time of the collapse. If we were to add the 300 room hotel in phase I of the project I am confident that you would see some business-class hotels in the area that would fail.

My hotel, the Chateau Avalon, enjoys one of the highest average daily rates (ADR) in the entire KC market. We have maintained this by being a unique and upscale destination boutique hotel. I tell my staff we are not in the hospitality but the entertainment business. Every guest should leave with a fond memory. Having the Hollywood Casino locate just adjacent to us will be very good for business and just add to the entertainment experience. My hotel will likely be the natural destination choice for "high rollers" as well as couples looking for a unique place to stay while they come to KC for gaming. You have my commitment that we will do our best to make Village West and the state of Kansas look good.

To that end I have purchased a limo style courtesy van to shuttle my guests to area Village West attractions. A photo of the van is attached hereto. I have spoken a number of times with Jeff Boerger about their needs for hotel room nights particularly for couples and high rollers. It is our plan to have my limo regularly circulating between the Hollywood Casino and the Chateau Avalon. Guests that stay with us hopefully will not put their keys in the car from the time they check in until the time they check out the next day. From the casino to the 30+ restaurants and 750,000 square feet of shopping we will do all we can to make sure that Kansas gamers get a better experience than anything they can find on the Missouri side of the line.

Jeff said that they would partner with us on cross-marketing so that anyone looking to come to KC will not have to look far to find their hotel. Like me, Jeff and his group understands that most people who visit the casino are likely to spend in other areas during their visit. You probably know this as the Multiplier Effect. Our plan is for the Chateau Avalon to be marketed within the Hollywood Casino as well as having a presence on their web site. Measures like this are what will make the travel plans seamless for guests. In addition to this we hope to do special promotions that let people know that they get more than just a casino when they visit Village West.

That all said, there are some things that could fill in some blanks for me. I know that both the Lottery Review Board and the Kansas Entertainment each did independent studies as to what traffic will be like. So far I do not have a good feel for how many room nights each night we are talking about. If the casino could commit to a number with the Chateau Avalon and a number with mid-range and budget class hotels it would really help in budgeting. For example, the Chateau Avalon offers limited spa services. I have a plan to expand these services as well as to add more meeting space. If we knew there were 30 room nights daily for example, I would be able to leverage that with my bank to add more such service areas to the hotel. In the absence

of such a commitment financing such items is next to impossible until lending loosens up. To put this in context, I am guestimating that the Hollywood Casino could require as many as 180 room nights from the start. So just a small commitment of this number can go a long way with lenders for capital.

I have done quite a bit of research on other KC area hotels with casinos. Most offer the casino as their primary destination drawing card. Few have immediate proximity to shopping and dining destinations other than those offered within the walls of the casino. This is where Village West will really capitalize. Our destination retail that surrounds the Hollywood Casino trump those offered in other areas. For this reason I believe our occupancy rate should outpace those of the casinos that don't have 750,000 square feet of ancillary drawing power. By using such assumptions I think you could come up with a annual number of room nights then parse them out with purchasing rights from area hotels like mine.

I want to express my profound support for the Hollywood Casino project and hope that the Review Board sees fit to approve it and encourage the developers to fast-track the development. The sooner the doors open the sooner we can start to claim back those dollars that bleed from Kansas into Missouri. If you have any questions, please contact me.

Steve Beaumont  
Owner – Chateau Avalon

*Chateau Avalon*

ChateauAvalonHotel.com

Explorer

11/24/2008





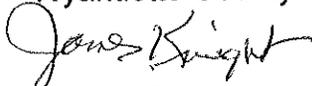
November 4, 2009

Lottery Gaming Facility Review Board  
% Stephen Martino, Executive Director

Dear Sir:

**I am writing this letter to support the Hollywood Casino at the Kansas Speedway in Wyandotte County.** YOU have wasted too much time and now considering rejecting this proposal for something better (what a joke). You are not speaking for us here in Wyandotte County by letting this measure go back for a second look. You need to get out of Shawnee County and go over to KCMO and see the Wy and Jo county cars taking their monies to the city across the river. These monies could be spent in Kansas (how about that), what a thought. The Nascar is waiting to see what you are going to do and the casino will bring the hotel. You are putting the Cart before the horse by thinking about building a hotel first. What good is a hotel if the people don't have some place to go? The Wyandotte County is on the verge of exploding and the addition of a casino will add to this explosion. The people in Wyandotte County want this and why should YOU deny them this opportunity. I am tired of being a step child to other cities and now is the time for this town, whether you like it or not.

Wyandotte County Citizen (proud of it)



Jim Knight  
7938 Greeley  
Kansas City, Kansas 66109

10-22-09

Dear Kansas Racing & Gaming Commission,

Please consider the enclosed information from many concerned citizens of Kansas.

- 1) The residents of Mulvane were not allowed to vote
- 2) First amendment rights were violated
- 3) 66% of Mulvane is in Sedgewick Co. Does over vote no longer count?
- 4) The economic drain on our community is not worth the 22% the State of Kansas would get. While Canada & Minnesota investors would get the remaining.
- 5) 4 housing additions with families & children are within 1 mile of the site.
- 6) We really do not want this blight on Kansas History.

Sincerely,  
Dust L. Jewares  
108  
Mulvane, KS

Oct 26, 2009

Dear Commissioners,

Please do not put a Casino next to our house. We want to live in a safe place. We don't want bad people around our house. We don't want anyone to come to our house and steal from us or hurt us.

Thank you

Travis & Angelique  
Farnsworth

21 Oct. 2009

TO: KANSAS RACING AND GAMING COMMISSION

Subject: Sumner County Casino

Please do NOT approve the proposed Sumner County Casino. A casino near Exit 33 of the Turnpike is for all practical purposes a Sedgwick County casino and violates our vote rejecting a casino in our county

Sincerely



L.D. Sims  
214 Emery  
Mulvane, KS  
67110

To the Kansas Racing and Gaming Commission :

I am a citizen of Butler County Kansas, and I am appaled and totally opposed to the proposed casino at Turnpike Exit 33.

I personally know several people who live right off the exit, whose lives would be affected negatively by this proposition.

I would greatly appreciate it if you would allow the people of Sumner and/or Sedgwick counties to have a say in this matter. Thank you for your cooperation!

Sincerely,

D.S. McKinney

Kansas Racing and Gaming Commission:

I am a resident of Sumner County, and I am writing concerning my disapproval of the Casino proposal at the Turnpike Exit 33. I live across from where the casino is being proposed to be built, and the home I grew up in, as well as the homes my friends grew up in, are in danger of being bulldozed and built into a casino. I am highly opposed to this. Thank you for your consideration.

Sincerely,

Diana  
Frey

10-21-09

Kansas Racing and Gaming Commission  
Topeka, KS

Dear Sirs,

I'm opposed to any gaming facilities operating in or around Exit 53, Mulvane, KS. Voters in Sedgewick County have addressed this issue; Mulvane is knocking at it's backdoor.

Thank you for your consideration,

Lisa McKinney  
Rose Hill, KS

TO Kansas Racing & Gaming Commission,

I am a resident of Wichita, Ks. in Sedgewick County. I have voted against gambling and I am totally opposed to a casino being located at the Turnpike, Mulvane Ks. exit, or any where near that vicinity.

Thank you for your consideration.

Sincerely,

Barbara R. Marsh  
1915 S. OLD MANOR Rd.  
Wichita, Ks. 67218

Mrs Ellen Myers  
1429 N. Holyoke  
Wichita, KS 67208

Kansas Racing & Gaming Commission  
Topeka, KS

Oct. 21, 2009

I am a citizen of Sedgewick County  
and am opposed to establishing a gaming facility  
at the Mulvane Exit at Mulvane, KS (Exit 33)  
from the turnpike, or anywhere in that  
neighborhood.

Thank you for your consideration.

Very sincerely yours,

Ellen Myers

Kansas Racing and Gaming Commission,

I am a resident of Peck, KS. I live in a home 1000 ft. from the Casino proposed for the Mulvane exit of the Kansas turnpike. I implore you not to allow a Casino at this site. The safety I have known growing up in the Country will be gone. Think of the families with small children, what will this do to them? Please, don't just think of the "possible" money this will make for Kansas. Remember the families you will hurt are Kansans also.

Thank you

Alysa M. Hamilton  
1404 N. Estate Rd.  
Peck, Kansas 67120

Kansas Racing and Gaming Commission

I am a resident of Peck, KS.

And my family lives 1000ft

from the Casino! Proposed for the

Mulvane exit of the Kansas trunkpike

and I ask you not to vote for it,

Because it will destroy not just

my neighborhood but all the surrounding

surrounding neighborhoods so I ask

you again to not vote for the Casino.

Brendan Hamilton  
October 22, 2009

Kansas racing and Gaming Commission Members,

I am a resident of Peck, Kansas, where this proposed casino site is located, I live but a mere thousand feet away. Being one of the oldest in my family I must look after and protect my three younger siblings ages 3, 7, and 11 years old. I ask you now, can you guarantee their safety, can you step up to your position, endorse a casino and with a clear conscience, tell me that my brothers and sisters will be alright?

I would like to take the time to tell you that the only way to guarantee my families safety, is if you do not vote to endorse this casino. Lives will be affected by your choice, you have been given the great Honor and power to extend Compassion to thoughts who are in need. Not many are able to do this on such a scale as you are able.

I trust God, the He will see my family through this storm. You could be the tools he uses to deliver us in our time of need.

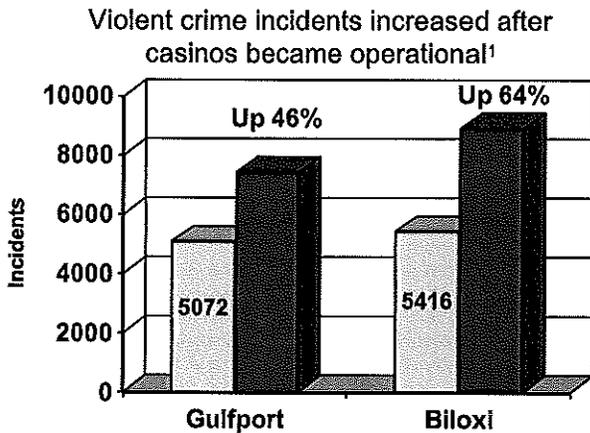
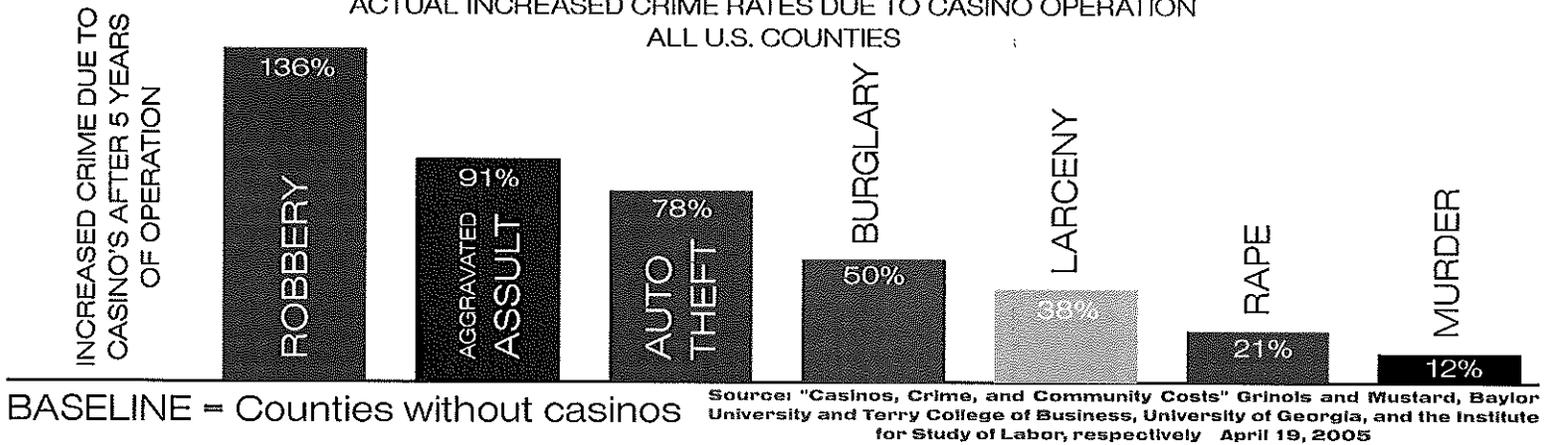
Kansas racing and Gaming Commission Members,  
vote No, it is your duty, your right, and your Honor to do so.

Thank - you Aiden A. Hamilton.

ne Casino advertisement paid for by your tax dollars did not address social issues such as -

# CRIME

ACTUAL INCREASED CRIME RATES DUE TO CASINO OPERATION  
ALL U.S. COUNTIES



1. "Gambling: who's really at risk?" Constantine & Aborn Advisory Services, NY, NY, May 19, 2003

"Current data shows that when gambling activities are legalized, economies are plagued —. Given the widespread evidence that gambling hurts a community, what rationale is there for government to act as a conduit for the profits of private promoters? — The answer is **NONE**.

But naive public officials, like addicted railbirds, remain convinced that some day they will hit the jackpot. It's a delusion as old as gambling itself."

Source: Drake Law Review Volume 43 No. 1 1994 "The Economic Impacts of Legalized Gambling Activities" John Warren Kindt

**VIOLENT CRIME INCREASES BY OVER 50%**

**Its Your Town - Your Future**

Concerned Citizens  
of Mulvane  
518 Olive Court  
Mulvane KS 67110

Casino Impact on Mulvane  
"THE REAL STORY"

Kansas Racing +  
Gaming Commission  
700 S.W. Harrison Suite 500  
Topeka Kansas 66603

Dear Fuchs.

We are definitely against putting a Casino  
in at exit 33 of the Kansas Turnpike.

Peoples property will decrease in value.  
Crime will be up. In many Resendants  
live in the area. It is a bad idea.

Please, Please, Do not do this -

Evelyn J Lowe  
226 no Delos  
Hayville Kansas  
67060

10-22-09

Dear Review Board Members,

Please do not approve a Casino at  
exit 33 west of Mulvane. There are so many  
reasons why it is a bad situation for a small  
town, I'm not even going to begin. It would  
take hours and many pages.

Thank you for your  
consideration.

Sincerely  
Joe Greene  
533 Emery  
Mulvane, Ks.  
67110

Nov 21, 2009

Ks. Racing & Gaming Commission

Dear Sir:

I want to express my opposition to the casino at exit 33. Please recognize the right of people who don't want it in their community.

Thank you

Shirley Belew  
1224 Sunset Dr.  
Mulvane, Ks 67110

October 21, 2009

Kansas Racing and Gaming Comm.  
700 SW Harrison, Ste. 500  
Topeka, KS 66603-3754

Dear Commissioners:

This letter is in regards to the proposed casino at Exit 33. We as Sedgwick County voters voted against a casino in Sedgwick County, and we do not want one across the road from Sedgwick County either. Many families live in this area, and we do not want a casino at this location!

I have written to you before and have been in attendance at the meetings with the Review Board. Please listen to us as citizens.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrell J. Zimmerman". The signature is written in a cursive style with a large, looping initial "D".

Darrell J. Zimmerman

October 21, 2009

Kansas Racing and Gaming Comm. Review Board  
700 SW Harrison, Ste. 500  
Topeka, KS 66603-3754

Dear Commissioners:

We do not want a casino at Exit 33. This area is largely agricultural and residential. At Wellington, we heard the testimonials against placing a casino at Exit 33. To place a casino at that site is going against the voices of the people who live here. Our nation and our state are great because of the rights of the individuals. When our government stops listening to the voices of "We the People," we will no longer be a great nation or state. You heard approximately 26 people speak that day. Only two people were in favor of the Exit 33 location. ALL of the others were opposed. Were you listening to our voices?

We have many legitimate reasons to be against the casino here:

- Increased traffic and drunk drivers
- Safety
- Increased crime
- Higher cost in state and local law enforcement
- Flooding and run-off to neighbors
- High water table
- Drainage problems
- Sewer – possible ground water contamination
- Social costs of problem gamblers
- Moral issues

Thank you for listening!

Sincerely,



Barbara Zimmerman

Barbara Zimmerman

October 22, 2009

Kansas Racing and Gaming Commission  
700 SW Harrison, Ste. 500  
Topeka, KS 66603-3754

Dear Commissioners:

My children freely play at my parents' home in the country when we go to visit. We do not have to worry about their safety as they enjoy being outdoors. However, that will change drastically if a casino is brought to the Mulvane Exit 33 location. My parents live only two miles from Exit 33. Would you feel safe knowing that your small children or grandchildren were playing in the vicinity of a casino? What positive influence could a casino possibly have for my children? If one must be brought into this area, please do not place it in an area where families live and grow.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Christy Gimben". The signature is written in black ink and is positioned above the printed name.

Christy Gimben

October 21, 2009

Kansas Racing and Gaming Commission  
700 SW Harrison, Ste. 500  
Topeka, KS 66603

Dear Commissioners:

We have expressed our freedom of speech many times in the issue with the Exit 33 casino location. Please let me express it one more time. We do not want a casino in our back yard. Most people would not choose to live in close proximity to one. As citizens of the great State of Kansas, please listen to our voices as we cry out to you to please not place a casino at Exit 33.

Many reasons: Family values  
Flooding and run-off onto neighbor's property  
Water and sewer  
Possible contamination of groundwater  
Drunk drivers  
Crime increase  
Safety for neighboring families

Thank you for taking these issues into consideration.

Sincerely,



Tammy L. Zimmerman

8244 Pittman Dr.  
Derby, KS 67037  
October 21, 2009

Dear Members of the Kansas Racing and Gaming Commission:

I am writing to express my concern about the proposed casino location at Mulvane Exit 33.

My family and I live just outside of the Derby city limits. My parents live just a couple of miles from the proposed site. Because my six children often visit their grandparents, I am very concerned about the increased traffic and possible increased crime in the area. We will definitely be affected by this casino if it is located here.

When Sedgwick County was given the opportunity to vote on the casino issue, we the voters voted not to have a casino. The proposed location will most assuredly affect southern Sedgwick County in a number of ways, some of which would be possible increased crime, need of increased manpower in the form of Sheriff's deputies and county workers, the cost involved pertaining to roadways, sewage disposal, water usage, etc. In a time of strained budgets, tax revenue that could be spent elsewhere will be siphoned off to support a casino we do not want. Also, what was billed in the beginning as a "destination casino" now appears to be just another big business that will drain monies that would otherwise be spent in the local economy. While there may be a technically legal way to get around the issue of our having voted "No," is it ethical to force us to have this casino (and many of the costs that come with it) at our back door?

I know you have heard many concerns of Sedgwick County residents over the past several months. We truly hope and pray that you will take our concerns seriously.

We know you have an important decision to make; we are praying fervently for you to make a wise one, and for God to work His will in this matter.

Thank you for your consideration of this letter.

Sincerely,



Tim Gimben

Barbara C. Warne  
1434 N Tomahawk Rd  
(exit 33 neighborhood)  
Peck, KS 67120

Kansas Racing and Gaming Commissioners

10-21-09

Dear Commissioners:

Please do **NOT** say "yes" to a casino that nobody wants. Mulvane does not want it because it is not inside the Mulvane city limits (which gives them less revenue). Wellington does not want it because it is not in Wellington (a more centralized location in the county). The neighborhood does not want it because we do not want a casino in our neighborhood. The State does not want it because it promises the bare minimum in every single measure and it does not encourage tourism.

You have heard our voices crying out against it over and over, please listen to us. It is not a good plan, it is not a good location, it is not a good idea.

A casino does not belong inside a neighborhood. This is not what we want for our children, and not what we want to see every time we step outside our front doors. We do not want our children to think that the American dream is to hope to make it big by being lucky instead of working for what we need. We do not want *them* to finance a multimillion dollar business that produces nothing.

This plan does not encourage tourism, it discourages it. With only a southbound turnpike exit, they are saying "We don't want you, only Wichita business please". With no hotel, we are saying "locals only, all other's stay away". This is not a plan, it's a joke, and if you vote for it, the joke's on you. The joke's on all of us. Please do not saddle us with your problems. If you want a casino for revenue, please put it in *your* town and not in my neighborhood.

Please consider your vote carefully, we do not want to be left with your mistake.

Sincerely Yours,  
*Barbara C. Warne*  
Barbara C. Warne

To the Kansas Lottery Gaming Facility Review Board:

I love Kansas. I moved here to enjoy the wonderful open country and the great people that chose Kansas as their home. I have been a resident of Mulvane since 1991. Not an entire lifetime, but long enough to grow to love my country surroundings. I do want to emphasize some points that are very important to me and other people that live in our community and the surrounding area.

Many of the people who live in Mulvane, in fact the voting majority chose to not have a casino. Those of us who live in the country, like the country. That is why we moved here.

We want to see the stars at night not the bright lights of the casino.

We love the peaceful quiet atmosphere, not the traffic and noise of the many visitors.

We want a safe place for our children, and grandchildren to play in with no worry of casino patrons and the problems they bring.

We already have a flooding problem, we don't need extra run off water on our land.

We love the atmosphere of the small town, it's what our children grew up with and we want to keep it that way for their children.

The land is to love and use for homes and farms, not to cannibalize for a huge business.

We were taught to get along with our neighbors, this proposal has pit neighbor against neighbor, city against county, and all for supposed income for the state.

We, the people of Kansas are the state, the government is there to help us and to serve us. Not take away from us and make our land somewhere no one would want to live.

Please stop this poorly organized venture. Give us our wonderful rural community not scarred by a giant monster amongst our midst.

We do not want the casino near the city of Mulvane. We do not want the problems it has brought to us and the even bigger problems it will bring to our community. Please give us our homes back.

This casino is to be for the people of Kansas. If this casino is to benefit the people, think about the people that are near it and so opposed to it. Please ask yourself, would I want to live next to this casino?

Thank you for your time and consideration.

Tricia Meyer  
1406 N. Oliver Rd.  
Mulvane, Kansas 67110

Thurs. Oct 22, 2009

Dear Commissioners :

I would like to first thank you for your hardwork determining where to locate a casino in south central Kansas. But I also would ask that if a casino will go somewhere, that the location not be the Mulvane location that is part of your consideration. The environment that a casino would bring would work against what is now a good, family friendly area.

I really appreciate your willingness to labor so long determining what is best.

Thank you,  
Marilyn Smith  
511 S Kokomo  
Derby, Ks. 67037

TO: KANSAS RACING AND GAMING COMM.  
REVIEW BOARD

FROM: Brad Hock III S. COLLEGE MULVANE, KS,  
SUMNER CO.

My question for the board is whether God approves of them promoting and placing a Casino in Sumner Co. (or any where else). If your answer is yes, where do you find His approval in Scripture? We are to treat others as we would like to be treated. The people who say they can "take it or leave it" on gambling won't miss a casino. The people who can't "take it or leave it", (the addicts) don't need any more encouragement w/ another casino. Will you lose sleep when a family gets slaughtered out on the highway from a drunk leaving from a night of gambling?

Is this what you would encourage your children/family to do w/ they're money?

I hope I have hit @ least one soft spot w/ you. Please do not put a casino in Sumner Co. Ks.

Brad  
Hock  
10/22/9

Oct 22, 2009

Dear Sirs:

I'm sure you probably tired of hearing from us who say no casinos at exit 33 or Mulvane. Please consider these few thoughts as you make your decision. No. 1 - We are going thru difficult times with a depression + recession. People have a tendency to think gambling is the answer to their problems.

No. 2 - We were never allowed to vote whether we wanted one or not in our town.

No. 3 - Think with me (going back to the years of the 1920 + 30's) Towns like Wichita and smaller ones. The towns streets were not safe for children or the towns people, because of the drinking and gambling joints that plagued the towns. They brought unsavory characters in who did not care for anyone. Money was their addiction + God. Many people and law officers lost their lives to make their communities safe again.

Now I ask you to consider. Do you really want to bring back the past? Bringing gambling back to plague our State + towns, our people? Is money so important to you, that you would bring back the past that others fought to get rid of?

Your decision will affect, not a few but all of us who call Kansas home. You have already got a few casinos here now. I'm asking you to say no casino at exit 33 or Mulvane. I'm praying God will help you to say "no casino at exit 33 or Mulvane". Thank you.

Sincerely,  
Dorothy M. M.

October 21, 2009

Kansas Racing & Game Commission

To Whom It May Concern -

Our family moved out here to the country to enjoy the peace & quiet. We did not move here to live next to a casino. We beg of you - please do not put this in our neighborhood. Bringing this to our neighborhood will only bring in the noise, crime, traffic that we do not want. I don't understand how people could allow this casino to be built here when so many that live in this neighborhood are opposed to it. There are other locations that people could put this - somewhere where communities are not already established. Thank you for your time.

Shirley Thrust

10-21-09

Peck, KS

To Racing + Game Commission Inc  
700 S.W. Harrison  
Suite 500  
Topeka, KS 66603

To Whom it may Concerned.

I Thomas Asher of Mulvane, KS 67110  
Don't want a Casino in Eq 53 m'  
Mulvane, because gaming again By Bible  
Believe and moral believe of my Christian  
believe, and not going to take an  
water up, sewer system up and it not  
going to help are tax. if these people  
won't go down and know Lord Jesus Christ  
they won't to game and live for my  
Lord. I don't want this casino in my  
yard. This casino is what taking all  
County apart and it's ruin, many family  
and sending all country down the drain  
I vote against any casino. Help  
I want you to read this Tract  
"Thank you Thomas Asher  
In God We Trust" John 3:16

To Racing and Game Commission!

To Whom all Concerned.

I am a citizen of Mulvane, Kansas. I do not want the Casino in my neighbor hood. We do not need that which will bring all kinds of people to gamble and try to get money. It would endanger us, like bring crime to our area, We need to keep our Children, adults and everyone safe and we don't need people coming around to steal things and sell so they can make money to gamble. It would mess up our sewer and water systems. We need to keep a clean, quiet neighborhood. People need to keep their money to cloth and feed their families and not gamble it away.

P.S. If people would keep their priorities in the right place we wouldn't have so many people in poverty and starving.

Teresa Askren

TO: KANSAS RACING & GAMING COMMISSION

10/21/09

FROM: DAVID F. THRUSS  
1401 N. FORTNER RD.  
PECK, KS 67120

PLEASE CONSIDER NOT ALLOWING A CASINO  
TO BE BUILT & OPERATED JUST A FEW  
BLOCKS FROM MY HOME WHERE I HAVE  
CHILDREN.

THIS WILL ONLY BRING CRIME TO OUR  
NEIGHBORHOOD AND PUT OUR HOMES AT  
RISK OF BEING BROKEN INTO AND  
THE VALUE OF OUR HOMES TO GO DOWN.

THANK YOU FOR YOUR CONSIDERATION

DAVID F. THRUSS  
David F. Thrus 10/21/09

Paul Sutherland  
669 East 140<sup>th</sup> Ave North  
Wichita Kansas 67120

October 22, 2009  
Kansas Lottery Gaming Facility Review Board  
700 SW Harrison Suites 500  
Topeka Kansas 66603-3754

Dear Review Board Members

I am writing this letter requesting you to vote no on approving the Chisholm Creek casino group in South Central Kansas.

The following is reasons and I have attached documentation to support these reason. Attached is the sample ballot that was sent out by mail to Sumner County, residents in December 2005. This was sent out two years prior to Senate Bill 66 becoming law. The Ballot heading states" This is an advisory and non-binding upon the Board of County Commissioners of the Sumner County, Kansas". Most citizens have told me that the took the words "advisory" and "non-binding as they are defined in the dictionary.

The Ballot question to the residents of Sumner County begins with "DO YOU SUPPORT A DESTINATION RESORT CASINO IN SUMNER COUNTY, KANSAS". Clearly the Chisholm Creek Casino does not plan on this Casino to become a destination casino. They have stated this is a Wichita Casino and will not attract very many overnight visitors.

Attorney General Paul Morrison letter to the Kansas Lottery dated May 23, 2007 page 3 paragraph three. "Our understanding is the ballot question referred to a "destination resort casino" in order to assure voters that were voting for a high quality resort-type facility that would attract thousands of tourists each year rather than the "small scale casino's in near-by Oklahoma".

Chisholm Creek minimum investment of \$150,000,000.00 is \$75,000,000.00 less than the minimum investment required by Senate Bill 66. Senate Bill 66 on page 5 paragraph (2) states "The commission determines that the proposed development consists of an investment in infrastructure, including ancillary lottery gaming facility operations, **of at least** \$225,000,000.00 in the northeast, southeast, and south central gaming zones".

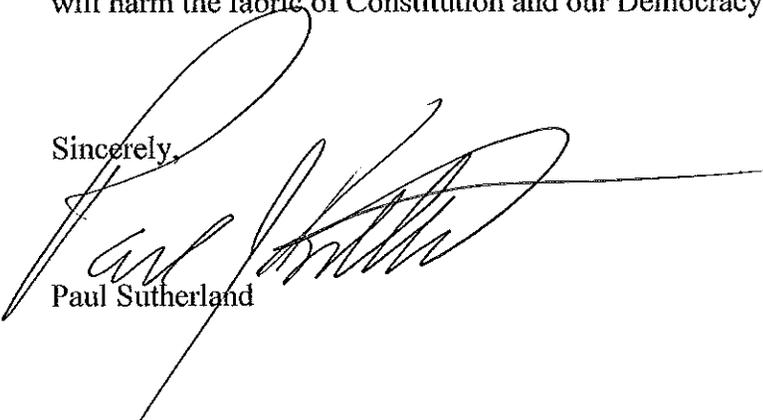
Attorney General Paul Morrison letter dated May 23, 2007 to the Kansas Lottery page 3 paragraph four "Senate Bill 66 embraces Sumner County's destination resort casino concept by requiring applicants for the lottery gaming facility contracts to invest a minimum of \$225,000,000.00 in infrastructure, including "ancillary lottery gaming facility operations." "Ancillary lottery gaming facility operations" may include restaurants, hotels, motels, museums, and entertainment facilities". "Moreover in vetting applicants for the lottery gaming facility contracts, the Kansas Lottery Commission must take into consideration "the proposed facility's location as a tourist and entertainment destination."

Clearly this proposal is not what the voters of Sumner County voted for. By awarding Chisholm creek would clearly violate voter's intent of Sumner County.

This proposal does not meet the requirements that were passed by our legislators who clearly wrote "at least \$225,000,000.00". By awarding Chisholm Creek this site would violate our legislator's intent when this bill was voted on.

In closing I would like to express my experience throughout this process. I use to believe in Democracy, our Constitution, and our government doing what is best for its citizens. On September 19<sup>th</sup> 2009 Judge Monte Belot found the City of Mulvane violated citizens Constitutional rights during the Harrah's Casino public hearing, I was told by Mulvane I could not speak at that hearing even though I live closer to the site more than 99% of the citizens who are in their school district. I contacted Sumner County several times this year to get dates and times for the public hearing before they endorsed a casino. I was told the County Commissioners were not going to have a public hearing this go round. When you put words such as non-binding, advisory vote on ballots, exclude citizens from meetings and exclude their input on issues this large, can be detrimental to their families and neighborhoods. When government silence their opposition is wrong. It bothers me that you can have a meeting and vote on a casino management and the best site prior to having a hearing on why citizens were excluded from meetings, silenced when were the opposition at meetings, and tricked on a ballot. I believe that even voting on this contract will harm the fabric of Constitution and our Democracy.

Sincerely,



Paul Sutherland

SUMNER COUNTY  
SPECIAL QUESTION  
ADVISORY ELECTION  
DECEMBER 20, 2005

This is an advisory vote and non-binding upon the Board of County Commissioners of Sumner County, Kansas.

**QUESTION SUBMITTED**

DO YOU SUPPORT A DESTINATION RESORT CASINO IN SUMNER COUNTY, KANSAS, IN THE EVENT SUCH IS LEGALLY PERMITTED BY THE STATE AND IS OTHERWISE DEEMED IN THE BEST INTEREST OF THE COUNTY BY THE BOARD OF COUNTY COMMISSIONERS?

YES

NO

**SAMPLE  
BALLOT**



COPY

STATE OF KANSAS  
OFFICE OF THE ATTORNEY GENERAL

120 SW 10TH AVE., 2ND FLOOR  
TOPEKA, KS 66612-1597  
(785) 296-2215 • FAX (785) 296-6296  
WWW.KSAG.ORG

UL J. MORRISON  
ATTORNEY GENERAL

May 23, 2007

Keith Kocher  
Assistant Attorney General  
Kansas Lottery  
128 North Kansas Avenue  
Topeka, Kansas 66603-3628

Re: State Boards, Commissions and Authorities--State Lottery--Kansas Lottery Act;  
Kansas Expanded Lottery Act; Countywide Election; Waiver of Election by Kansas  
Lottery Commission

Dear Mr. Kocher:

You inquire whether the election held in Sumner County on December 20, 2005 affirming the electorate's desire for expanded gaming meets the election waiver prerequisites of 2007 Senate Bill 66 (S.B. 66).<sup>1</sup> If such prerequisites are met, the Kansas Lottery may waive the requirement for a county election.

Section 6 of S.B. 66 provides, in part:

"(a) The board of county commissioners of each county in each gaming zone shall submit by resolution to the qualified voters of the county a proposition to permit the operation of a lottery gaming facility within the county as provided in this section. The proposition shall be submitted to the voters at a special election . . . and held not more than 180 days after the effective date of this act.

"(b) Upon the adoption of a resolution calling for an election . . . the county election officer shall cause the following proposition to be placed on the ballot at the election called for that purpose: 'Shall the Kansas lottery be authorized to operate a lottery gaming facility in \_\_\_\_\_ county?'

"(c) If a majority of the votes cast and counted at such election is in favor of approving the operation of a lottery gaming facility within the county, the Kansas lottery may operate a lottery gaming facility in such county . . .

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<sup>1</sup>Sections 6(e), 12(e).

"(d) The election provided for by this section shall be conducted, and the votes counted and canvassed, in the manner provided by law for question submitted elections of the county.

*"(e) The lottery commission may waive the requirement that an election be held . . . if the lottery commission determines that after December 31, 2004, and before the effective date of this act,<sup>2</sup> the county has held an election of qualified voters pursuant to the county's home rule authority: (1) At which the ballot question was in substantial compliance with the requirements of this section; (2) which was administered by the county election officer in a manner consistent with the requirements of state election law; and (3) at which a majority of the votes cast and counted was in favor of the proposition."<sup>3</sup>*

Sumner County has provided an affidavit from its county election officer attesting to the date of the election and compliance with the requirements of the above-referenced subsections (e)(2) and (3) of Section 6.

The only question remaining is whether Sumner County's ballot question substantially complies with the ballot question in Section 6(b). Sumner County's ballot question was presented to the electorate, as follows:

"Do you support a destination resort casino in Sumner County, Kansas, in the event such is legally permitted by the state and is otherwise deemed in the best interest of the County by the Board of County Commissioners?"

Substantial compliance with a statute requires compliance in respect to the essential matters necessary to assure every reasonable objective of the statute.<sup>4</sup> One of the objectives of the recently enacted expanded gaming legislation is to ensure that the electorate in each eligible county has the opportunity to decide whether to allow casino gaming. Therefore, the Sumner County ballot question will substantially comply with the new gaming legislation if the question was sufficient to put the electorate on notice that they were voting to allow expanded gaming in the form of a destination casino.

During 2005, at least two gaming propositions were under consideration by the Kansas Legislature - both of which required the blessing of the electorate in counties eligible for expanded gaming in the form of "destination casinos."<sup>5</sup>

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<sup>2</sup>April 19, 2007.

<sup>3</sup>Emphasis added.

<sup>4</sup>*A & S Rental Solutions, Inc. v. Kopet*, 31 Kan.App.2d 979, 982 (2003).

<sup>5</sup>2005 House Bill 2415; 2005 Senate Bill 168.

A "destination casino" was defined in the bills as a "gaming operation which is owned and operated by the state of Kansas, approved by the commission and managed by the destination casino manager, pursuant to a contract with the Kansas lottery and which is designed as part of a destination enterprise to attract gaming consumers from outside its immediate area."<sup>6</sup>

While Sumner County was not designated in the 2005 expanded gaming bills as a county eligible for a destination casino, county officials knew that, based upon the Governor's Gaming Committee Report in 2003, expansion of gaming would be contingent upon voter approval in the county where the casino would be located.<sup>7</sup> Thus, in order to "test the waters," the county commission held an advisory election prior to the 2006 legislative session "to ascertain the support, or lack thereof . . . for the development of a destination resort casino. . ."<sup>8</sup> The measure passed and Sumner County is now included in the south central Kansas gaming zone.<sup>9</sup>

Our understanding is that the ballot question referred to a "destination *resort* casino" in order to assure voters that they were voting for a high quality resort-type facility that would attract thousands of tourists each year rather than the "small scale casinos" in near-by Oklahoma.<sup>10</sup>

Senate Bill 66 embraces Sumner County's destination resort casino concept by requiring applicants for lottery gaming facility contracts to invest a minimum of \$225,000,000 in infrastructure, including "ancillary lottery gaming facility operations."<sup>11</sup> "Ancillary lottery gaming facility operations" may include restaurants, hotels, motels, museums, and entertainment facilities.<sup>12</sup> Moreover, in vetting applicants for lottery gaming facility contracts, the Kansas Lottery Commission must take into consideration "the proposed facility's location as a tourist and entertainment destination."<sup>13</sup>

Section 6 of S.B. 66 requires an election on the question of whether county residents are in favor of the Kansas Lottery operating a "lottery gaming facility" in their county. That term is defined in S.B. 66 as "that portion of a building used for the purposes of operating,

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<sup>6</sup>2005 S.B. 168, § 2(d); 2005 H.B. 2415, § 2(d).

<sup>7</sup>*Minutes*, Senate Federal & State Affairs, March 10, 2006, Attachment 7 (testimony of Debra Teufel, Sumner County Economic Development Commission).

<sup>8</sup>Sumner County Resolution No. 2005-41.

<sup>9</sup>2007 S.B. 66, § 1(f).

<sup>10</sup>Note 7.

<sup>11</sup>2007 S.B. 66, § 3(g)(2).

<sup>12</sup>2007 S.B. 66, § 1(a).

<sup>13</sup>2007 S.B. 66, § 3(e).

Keith Kocher  
Page 4

managing and maintaining lottery facility games."<sup>14</sup> "Lottery facility games' are electronic gaming machines and any other games which, as of January 1, 2007, are authorized to be conducted or operated at a tribal gaming facility . . . located within the boundaries of this state."<sup>15</sup>

Thus, when the Sumner County electorate voted in favor of a destination resort casino, they implicitly approved the operation of the "lottery gaming facility" that would house the actual gaming operation.<sup>16</sup> Therefore, it is our opinion that the Sumner County ballot question regarding destination resort casinos substantially complies with S.B. 66's ballot question regarding lottery gaming facilities.<sup>17</sup>

Having complied with the waiver prerequisites in Section 6(e) of 2007 Senate Bill 66, the Kansas Lottery Commission may waive the election requirement.

Sincerely,

OFFICE OF THE ATTORNEY GENERAL  
PAUL J. MORRISON

Mary Feighny  
Deputy Attorney General

MF:jm

cc: John Potucek, II  
Sumner County Counselor  
501 N. Washington Avenue  
Wellington, Kansas 67152

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<sup>14</sup>2007 S.B. 66, § 1(l).

<sup>15</sup>2007 S. B. 66, § 1(j).

<sup>16</sup>Sumner County's ballot question conditions the operation of a destination resort casino on approval by the county commission. Before the Kansas Lottery Commission can approve a lottery gaming facility management contract, the applicant must supply a "resolution of endorsement" from the county commission if the proposed facility is located in the unincorporated area of the county. 2007 S.B. 66, § 3(h)(10).

<sup>17</sup>Section 6(b) of 2007 S.B. 66.

to financial resources to support the activities required of a lottery gaming facility manager under the Kansas expanded lottery act; and (ii) has three consecutive years' experience in the management of gaming which would be class III gaming, as defined in K.S.A. 46-2301, and amendments thereto, operated pursuant to state or federal law; or

(B) the prospective lottery gaming facility manager is not a resident Kansas American Indian tribe and, at a minimum: (i) Has sufficient access to financial resources to support the activities required of a lottery gaming facility manager under the Kansas expanded lottery act; (ii) is current in filing all applicable tax returns and in payment of all taxes, interest and penalties owed to the state of Kansas and any taxing subdivision where such prospective manager is located in the state of Kansas, excluding items under formal appeal pursuant to applicable statutes; and (iii) has three consecutive years' experience in the management of gaming which would be class III gaming, as defined in K.S.A. 46-2301, and amendments thereto, operated pursuant to state or federal law; and

(2) The commission determines that the proposed development consists of an investment in infrastructure, including ancillary lottery gaming facility operations, of at least \$225,000,000 in the northeast, southeast and south central Kansas gaming zones and \$50,000,000 in the southwest Kansas gaming zone. The commission, in determining whether the minimum investment required by this subsection is met, shall not include any amounts derived from or financed by state or local retailers' sales tax revenues.

(h) Any management contract approved by the commission under this section shall:

(1) Have a maximum initial term of 15 years from the date of opening of the lottery gaming facility. At the end of the initial term, the contract may be renewed by mutual consent of the state and the lottery gaming facility manager;

(2) specify the total amount to be paid to the lottery gaming facility manager pursuant to the contract;

(3) establish a mechanism to facilitate payment of lottery gaming facility expenses, payment of the lottery gaming facility manager's share of the lottery gaming facility revenues and distribution of the state's share of the lottery gaming facility revenues;

(4) include a provision for the lottery gaming facility manager to pay the costs of oversight and regulation of the lottery gaming facility manager and the operations of the lottery gaming facility by the Kansas racing and gaming commission;

(5) establish the types of lottery facility games to be installed in such facility;

(6) provide for the prospective lottery gaming facility manager, upon approval of the proposed lottery gaming facility management contract, to pay to the state treasurer a privilege fee of \$25,000,000 for the privilege of being selected as a lottery gaming facility manager of a lottery gaming facility in the northeast, southeast or south central Kansas gaming zone and \$5,500,000 for the privilege of being selected as a lottery gaming facility manager of a lottery gaming facility in the southwest Kansas gaming zone. Such fee shall be deposited in the state treasury and credited to the lottery gaming facility manager fund, which is hereby created in the state treasury;

(7) incorporate terms and conditions for the ancillary lottery gaming facility operations;

(8) designate as key employees, subject to approval of the executive director, any employees or contractors providing services or functions which are related to lottery facility games authorized by a management contract;

(9) include financing commitments for construction;

(10) include a resolution of endorsement from the city governing body, if the proposed facility is within the corporate limits of a city, or from the county commission, if the proposed facility is located in the unincorporated area of the county;

(11) include a requirement that any parimutuel licensee developing a lottery gaming facility pursuant to this act comply with all orders and rules and regulations of the Kansas racing and gaming commission with regard to the conduct of live racing, including the same minimum days

**Kristy Sutherland**  
**669 E. 140<sup>th</sup> Ave. N**  
**Peck, KS 67120**  
**316-524-1319**

October 21, 2009

Kansas Lottery Review Board  
700 SW Harrison  
Suite 500  
Topeka, KS 66603-3754

Re: Chisholm Creek Casino Proposal

I am writing to request that you do not award the management contract to Chisholm Creek Casino at exit 33 on the Kansas Turnpike being presented by Lakes Entertainment, Inc. Senate Bill 66 requires there be a minimum investment of \$225 million. The Chisholm Creek Casino proposal is for a \$150 million capital investment, this clearly does not meet the requirements of Senate Bill 66.

Sumner County residents passed, with a nonbinding vote, their approval for a destination casino. The Chisholm Creek Casino proposal is NOT a destination casino. There is not a hotel included in their proposal. If you use the numbers directly from the Chisholm Creek Casino proposal for resident gaming visits per year (within 100 miles) compared to tourist gaming visits per year (residence more than 100 miles away), the percentages are consistently the same for 2011-2015. The proposal projects that 90.3% of the gaming visits per year will be from residents that live within 100 miles and **ONLY** 9.7% of the total gaming visits per year will be from tourists that live more than 100 miles away. These facts show clearly that the proposed casino is NOT a destination casino and violates the intent of lawmakers that passed Senate Bill 66.

There are many questions that have not been answered on this proposal, such as where they will get their water and sewer service. I do not think that it is responsible or prudent to award a management contract to an organization that does not have these basic questions resolved.

Thank you for considering these facts.

  
Kristy Sutherland

10/21/09

Kansas Racing and Gaming Commission  
Members,

As a resident of Peck, Kansas, my home is located 1000 feet from the proposed casino site. I have spent the better part of two years fighting a casino at this location.

You know the negative impact a casino will have on the families in my subdivision and the three others less than two miles from the site, so I will not bore you with "facts".

I will just try to reach you as humans with (I hope) a conscience and a desire to do good to your neighbor.

Please, Please think of us and our families and what this will do to us. I have two small daughters aged 7 and 3. Would you guarantee their safety?

I pray to GOD daily to remove this from us, I hope you will

OVER

allow him to work through  
you to protect my family  
and many others in my  
area.

Thank you

Charles M. Hamilton

1404 N. Estate Rd.

Peck, KS 6720

316-522-7178

To Whom It May Concern,

My name is Emily Cannon. I live at 219 Frontier Dr. in Mulvane, KS. I have lived in this home for 6 years and in Mulvane for 7 years now. My husband is a Technical Sergeant in the US Air Force. I have two small children. I am opposed to the casino that you are deciding weather or not to put down here on the Sedgwick/Summer county line. Although I would consider myself more pro-family than anti-casino.

So many people say that a casino would bring in revenue but think about the schools that closed in Topeka at the beginning of the school year because of budget cuts. So many people say they would like a "destination" casino here, but what about all of the people that are against it? Also, how can it be a destination casino without a hotel within 10 miles of it?

I have several close friends that are against the casino because it would be in their back yards. They have not been allowed to say anything against it and when they have, their first amendment rights have been violated (remember Jackie Farnsworth?).

Please, please, please, when it comes

to this matter, pray long and hard and think about all of the people that are against it. To help you remember us, I have attached a copy of the petition that we signed in anticipation that it would be upheld by the Mulvane City Council.

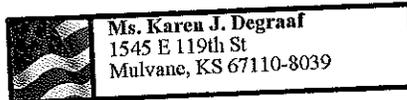
I appreciate your time and service and pray daily that you will make the right decision for all of us. Please feel free to contact me at (316) 777-0164.

Sincerely,  
Emily J. Cannon

KS Lottery Board,

Please do not approve the  
Childm proposal.

- ① Not a destination casino
- ② From your own report  
only 11% may come from  
outside the state -  
therefore the \$ <sup>almost</sup> all  
come from our community
- ③ Sedgwick said **NO!**  
especially the house district  
~~close~~ it will be built next  
to - 61% no!



④ The vote taken in Summer  
was a "non" binding vote, due  
back on the 20<sup>th</sup> of Dec  
(who cares @ Christmas) +  
it was for Wellington not  
barely out of Sedgwick!

Do not approve!

⑤ Their presentation was  
unprofessional but should  
be a clear warning  
sign. that the State  
should not do business  
with this group. Karen Degraaf  
K.D. DeG

Dear KS Lottery Gaming Board,

I ask you with all my heart NOT to approve the Chisholm Trail proposal.

This Casino proposal will NOT bring lots more people to KS which was even said by one of the representatives from the Chisholm trail Developers.

Also I ask you not to approve this

Casino just because there is no one else bidding for this location right

Now. When the economy gets back on its feet there will be more bidders

and therefore more competition, so a

better product. The Chisholm Trail proposal is NOT a destination Casino

by your own report only 11% will come

from out of state. This Casino will

hurt my community!

**DO NOT APPROVE!**

Sincerely,  
Anneke DeGraaf  
Malvane, KS

10-21-09

To Racing & Gaming Commission

Time and Time again we have  
tried to express our desire not to have  
a casino at the Mulvane exit. Could you  
please consider our voice.

Thank You

Mr + Mrs Timothy Dhit  
Peck, Ks 67120

Oct. 21, 2009

Ks. Racing & Gaming Commission -

We would like to register  
our vote against the Casino  
at Epit 33. Sedgwick County  
has voted against Casino's  
and we do not want  
one just over the County  
line at Epit 33 near Mulvane.

Thank You -

Maurine Selt  
Raymond F. Kote

Carolyn J. Sims  
214 Emary  
Mulvane KS 67110

October 21, 2009

To the Kansas Racing and Gaming Commission,

I am writing to say, that I am against  
any casino being approved for Exit 33,  
or any casino in or near Mulvane,  
KS.

Sincerely,  
Carolyn J. Sims



**SEDGWICK COUNTY, KANSAS**  
**OFFICE OF THE COUNTY COUNSELOR**

**ROBERT W. PARNACOTT**  
**Assistant County Counselor**

---

COUNTY COURTHOUSE • 525 N. MAIN, SUITE 359 • WICHITA, KS 67203-3790  
PHONE (316) 660-9352 • FAX (316) 383-7007

October 9, 2007

Les Sims  
214 Emery  
Mulvane, KS 67110

Re: Written Advisory Opinion on Petition for Mulvane Ordinance Opposing the  
Operation of Casino Gambling Within the City

Dear Mr. Sims:

Pursuant to K.S.A. 25-3601, *et seq.*, (the act), a petition to request the City of Mulvane adopt an ordinance opposing the operation of a casino in the city was hand-delivered to the office of the County Counselor for Sedgwick County on October 9, 2007. A copy of that petition is attached for reference. As required by the act, this office has reviewed the sufficiency of the petition and the legality of the form of the question set out in the petition. This office hereby issues its opinion that the petition is sufficient and the form of the question meets legal requirements. I would note that K.S.A. 25-3601(a) provides this is an advisory opinion that only establishes a rebuttable presumption of compliance with requirements of the act. Please let me know if there are any questions, or if I can be of any further assistance.

Sincerely

Robert W. Parnacott  
Assistant County Counselor

c: Bill Gale, Election Commissioner

enc.



Historic Courthouse • 510 North Main, Suite 101 • Wichita, Kansas 67203  
Telephone 316-660-7100 • Fax 316-660-7125 • [www.sedgwickcounty.org/elections](http://www.sedgwickcounty.org/elections)

## Certificate of Commissioner of Elections

I, Bill Gale, Commissioner of Elections of Sedgwick County, Kansas, do hereby certify that my staff and I (as well as the Sumner County Clerk and staff) have reviewed the copy of the petition received by us on November 7, 2007 that proposes an ordinance in the City of Mulvane, Kansas, prohibiting casino gambling within the City of Mulvane and services to a casino gambling facility and have found the following:

- The petition contains the signatures of 691 qualified electors of the City of Mulvane.
- The petition may contain the signatures of more qualified electors of the City, but determination of the same cannot be made from the information contained in the petition.
- The number of voters of the City who voted at the last preceding regular city election was 1,544. 40% of this number is 618.

Witness my hand and official seal this 13th day of November, 2007.

---

Bill Gale  
Commissioner of Elections  
Sedgwick County, Kansas

**CERTIFICATE OF THE  
CITY CLERK OF MULVANE, KANSAS**

I, Patty Gerwick, City Clerk for the City of Mulvane, Kansas, do hereby certify

that:

1. On November 7, 2007, I received a petition from a group known as "No Casino in Mulvane";

2. On November 7, 2007, a copy of the petition was presented to the Commissioner of Elections of Sedgwick County, Kansas, for verification;

3. On November 8, 2007, at the request of Bill Gale, Sedgwick County Election Commissioner, a copy of the petition was presented to the Clerk of Sumner County, Kansas, for verification of Sumner County electors;

4. On November 14, 2007, I received from the Commissioner of Elections of Sedgwick County, Kansas, the Certificate attached hereto as Exhibit "A";

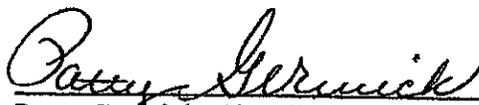
5. The Commissioner of Elections of Sedgwick County, Kansas has confirmed that the petition contains the signatures of 691 qualified electors of the City of Mulvane. He has further certified that the number of voters at the last preceding regular City election was 1,544 and that 40% of that number is 618 electors; and

6. Nothing herein is intended nor shall be construed as a certification as to the content or form of the petition, nor the constitutionality or legality of any ordinance contained therein.

Witness my hand and official seal on this 14<sup>th</sup> day of November, 2007.

CITY OF MULVANE, KANSAS



  
Patty Gerwick, City Clerk

# Construction & General Laborers' Local Union 1290 AFL-CIO

MARK NIDIFFER  
BUSINESS MANAGER  
SECRETARY-TREASURER

CARLTON D. YOUNG  
PRESIDENT

MARK E. ADKINS  
VICE-PRESIDENT

CHAD MANSPEAKER  
POLITICAL AFFAIRS DIRECTOR



MAIN OFFICE  
2600 MERRIAM LANE, KANSAS CITY, KANSAS 66106  
TELEPHONE 913-432-1903, 432-2440  
800-434-1290  
FAX 913-432-2026  
Web: local1290.net

JAMIE DESMARAIS  
FIELD REPRESENTATIVE

MITCHELL P. ROWLEY  
FIELD REPRESENTATIVE

TIM L. BELL  
ORGANIZER

RICHARD ANDERSON  
FIELD REPRESENTATIVE

November 3, 2009

Lottery Gaming Facility Review Board  
Kansas Racing and Gaming Commission  
700 SW Harrison, Ste. 420  
Topeka, KS 66603

RECEIVED  
KANSAS RACING AND  
GAMING COMMISSION

2009 NOV 10 A 10:29

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Dear Board,

Construction and General Laborers' Local 1290 continues to be a very active proponent of the new Casino Project to be constructed in Wyandotte County, Kansas. The new partnership between Penn National Gaming and the International Speedway Corporation has only heightened the excitement of seeing this project realized in our area. We are writing today in support of the Hollywood Casino at The Kansas Speedway and hope that the Board finds that the proposal meets the requirements of the Commission and gives approval this December.

Kansas Entertainment has again put forth a first rate proposal for the Northeast Kansas Casino Project. Kansas Speedway and Penn National Gaming have a proven track record of working within the community and both are viable financially to cover this project.

The Hollywood Casino Project creates real excitement for the near future. In addition to the casino, Kansas Speedway will have the opportunity to petition for the second Sprint Cup Series race and move forward on construction of the road course; all will bring more attention and more revenue to the Wyandotte County and Northeast Kansas Area. Although Village West has seen great success, it has not been immune to the economic downturn. The restaurants, retail establishments and the existing hotels have all felt the pinch recently. Adding this "destination attraction" and all the ancillary projects that will accompany it will surely benefit these existing businesses; especially the nearby hotels that will enjoy the door to door shuttle services provided by the casino.

WICHITA OFFICE  
365 CAIN DRIVE  
HAYSVILLE, KANSAS 67060  
AREA CODE 316-524-2225

ST. MARYS OFFICE  
905 E. JESUIT LANE  
P.O. BOX 40 (mailing address)  
ST. MARYS, KS 66536  
AREA CODE 785-321-1290

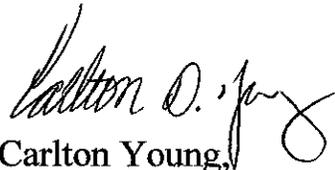
The approval of this project comes at an extremely opportune time for the State of Kansas. As a commercial construction Local our first concern of course lies in the amount of construction jobs that will be created immediately in our area. Putting Kansans to work during these times is always a priority for us and we see this as a great chance to be successful in that task. These jobs are needed now; more delays could continue the hardships that many hard working men and women in this state are facing today.

Delaying approval at this stage would be a major step backward in the progress we have had up to this point. As a Wyandotte County based Organization, we fear that delaying a decision at this point, just might put an end to ever having a project like this in our area. We ask the Board to realize the immediate and long term benefits by approving the proposal put forth by the Kansas Entertainment Group when making your final decision in December.

Sincerely,



Mark Nidiffer,  
Business Manager and  
Lifelong KCK Resident



Carlton Young,  
President and  
Lifelong KCK Resident

*Cc. Governor Mark Parkinson, State of Kansas  
Mr. Jeff Boeger, President Kansas Speedway*

November 9, 2009

Lottery Gaming Facility Review Board  
c/o Mr. Stephen Martino, Executive Director  
Kansas Racing and Gaming Commission  
700 SW Harrison, Suite 420  
Topeka, KS 66603

Dear Board Members:

I am writing to support the Hollywood Casino at the Kansas Speedway in Wyandotte County. I understand you are considering rejecting this proposal and reopening the applicant process in hopes for something better. On the contrary, by delaying the decision, you risk the possibility of getting no bids, worse bids, or a delay that is longer than a year, meaning no job creation, which definitely does not contribute to ending the current economic recession, only prolonging it.

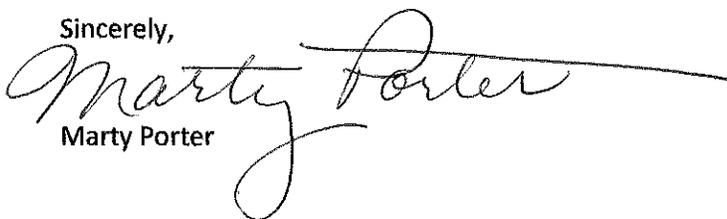
This is a concern to the citizens of this community and should be a concern for the citizens of Kansas because the creation of jobs is important to the recovery of the current recession. The delay of the building of the casino would delay the development of jobs in this community and this could impact the state's unemployment numbers. And, the sooner it is built, the sooner the state will gain revenues from gaming at the new facility.

The project will create over 2000 construction jobs and 1000 casino jobs. Delaying the building would further delay the positive economic and fiscal impacts it will have on the community both directly and, indirectly, through their gifts to the non-profit community. Kansas Speedway and Penn National Gaming are involved in the community, supporting local charities. As retired executive director of the Children's Museum of Kansas City, which received Speedway funding and in-kind support, I know the importance of building relationships. The people of the local community and the people in the gaming community can only build relationships if they are in the same community together. Delaying the building of the casino just means delaying the building of the relationships to benefit the entire community and state.

Developing the project now will allow the establishment of jobs and provide additional revenue to this community while it is needed now. The Kansas Entertainment officials have agreed to a shuttle system with existing businesses, including the surrounding hotels in the Village West. I have personally been in restaurants in the Village West and have spoken with travelers who are staying in the nearby hotels. They would benefit from a shuttle, using fewer natural resources, i.e. gasoline, being more conservation-minded, and supporting the various businesses of the Village West.

Kansas Entertainment is committed to spending in excess of \$300 million on the initial phase and over \$500 million within a total of four years. The hotel is a commitment with a severe financial penalty if they do not build it. These companies have solid balance sheets and it would be unlikely they would jeopardize their economic soundness by not building the final phase. Make the sound financial decision and let's get this casino built for the benefit of the community and the state of Kansas!

Sincerely,

  
Marty Porter

Kansas Racing & Gaming  
Continued  
Oct 22, 2009

I have spent the last 2 years in court over Mayor Ford of Mulvane violating my (our) 1st amendment rights, because he has tried (very successfully) to shut down the opposing view of having a casino in our neighborhood.

We won!

Now I am asking you to respect this ruling and hear us. Be legally responsible to this outcome and do not allow Mulvane's tactics to bulldoze their way onto a people whose voice was never heard that we were squelched in the process. Please give us the justice we deserve; and the courts have decreed

Thank you,  
James Forman  
Fortner Abolition, KS

Kansas Racing & Gaming

Oct 22, 2009

Dear Commissioner & Board,

We have fought this planned Casino next to our homes for 2 years and we are tired. We are worn out because we feel we are not heard even though we have put all of our strength and energy into this fight. Apathy for Government transpires when those who really care about the good of the people and stand up to fight are continually rejected. We don't have Casino or Government money to stand for us. We are on our own and only have the integrity of being truly concerned of the total outcome of this endeavor. Please listen to us.

had elapsed and that he would allow two more questions. The second to the last person to approach the microphone following that announcement was Farnsworth. The following exchange occurred between Farnsworth (JF) and Mayor Ford (MF):

JF: My concern is also ...

MF: Name please. Name and address.

JF: My name is Jacque Farnsworth. 1407 Fortner Drive, Fortner Road, excuse me. My concern is also for the 50% of the -uh -the money that will be taken out of our local economy, money that would be normally used for clothing and entertainment on the local businesses, if ...

MF: I don't believe your asking a question addressing the presentation by Harrah's.

JF: Yes.

MF: That's more on social ills, I said they would not be addressed,

JF: No, no, no. No. I am asking my questions, I just wanted them to understand my background. OK. My, my question is, that, I want to know if you are going to be taking this money and making this money from people who here, then where is the money going to come from for the people who are normally spending it on the local economy through clothing and ...

MF: Your question is out of order.

JF: Can you explain why the question is out of order?

MF: It is out of order.

JF: Can you tell me why it is out of order?

MF: I specifically said that we would address questions to, concerning the casino or the resort development and its facilities and how [Mulvane] would handle it or address that. You are addressing a social issue over which they have no control. So your question is out of order.

JF: No. My question is regarding the casino itself and it having the impact on our economy.

MF: Your question is out of order.

JF: No. You know what, everybody else ...

MF: Excuse me, would you please escort the lady out?

JF: No, excuse me, everybody else (officers escorted her out)

21. No member of the city council objected to or commented about Mayor Ford's actions, even though they had a right to do so.

22. Mayor Ford was exercising a discretionary function in presiding over the January 16 meeting and in enforcing the rules and procedures established for that meeting. During Farnsworth's appearance in the Harrah's section of the meeting, Mayor Ford concluded that the statements made by Farnsworth were not in compliance with the rules and regulations established in advance for that meeting.

23. Although Farnsworth initially signed up to speak during the public comment section, she decided to speak during the Harrah's section in part because she did not believe that a question posed by an earlier resident, Karen DeGraff, had been answered. Farnsworth was aware of Mayor Ford's restrictions. She wanted to preface her question which was intended to be how Harrah's intended to accomplish its objectives in light of the fact that if people spent money at the casinos, they could not spend that same money at local businesses. Farnsworth did not intend to violate Mayor Ford's restrictions and she now can understand how Ford "could have seen where she was going."

24. Mulvane's police officers who escorted Farnsworth out of the meeting were courteous to her, and she has no complaint about their conduct.

25. The print and television media publicized Farnsworth being

escorted out by Mulvane's officers. Farnsworth feels embarrassed and ashamed because of some people's negative reactions when they recognize her. Nevertheless, she does not mind being a spokesperson against the casino and has been permitted to express her views at other public events, e.g. the Kansas Lottery Gaming Facility Review Board and the Mulvane City Planning Commission and Board of Zoning Appeals.

26. Shawn Townson is a member of the city council who was present at the January 16 meeting. Townson has both moral and religious objections to construction of the casino. As a result of what occurred to Farnsworth, Townson's opinion of her has increased. Townson was a credible witness.

27. Karen DeGraff testified that she is a friend of Farnsworth. They attend the same church. DeGraff spoke during the Harrah's section and was present when Farnsworth was escorted out. Since the meeting, she has heard an unidentified woman comment about a "lady who was drug off at the meeting" and has seen another unidentified woman "make a face" and ask "is that the lady who was hauled off?" DeGraff now perceives Farnsworth as the "irrational voice" of the anti-casino faction. DeGraff was not a particularly credible witness.

28. During the public comment section of the January 16 meeting, numerous citizens were recognized by Mayor Ford and allowed to give speeches, without interruption or restriction, expressing opinions and views in opposition to casinos in general and in opposition to the location and establishment of a casino in Mulvane.

29. There were opportunities other than the January 16 meeting at which persons could express their views and opinions regarding the

advertising to people that if you have a gambling problem this is who you should contact. And also, as I mentioned to people, we actually run advertising on TV to encourage people if they have gambling problems, not just from us, but from other forms of gambling, lottery and others, that they should seek professional assistance. Thank you.

(Doc. 35 at 19).

Mayor Ford did not cut off Ms. Taveress or Harrah's presenter even though the question and answer discussed matters touching on gambling and "social ills". "[W]here the government states that it rejects something because of a certain characteristic, but other things possessing the same characteristic are accepted, this sort of underinclusiveness raises a suspicion that the stated neutral ground for action is meant to shield an impermissible motive." Ridley v. Massachusetts Bay Transp. Authority, 390 F.3d 65, 87 (1st Cir. 2004).

Furthermore, at the point Farnsworth was cut off from speaking, Mayor Ford could not have objectively determined that her question would be unrelated to Harrah's presentation. Farnsworth intended to preface her question with statements to provide context for her question. Mayor Ford did not cut her off because she was not asking a question. Mayor Ford undoubtedly assumed that Farnsworth's question would be about gambling and "social ills" because he knew where she stood on the issue of building a casino. City council members "had heard and were aware of the social ill argument that members of the community might spend money at the casino that would be better spent on food and clothing." (Doc. 35 at 12). Consequently, Mayor Ford ruled Farnsworth's question to be out of order before she even asked it. Instead of asking Farnsworth to wait a few minutes until the comment section to ask her question, Mayor Ford had her escorted out

of the meeting by police. As a result, Farnsworth was unable to ask her question or share her comments at any part of the January 16 meeting. "The government must abstain from regulating speech when the motivating ideology or the opinion or perspective of the speaker is the rationale for the restriction." Rosenberger v. Rector and Visitors of University of Virginia, 515 U.S. 819, 829 (1995). Therefore, Mulvane's justification for prohibiting Farnsworth's speech was unreasonable and Farnsworth's First Amendment right was violated.

#### Mulvane's Liability

At trial, Mulvane appeared to make the argument that it cannot be held liable for Mayor Ford's actions under the theory of respondeat superior. "Under Section 1983, municipalities cannot be held liable for the actions of others under the common law principle of respondeat superior[.]" Simmons v. Uintah Health Care Special Dist., 506 F.3d 1281, 1284 (10th Cir. 2007).

The parties stipulated that Mayor Ford's rules were official Mulvane policy. Mulvane's police officers followed Mayor Ford's orders and escorted Farnsworth out of the meeting. Mayor Ford was following official Mulvane policy, i.e. official policy he established, when he violated Farnsworth's First Amendment right. Mulvane is liable for his actions. Id. ("When employees take actions specifically authorized by policy or custom, their actions can be fairly said to be the municipality's."). Furthermore, Mulvane ratified Mayor Ford's decision to cut off and remove Farnsworth when members of the city council did not question or overrule his decision. Moss v. Kopp, 559 F.3d 1155, 1169 (10th Cir. 2009) (stating that "if a subordinate's position is subject to review by the municipality's

authorized policymakers and the authorized policymakers approve a subordinate's decision and the basis for it, their ratification will be chargeable to the municipality[]").

### 3) Farnsworth's Other Claims

Farnsworth claims that Mulvane treated her unequally because of her viewpoint on constructing the casino in violation of the Equal Protection Clause of the Fourteenth Amendment. She further claims that Mulvane violated her Due Process right by failing to provide proper notice of its alleged viewpoint and content-based restrictions and by giving Mayor Ford "unbridled discretion" in determining what questions and/or comments were unrelated to Harrah's presentation. Because the court finds that Mulvane violated Farnsworth's First Amendment right to free speech, it need not consider Farnsworth's Equal Protection and Due Process claims.

#### IV. CONCLUSIONS OF LAW

The court concludes that Mulvane violated Farnsworth's First Amendment right to free speech.

#### V. DECLARATORY RELIEF

The court declares that Mulvane's policies and actions in this case were unconstitutional.

#### VI. OTHER RELIEF

Compensatory damages are available in § 1983 claims "to compensate persons for injuries that are caused by the deprivation of constitutional rights." Memphis Community School Dist. v. Stachura, 477 U.S. 299, 307 (1986). Injuries include humiliation, mental anguish, and impairment of reputation. Id. Before a court can award compensatory damages, the plaintiff must prove an actual injury as a

Mr. Max Klamm  
10925 Independence Blvd.  
Kansas City, KS 66109

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KANSAS RACING AND  
GAMING COMMISSION  
November 17, 2009

Lottery Gaming Facility Review Board

C/O Mr. Stephen Martino

Executive Director

Kansas Racing and Gaming Commission

700 SW Harrison, Suite 4120

Topeka, KS 66603

Dear Mr. Martino:

I am writing to support the Hollywood Casino at Kansas Speedway in Wyandotte County. I'm expressing concern that you are considering rejecting this proposal and reopening the applicant process in hopes of something better.

Please note a number of reasons that as a resident of Wyandotte County for forty-six years and life-long Kansan I believe that the time to move forward with the Casino proposal now. First, it will put construction workers soon rather than waiting for a few more years. A decision now means that a Kansas Speedway petition for a Sprint Cup race (an additional \$110 million in extra revenue to Kansas). Baring dollars will come to Kansas a year sooner. In these economic times, this is a definite need. Waiting for yet another period of time for proposals could result in no further bids - or even worse bids - or none at all.

all indications are that Kansas Speedway and Penn National have proven community support records. Wyandotte County has changed in such a significant and positive manner over the past ten years that this is the time to take advantage and move forward.

Surrounding businesses need this opportunity provide new jobs. The destination area, stimulated by Nebraska Furniture Mart, Caluda's, The Legends and the speedway have created a prime location that affords the privilege of economic growth. The possibility of 2000 construction jobs and up to 1000 casino jobs will help not only Wyandotte County, but the state as well. One of Kansas City, Kansas needs is clearly a shuttle system. Approving this program now while the time is ripe will allow that to happen as well.

Act now. Do not delay this issue again.

Sincerely from a long time Wyandotte County and Kansas supporter,

Mark Lawrence

# The Builders' ASSOCIATION

Administrative Offices at 720 OAK STREET | KANSAS CITY, MO 64106 | 816.531.4741 | FAX 816.531.0622

DON GREENWELL, President

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KANSAS RACING AND  
GAMING COMMISSION

November 4, 2009

Mr. Stephen Martino  
Executive Director  
Lottery Facility Review Board  
Kansas Racing and Gaming Commission  
700 SW Harrison, Suite 420  
Topeka, KS 66603

**RE: Hollywood Casino, Kansas Speedway**

Dear Mr. Martino:

On behalf of the Builders' Association and the Kansas City Chapter of the Associated General Contractors, I am writing this letter of support for the Hollywood Casino at the Kansas Speedway. Our over 1,000 member companies employ in excess of 25,000 people. We support the Hollywood Casino development plan and oppose reopening the application process and the delays that would result.

Time is of the essence to gain the following benefits:

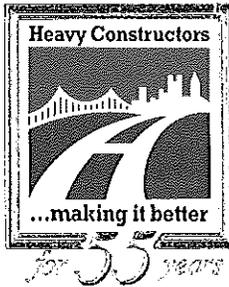
- Current, lower construction material costs
- Stimulus for a construction industry suffering an unemployment rate twice the general workforce rate (18% + unemployment)
- Current availability of some of the best crafts people, artisans, and project management talent
- Creation of over 2,000 construction jobs, as well as over 1,000 casino jobs
- Receipt sooner (rather than later) of taxes from gaming and workforce income

Given the current economic factors, there are added benefits from decisive, expedient action. We urge action in favor of the Hollywood Casino plan.

Respectfully submitted,

Don Greenwell  
President, The Builders' Association  
Executive Director, KC-AGC

cc: Cindy Cash, KCK Chamber



# The Heavy Constructors Association of The Greater Kansas City Area

November 23, 2009

Lottery Gaming Facility Review Board  
C/O Mr. Stephen Martino  
Executive Director  
Kansas Racing and Gaming Commission  
700 SW Harrison, Suite 420  
Topeka, KS 66603

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Mr. Martino:

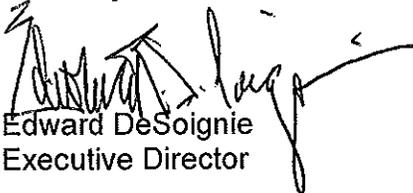
I am writing to express the support of the Heavy Constructors Association of Greater Kansas City for the Hollywood Casino at Kansas Speedway in Wyandotte County. I have recently been given to understand that you are considering rejecting this proposal and reopening the applicant process in hopes for something better. We are greatly concerned such a decision could permanently undermine efforts to bring a publicly supported casino to Wyandotte County.

At a point in time when the construction industry is reeling from the economic downturn, the casino would put thousands of construction workers to work now providing a livelihood for their families. Further, Penn National Gaming has assured us and our labor union partners of their intent to build the casino using union labor and local union construction companies. This is a huge commitment no other casino proposer has made to us.

Proceeding with a decision to construct a casino now will support the surrounding businesses during a time of economic recession, providing additional revenue and job opportunities and will ensure Kansas Speedway can petition NASCAR for a second Sprint Cup race, which is an additional \$110 million in ancillary revenue to the State.

We urge you to act now and proceed with construction of the proposed casino and hotel to provide needed benefits to the citizens of Wyandotte County and needed jobs for our construction workers.

Sincerely,



Edward DeSoignie  
Executive Director

Cc: Governor Mark Parkinson  
Cindy Cash, Kansas City Kansas Chamber of Commerce



November 18, 2009

**VIA U.S. MAIL AND ELECTRONIC MAIL**

Lottery Gaming Facility Review Board  
Mr. Stephen Martino, Esq.  
Executive Director  
Kansas Racing and Gaming Commission  
700 SW Harrison, Suite 420  
Topeka, KS 66603

Kansas Lottery Gaming Facility Review Board  
700 SW Harrison  
Topeka, KS 66603

Re: Kansas Entertainment, LLC - Northeast Gaming Zone – endorsement  
of the Hollywood Casino at Penn National Racecourse

Dear Mr. Martino and Members of the Lottery Gaming Facility Review Board:

SSC, Inc., a Kansas employer with an employee base of eighty persons and more than ten years of civil engineering, leasing and architectural experience, writes this letter in support of the Hollywood Casino project as it is proposed by Kansas Entertainment, LLC.

**The Project Should Be Endorsed As Proposed**

Several years ago, the Kansas legislature enacted ground-breaking legislation when it passed Senate Bill 66, the Kansas Expanded Lottery Act. The passage of this act, unique in its limitation of gaming licenses throughout the state, offered the State a tremendous revenue-generating opportunity. Importantly, it afforded Kansas the opportunity to gain a grasp on significant local gaming revenue that has historically been lost to adjoining states.

We have watched the competitive license selection process unfold with interest, particularly in the Northeast Gaming Zone, where we believe business opportunities may be available to our company and our clients in the future. One gaming project now stands where several were initially deemed viable. Market conditions which existed when Senate Bill 66 was enacted no longer exist. Competition has been reduced, and the State is in great need of new revenue streams.

The State is fortunate that a viable proposal remains in the Northeast Gaming Zone, and cannot afford to risk losing this project due to the imposition of significant delays or conditions that do not reflect today's economic climate. It also cannot afford to lose the other potential benefits the project offers. For these reasons, we are writing in support of the project as proposed.

## Gaming Promotes a Business-Friendly Atmosphere

One of SSC's core businesses is leasing and designing wireless infrastructure projects. On behalf of numerous clients, SSC has developed several thousand cell sites throughout the country.

An indication of the importance of gaming to the business industry is the importance our clients place on serving gaming facilities with the best available wireless technology. The trend is most evident in regional locations such as Las Vegas, Nevada, which has among the highest per capita investment in technology by wireless service providers. The intersection of gaming, convention space and technology is not coincidental. Rather, the intersection reflects that gaming breeds capital and attracts significant business and convention groups which are, in turn, crucial to the Kansas economy. Without the proposed Hollywood Casino in Wyandotte County, Kansas will continue to lose convention, retail and other entertainment business to other states.

The Hollywood Casino, as proposed, would be the largest private capital investment presently proposed in the State of Kansas. If the historical attrition of gaming license applicants over the past eighteen months is a guide, we believe the State should avoid further delays in approving the project as the risk of future changes in the economy may cause the permanent loss of gaming opportunities in Northeast Kansas, which will, in turn, have a significant long-term impact on the Kansas economy.

Please vote "yes" to endorse the Hollywood Casino at Penn National Racecourse on December 1<sup>st</sup> or 2<sup>nd</sup>.

Very truly yours,



J. Lawrence Louk  
Principal



James R. Steele  
Principal



Terence M. Super  
Principal

Cc: Jeff Boerger, President, Kansas Speedway Corporation  
Patrick Warren, Vice President, Kansas Speedway Corporation