



Kansas Racing and Gaming Commission
700 SW Harrison, Suite 500, Topeka, Kansas 66603
(785) 296-5800, Fax (785) 296-0900

AGENDA

KANSAS LOTTERY GAMING FACILITY REVIEW BOARD

8:30 a.m., Wednesday, August 25, 2010

Via telephone conference: 1-866-337-0425 (Conference ID# 95938856)

- A. CALL TO ORDER
- B. APPROVAL OF THE AGENDA
- C. BOARD ITEMS
 - 1. Selection of Lottery Review Board Consultants
 - Board Action:* *Review, discussion and possible action*
 - Staff Presentation:* Jay Hall, Review Board Liaison
 - a. [Staff Memo](#)
 - 2. Review Board Budget
 - Board Action:* *Review, discussion and possible action*
 - Staff Presentation:* Patrick Martin, Interim Executive Director
 - a. [Staff Memo](#)
- D. STAFF REPORTS
 - 1. Executive Director
 - 2. Review Board Liaison
- E. OTHER MOTIONS
- F. ADJOURNMENT



Kansas Racing and Gaming Commission
700 SW Harrison, Suite 500, Topeka, Kansas 66603
(785) 296-5800, Fax (785) 296-0900

LOTTERY REVIEW BOARD: STAFF AGENDA MEMORANDUM

DATE OF MEETING: August 25, 2010 Lottery Review Board

AGENDA ITEM: **Selection of Lottery Review Board Consultants**

PRESENTER: Jay Hall, Review Board Liaison

ISSUE SUMMARY: The Expanded Lottery Act allows the Lottery Gaming Facility Review Board to “employ any experts, consultants or other professionals at the expense of a prospective lottery gaming facility manager to provide assistance in evaluating a lottery gaming facility.” K.S.A. 74-8735(h). Over the past two selection rounds, the Review Board has developed specific topics for evaluation and has hired well-qualified consultants to provide advice on those topics. Particularly, the Board hired consultants for advice on these topics:

1. Gaming economics and gaming affairs consultant: Dr. William Eadington
2. Gaming revenue projections and market studies: Will Cummings
3. Gaming revenue projections and market studies: Wells Gaming Research
4. Casino fiscal impact on existing businesses: Civic Economics
5. Applicant financial viability: Union Gaming Analytics
6. Construction costs: Construction Cost Systems
7. Casino fiscal impact on local governments: Meridian Business Advisors (through Eugenia Larmore and Candace Evert, who are now “Ekay Economic Consultants”.)
8. Ancillary Development - Raving Consulting.

With the exception of Raving Consulting, all of the consultants are available for this selection round. With the Board’s approval, staff will negotiate contracts with those consultants and will find a replacement to analyze the applicants’ proposed ancillary developments. (Staff expects that the ancillary development replacement would come before the Board for approval at the Board’s next meeting.)

Board ACTION REQUIRED/REQUESTED: Approve the listed topical areas and consultants so that staff may contract for their services.

STAFF RECOMMENDATIONS: Staff recommends approving the topics and consultants.



Kansas Racing and Gaming Commission
700 SW Harrison, Suite 500, Topeka, Kansas 66603
(785) 296-5800, Fax (785) 296-0900

LOTTERY REVIEW BOARD: STAFF AGENDA MEMORANDUM

DATE OF MEETING: August 25, 2010

AGENDA ITEM: **Review Board Budget**

PRESENTER: Patrick Martin, Interim Executive Director

ISSUE SUMMARY: Pursuant to the Expanded Lottery Act, the Lottery Gaming Facility Review Board is completely funded by the prospective lottery gaming facility managers that are seeking the Board's approval. K.S.A. 74-8735. Presently, there are three applicant managers in the South Central gaming zone who must fund the Board process. Based on our informed projections for expenses – including consulting expenses, salaries, travel, etc. – we expect the Board's costs to be below \$755,000.

Accordingly, staff recommends assessing each applicant a deposit of \$250,000, plus \$5,000 for revenue analyses if multiple facility sites are involved in an applicant's proposal. Of course, the Board would be forced to make additional assessments should the process exceed the budgeted amount. Likewise, any unspent deposits will be refunded to the applicants on a pro rata basis.

For comparison, the Board's "second round" budget for the Northeast and South Central zones (which also involved three total applicants) was \$1,000,000. The Board refunded an unused amount of approximately \$115,000 to those applicants at the end of the selection process. The Board's staff and consultants anticipate increased efficiencies in this third selection round in the South Central gaming zone.

BOARD ACTION REQUIRED/REQUESTED: Set the Board's budget for this third South Central gaming zone selection process at \$755,000 and direct staff to assess the Lottery Gaming Facility Manager applicants accordingly.

STAFF RECOMMENDATIONS: Staff recommends approving the budget and assessments.