

*Gaming Revenue  
Projections for the  
Southwest Gaming Zone  
DRAFT*

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

September 2, 2008

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*Questions, Please!*  
*( at any time )*

# Overview

- Process (briefly)
- Cummings Projections
- Location and Size Matter Less Here
- Detail: Cummings vs. Applicants
- “Net Export” and Tourist Info
- Summary and Conclusions

# *Southwest Zone*

*[ Map – Broader Area ]*

[ in preparation ]

*[ Map – Dodge City Detail ]*

[ in preparation ]

# *Gravity Model(s) Updated*

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

“Power Ratings”

## Exhibit 1: Power Ratings Used in Previous Projections

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

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

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

# Summary of Projections

In 2007 Dollars

| Gaming Facility / Location: | # Slots | Power Rating | Slot Win (\$mn) | win/slot/day | Total Win (\$mn) |
|-----------------------------|---------|--------------|-----------------|--------------|------------------|
| <b>Southwest Zone:</b>      |         |              |                 |              |                  |
| Butler National             | 875     | 112          | \$35.7          | \$112        | <b>\$40.7</b>    |
| Dodge City Resort           | 800     | 112          | \$35.2          | \$121        | <b>\$40.1</b>    |

# Summary of Projections

**In 2013 Dollars**

( at 2.5% per annum )

| <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> |
|------------------------------------|----------------|---------------------|------------------------|---------------------|-------------------------|
| <b>Southwest Zone:</b>             |                |                     |                        |                     |                         |
| Butler National                    | 875            | 112                 | \$41.5                 | \$130               | <b>\$47.2</b>           |
| Dodge City Resort                  | 800            | 112                 | \$40.8                 | \$140               | <b>\$46.5</b>           |

# *Size Matters Little*

# *Cummings Projections (2013\$)*

|                 | As Proposed | 800 slots * |
|-----------------|-------------|-------------|
| Butler National | \$47.2      | \$46.4      |
| Dodge C. Resort | \$46.5      | \$46.5      |

\* And 20 tables (but no poker) (\$ in million)

# *Cummings Projections (2013\$)*

|                 | As Proposed | 800 slots * |
|-----------------|-------------|-------------|
| Dodge C. Resort | \$46.5      | \$46.5      |
| Butler National | \$47.2      | \$46.4      |

\* And 20 tables (but no poker) (\$ in million)

# *Location Matters Little*

*[ Map – Dodge City Detail ]*

[ in preparation ]

# *[ Map – Broader Area ]*

[ in preparation ]

# Cummings vs. Proponents

|              | Cummings | Proponent | %    |
|--------------|----------|-----------|------|
| Butler Nat'l | \$47.2   | \$70.9    | 150% |
| Dodge C. R.  | \$46.5   | \$47.7    | 103% |

(all \$ million in 2013)

# *Butler National*

# Sources of Difference

|             | Cummings     | Butler N | Diff.  |
|-------------|--------------|----------|--------|
| 0-100 miles | \$38.9       |          |        |
| 100+ miles  | \$8.3        |          |        |
| Drive-Bys   | \$0.0        |          |        |
| Hotel etc.  | <u>\$0.0</u> |          |        |
| Total       | \$47.2       | \$70.9   | \$23.7 |

(all \$ million in 2013)

# *Dodge City Resort*

# Sources of Difference

|             | Cummings     | Dodge CR | Diff. |
|-------------|--------------|----------|-------|
| 0-100 miles | \$37.9       |          |       |
| 100+ miles  | \$8.6        |          |       |
| Drive-Bys   | \$0.0        |          |       |
| Hotel etc.  | <u>\$0.0</u> |          |       |
| Total       | \$46.5       | \$47.7   | \$1.2 |

(all \$ million in 2013)

*Projections for  
“Net Exports” & “Tourists”*

# *Projected Impacts on . . . (2007\$)*

“Net Exports” “Tourist” \$ \*

|                 |       |       |
|-----------------|-------|-------|
| Butler National | \$7.6 | \$7.1 |
| Dodge C. Resort | \$7.4 | \$7.5 |

\* “Tourists” defined as those traveling over 100 miles (\$ in million)

# *Summary*

# *Cummings Projections (2013\$)*

|                 | As Proposed | 800 slots * |
|-----------------|-------------|-------------|
| Butler National | \$47.2      | \$46.4      |
| Dodge C. Resort | \$46.5      | \$46.5      |

\* And 20 tables (but no poker) (\$ in million)

# *Projected Impacts on . . . (2007\$)*

“Net Exports” “Tourist” \$ \*

|                 |       |       |
|-----------------|-------|-------|
| Butler National | \$7.6 | \$7.1 |
| Dodge C. Resort | \$7.4 | \$7.5 |

\* “Tourists” defined as those traveling over 100 miles (\$ in million)

# *Conclusions*

- Location matters little
- Size matters little
- Key Question: Who will build you the **BETTER** mousetrap?

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