



KANSAS

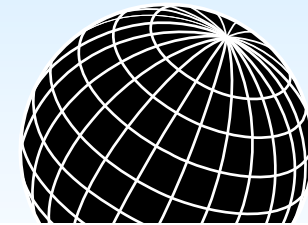
RACING AND GAMING COMMISSION



KRGC

**FISCAL IMPACT ANALYSIS
OF
LOTTERY GAMING FACILITY
IN
SOUTHWEST ZONE**

SEPTEMBER 2008



MERIDIAN
Business Advisors

Study Purpose

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



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Study Purpose (Continued)

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



Methodology

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



Revenue and Cost Estimates

Revenue Estimated:

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

Costs Estimated:

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



Governments Analyzed

- State--Revenue Only
- Counties and/or City, if applicable
- Fire District, if applicable
- School District



Butler National Service Corporation

5-Year Summary

| | <u>State of Kansas</u> | <u>Ford County</u> | <u>Dodge City</u> | <u>Dodge Schools</u> |
|------------------------|----------------------------|------------------------|-----------------------|--------------------------|
| Revenue | \$ 42,712,000 | \$ 6,050,000 | \$ 6,595,000 | \$ 11,620,000 |
| Costs | <u>-</u> | <u>869,000</u> | <u>1,710,000</u> | <u>23,913,000</u> |
| Surplus/Deficit | \$ 42,712,000 | \$ 5,181,000 | \$ 4,885,000 | \$ (12,293,000) |



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Dodge City Resort & Gaming

5-Year Summary

| | <u>State of Kansas</u> | <u>Ford County</u> | <u>Dodge City</u> | <u>Dodge Schools</u> |
|------------------------|----------------------------|------------------------|-----------------------|--------------------------|
| Revenue | \$ 44,626,000 | \$ 5,381,000 | \$ 5,983,000 | \$ 11,970,000 |
| Costs | <u>-</u> | <u>909,000</u> | <u>1,790,000</u> | <u>21,145,000</u> |
| Surplus/Deficit | \$ 44,626,000 | \$ 4,472,000 | \$ 4,193,000 | \$ (9,175,000) |



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Southwest Zone Comparison

5-Year Summary

| | <u>State of Kansas</u> | <u>Ford County</u> | <u>Dodge City</u> | <u>Dodge Schools</u> |
|------------------------|----------------------------|------------------------|-----------------------|--------------------------|
| <u>Surplus/Deficit</u> | | | | |
| Butler National | \$ 42,712,000 | \$ 5,181,000 | \$ 4,885,000 | \$(12,293,000) |
| Dodge City | 44,626,000 | 4,472,000 | 4,193,000 | (9,175,000) |



School Deficit Explained

| | <u>Butler</u> | <u>Dodge</u> |
|----------------------|---------------|--------------|
| # of Local Employees | 513 | 396 |
| # of Students | 801 | 617 |
| Students > Capacity | 500 | 322 |
| # of Staff | 65 | 50 |
| Average Salary | \$ 46,082 | \$ 46,082 |
| # of New Classrooms | 23 | 15 |
| Cost of Classroom | \$ 280,000 | \$ 280,000 |
| Capital Cost | \$ 7,097,911 | \$ 4,361,296 |