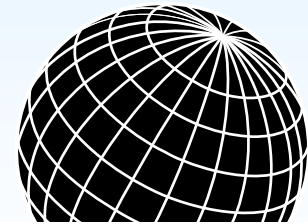


**FISCAL IMPACT ANALYSIS
OF
LOTTERY GAMING FACILITY
IN
SOUTHEAST ZONE**

JULY 2008



MERIDIAN
Business Advisors

Study Purpose

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

Study Purpose (Continued)

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

Methodology

- Compare Proposers' Estimated Public Sector Revenue and Costs to Consultant's Estimate
- Over the Construction Period and 1st Full Year of Operations
- 3-Year Fiscal Impact Summary Captures Findings
- Fiscal Data Collected through Telephone Interviews with Government Representatives

Revenue Estimated:

- Gaming Revenue Sharing
- Property Tax
- Sales Tax
- Income 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

Cherokee-assumes unincorporated area

PENN SE 3-YEAR SUMMARY

	<u>State</u>	Galena <u>Fire</u>	<u>Cherokee</u>	<u>Crawford</u>	<u>K-12</u>
Surplus/Deficit	\$ 12,853,000	\$ 130,000	\$ 3,074,000	\$ 340,000	\$ (5,308,000)

Assumes facility is located in unincorporated area.

Deficit:

K-12 27 new employees

New additions to existing schools



KANSAS

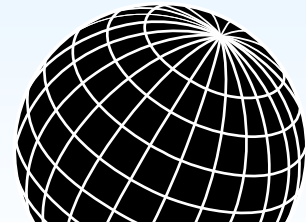
RACING AND GAMING COMMISSION



KRGC

**FISCAL IMPACT ANALYSES
OF
LOTTERY GAMING FACILITIES
IN
SOUTH CENTRAL ZONE**

JULY 2008



MERIDIAN
Business Advisors

Assumption

Selected Lottery Gaming Facility Will Be
In the Incorporated Area of
Mulvane or Wellington

**FISCAL IMPACT SUMMARY - 3 YEAR
ALL GOVERNMENT ENTITIES
CONSULTANT'S ESTIMATE**

	<u>Harrah's</u>	<u>Marvel</u>	<u>Penn</u>
Revenue	\$ 117,592,000	\$ 113,034,000	\$ 108,610,000
Costs	<u>67,353,000</u>	<u>17,022,000</u>	<u>25,077,000</u>
Surplus	\$ 50,239,000	\$ 96,012,000	\$ 83,533,000

HARRAH'S 3-YEAR SUMMARY

	<u>State</u>	<u>Mulvane</u>	<u>Summer</u>	<u>Sedgwick</u>	<u>K-12</u>
Surplus/Deficit	\$ 64,267,000	\$ (14,976,000)	\$14,028,000	\$ 1,852,000	\$ (14,932,000)

Deficits:

Mulvane Public Works' Costs

K-12 450 new students

19 new employees

1 new elementary school

MARVEL 3-YEAR SUMMARY

	<u>State</u>	<u>Wellington</u>	<u>Summer</u>	<u>Sedgwick</u>	<u>K-12</u>
Surplus/Deficit	\$ 50,633,000	\$ 27,303,000	\$ 12,463,000	\$ 1,325,000	\$ 4,287,000

PENN 3-YEAR SUMMARY

	<u>State</u>	<u>Wellington</u>	<u>Summer</u>	<u>Sedgwick</u>	<u>K-12</u>
Surplus/Deficit	\$ 46,822,000	\$ 9,573,000	\$ 17,112,000	\$ 1,219,000	\$ 8,806,000

**LOTTERY GAMING FACILITIES-COMPARISON
3-YEAR SUMMARY**

	<u>State</u>	<u>Mulvane</u>	<u>Summer</u>	<u>Sedgwick</u>	<u>K-12</u>
<u>Surplus/Deficit</u>					
Harrah's	\$ 64,267,000	\$ (14,976,000)	\$ 14,028,000	\$ 1,852,000	\$ (14,932,000)
	<u>State</u>	<u>Wellington</u>	<u>Summer</u>	<u>Sedgwick</u>	<u>K-12</u>
Marvel	\$ 50,633,000	\$ 27,303,000	\$ 12,463,000	\$ 1,325,000	\$ 4,287,000
Penn	\$ 46,822,000	\$ 9,573,000	\$ 17,112,000	\$ 1,219,000	\$ 8,806,000