



KANSAS

RACING AND GAMING COMMISSION



KRGC

**FISCAL IMPACT ANALYSIS
OF THE PROPOSED
CHISHOLM CREEK FACILITY
IN
SOUTH CENTRAL ZONE**

OCTOBER 2009



MERIDIAN
Business Advisors

Study Purpose

- Estimate the Financial Impact on State and Local Governments' Budgets of the Proposed Lottery Gaming Facility
- To Determine if the Lottery Gaming Facility Will Cause a Financial Surplus or Deficit To Governments' Budgets

Methodology

- Compare Proposer's Estimated Public Sector Revenue and Costs to Consultant's Estimate
- Over the Construction Period and 1st Full Year of Operations
- 6-Year Fiscal Impact Summary Captures Findings
- Used Fiscal Data Collected for 2008 Analyses; 2009 Analysis Sent to Representatives for Review and Comment

Methodology (continued)

Revenue Estimated:

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

Costs Estimated:

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

Assumptions

- MOU provides that
 - Developer will negotiate with County for construction or funding of roadways, utilities, public safety and emergency service facilities
 - Developer shall purchase and supply designated police, emergency and fire equipment and technology
- No significant incremental public works/utilities costs
 - Unknown what projects/improvements will be required to service facility
 - Assume utility fees will be increased/decreased to cover operating expenditures

Assumptions (continued)

- No significant incremental resident-driven costs:
 - Clerk, Registrar, Courthouse, Unified Court, Counselor, CASA, Juvenile Court, and Planning
 - Assume only Professional, Manager, Executive and Technician positions new to area-130 positions at buildout
 - Remaining positions covered by existing unemployment pool of approximately 29,703 people (Wichita MSA rate of 8.9%)

Assumptions (continued)

- No significant incremental school costs-existing capacity within area school districts
 - Between 2003-04 and 2008-09, Sumner Co. had a decrease in enrollment of 262 students
 - Between 2005-06 and 2008-09, Sedgwick Co. had a decrease in enrollment of 1,310 students
 - KU's Institute for Policy and Social Research estimates a decreasing population in Sumner County through 2030
 - In 2008, the Mulvane School District had an existing capacity of 155 students

Governments Analyzed

- State--Revenue Only
- Sumner County
- Sumner County Rural Fire District #9
- Mulvane School District

**CHISHOLM CREEK
6-YEAR SUMMARY**

REVENUE	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Fire District No. 9</u>	<u>Mulvane School Distr.</u>
Property Tax	\$ 130,409	\$ 5,044,748	\$ -	\$ 520,941	\$ 4,478,946
Sales Tax	10,251,645	1,934,273	-	-	-
Gaming Revenue	170,984,822	14,248,735	7,124,368	-	-
Income Tax Revenue	<u>9,618,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$190,985,381	\$ 21,227,756	\$ 7,124,368	\$ 520,941	\$ 4,478,946
COSTS	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Fire District No. 9</u>	<u>Mulvane School Distr.</u>
Law Enforcement	\$ -	\$ 7,070,321	\$ -	\$ -	\$ -
Fire/EMS	-	-	-	4,943,998	-
Education	-	-	-	-	-
Admin./Overhead	<u>-</u>	<u>2,222,511</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ -	\$ 9,292,832	\$ -	\$ 4,943,998	\$ -

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	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Fire District No. 9</u>	<u>Mulvane School Distr.</u>
Revenue	\$190,985,381	\$ 21,227,756	\$ 7,124,368	\$ 520,941	\$ 4,478,946
Cost	-	9,292,832	-	4,943,998	-
Surplus/ (Deficit)	\$190,985,381	\$11,934,924	\$7,124,368	(\$4,423,056)	\$4,478,946