



**CONSULTANT SERVICES FOR THE GAMING
REGULATORY OVERSIGHT AUTHORITY**

Area 2: Fiscal and Capacity Requirements



October 21, 2013

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Approach

By direction of NH RSA 284-A, the New Hampshire Gaming Regulatory Oversight Authority has directed WhiteSand to prepare a report identifying the strengths and weaknesses of the 2013 NH legislative proposals as compared to the best and most relevant components of the regulatory provisions in the other comparator states. This part of the report addresses fiscal and capacity requirements:

WhiteSand has approached this particular task using a formal methodology to determine market demand. We reviewed the specific demographics and other attributes of the gaming jurisdiction to be evaluated. This included, but was not limited to, population, income levels, age distribution, nearby competition and gaming tax rates. We evaluated these factors within ranges of 30, 60 and 90 miles of the proposed gaming facility general location. In order to provide a consistent measurement of demographics within a specific region we use distance radii from the region. Using distance rather than driving time eliminates fluctuations due to drive times, day of week, unpredictable events (e.g., accidents, weather, etc.) and other factors. Distance radii are translatable to drive times in most scenarios and provide more consistent results due to the reduction of unpredictability.

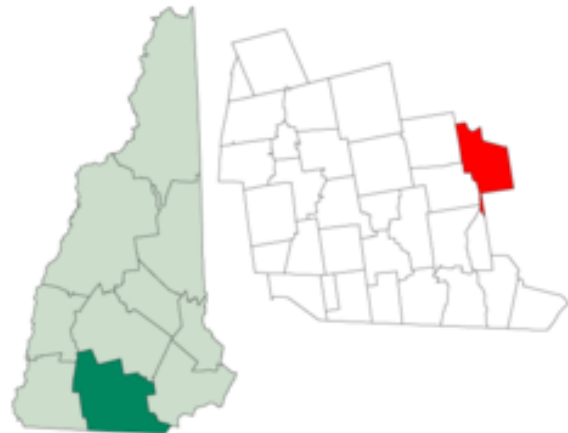
Using this information, we then identified a “Competitive Set” for the proposed gaming facility - other gaming properties to be compared based on similar demographics and characteristics. While the properties identified in the competitive set usually do not provide an exact match, they present enough similarities to evaluate market demand and estimate key financial statistics. Using this data, we analyzed the gaming environment of the competitor set to understand the financial performance of the casinos as well as nearby competition to understand the impact or potential impact on gaming in New Hampshire. Based on that analysis, we developed our market demand study and financial information for the proposed gaming facility. In this report, we describe the current market analysis of gaming in New Hampshire and key financial information regarding tax rates and potential performance of a gaming facility.

Based on the results of our analysis, although we vary to some degree on specific details and offer suggestions to adjust some areas of the Omnibus Bill, there are no financially related aspects of the bill that are outside of what we have seen in the industry.

Market Analysis

Local Demographics

The realization of casino gaming in Massachusetts is obviously a major factor behind the current casino legislation in New Hampshire (see Appendix A). As gaming has proliferated over the last several years, states have grown tired of seeing their resident's dollars go across borders to be spent in neighboring jurisdictions.



Given the 100 mile drive to Springfield and approximately a forty minute to hour drive to Boston, Southern New Hampshire is a geographic area that could both leverage the local New Hampshire population given the high population density of Manchester and its surrounding communities, as well as generate significant revenues drawing from residents of Northern Massachusetts and other parts of New England. Many Massachusetts consumers will drive to New Hampshire for gaming, dining and entertainment options rather than face the traffic issues of traveling into Boston. The lack of a sales tax already attracts shoppers from Massachusetts in significant numbers to the malls and shopping outlets in southern New Hampshire. Liquor prices in New Hampshire are also attractive to Massachusetts residents.

The bigger threat coming from projected Massachusetts bidders would be the proposed Cordish “slots only” project in Leominster. This is about forty minute drive to what would be a comparatively limited gaming experience (not only a lack of table games, but a 49% tax on gaming revenue). This may attract locals but those given a choice should choose New Hampshire.

The target market for a casino in New Hampshire is, in addition to the population of New Hampshire, the population reaching into Northern Massachusetts toward Boston and Springfield.

Manchester is the largest city in New Hampshire, the tenth largest city in New England, and the largest city in northern New England, an area comprising the states of Maine, New Hampshire, and Vermont. It is in Hillsborough County along the banks of the Merrimack River, which divides the city into



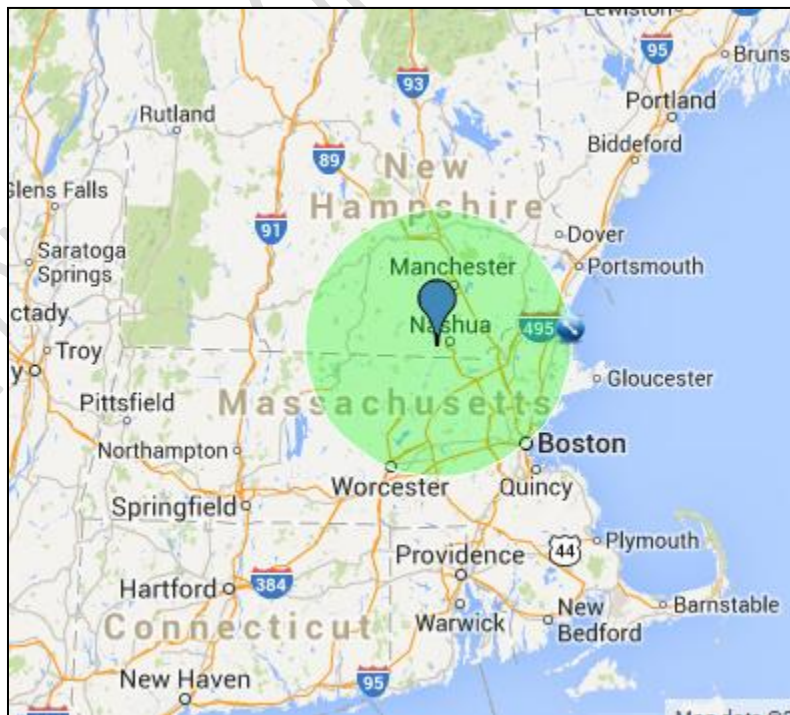
eastern and western sections. Manchester is near the northern end of the Northeast megalopolis. As of the 2010 census, the city had a population of 109,565. The Manchester-Nashua metropolitan area, with a population of 402,922, is home to nearly one-third of the population of New Hampshire. The so-called Golden Triangle between Manchester, Nashua and Salem is home to 608,494, nearly half of New Hampshire's total population.

Greater Boston is the area of the Commonwealth of Massachusetts surrounding the city of Boston, consisting most of the eastern third of Massachusetts, excluding the South Coast, Cape Cod & The Islands.

Greater Boston is tenth in population among U.S. metropolitan statistical areas in the United States, home to over 4.6 million people as of the 2010 U.S. Census and is ranked sixth among CSAs, having almost 8 million people.

Given the proximity to the bulk of the population of New Hampshire and the access to the more populated Northern Massachusetts and access to Interstate 93, Southeastern New Hampshire would be the preferred location for a casino-resort. Again, applicants would determine the exact locations.

30-mile radius of specified point (Southern NH)¹		
Total Population	2,740,299	
Total Population 2000	2,645,934	
Change in Population 2000-2010	94,365	3.6
Males	1,335,626	48.7
Females	1,404,673	51.3
Population Density	1073	
Land Area Sq. Miles	2,553	
Median Age	39.3	
Age 0 to 17	607,422	22.2
18 to 24 Years	253,631	9.3
25 to 44 Years	748,983	27.3
45 to 64 Years	775,567	28.3
62 Years and Over	442,081	16.1
65 Years and Over	354,696	12.9



¹ All radius map data from Missouri Census Data Center

60-mile radius of specified point (Southern NH)		
Total Population	6,150,264	
Total Population 2000	5,907,347	
Change in Population 2000-2010	242,917	4.1
Males	2,988,400	48.6
Females	3,161,864	51.4
Population Density	744.1	
Land Area Sq. Miles	8,266	
Median Age	39.0	
Age 0 to 17	1,351,285	22.0
18 to 24 Years	621,367	10.1
25 to 44 Years	1,656,173	26.9
45 to 64 Years	1,719,361	28.0
62 Years and Over	998,077	16.2
65 Years and Over	802,078	13.0

90-mile radius of specified point (Southern NH)		
Total Population	9,215,860	
Total Population 2000	8,879,701	
Change in Population 2000-2010	336,159	3.8
Males	4,477,239	48.6
Females	4,738,621	51.4
Population Density	527.8	
Land Area Sq. Miles	17,459	
Median Age	39.4	
Age 0 to 17	2,005,036	21.8
18 to 24 Years	950,111	10.3
25 to 44 Years	2,411,940	26.2
45 to 64 Years	2,599,515	28.2
62 Years and Over	1,551,926	16.8
65 Years and Over	1,249,258	13.6

Infrastructure

Air Transportation

Manchester-Boston Regional Airport (MHT) is well situated in the New England region, as it is less than fifty miles north of Boston, Massachusetts and less than an hour's drive from some of the more popular ski areas, New Hampshire's beaches and other local attractions. Many travelers select Manchester Airport over Logan due to Boston traffic congestion. In 2012, MHT handled over 2,452,064 passengers.²

Roadway System

Interstate 93 travels just over 131 miles in New Hampshire, around two-thirds of the highway's total distance. It is the main interstate route in New Hampshire, and connects the state capital, Concord, and its largest city, Manchester. Beyond Concord are the towns of Tilton, Plymouth, and Littleton. I-93 is known as the Alan B. Shepard Highway from the Massachusetts line to Hooksett (just north of Manchester at the northern end of I-293), as the F.E. Everett Turnpike from Hooksett to Concord, and as the Styles Bridges Highway from Concord to the Vermont line. I-93 connects the northern suburbs of Boston to New Hampshire, through Woburn to an intersection with Interstate 95 and Route 128. North bound travelers can remain on I-93 toward New Hampshire. Just south of the state line, I-93 crosses the Merrimack River into Methuen, where it interchanges with Routes 110 and 113 at exit 46. I-93 then interchanges with the western end of Route 213, a connector between I-93 and I-495. I-93 then crosses into New Hampshire at Salem, where the current reconstruction of Exit 1 along with the reduction of the freeway from four northbound lanes to two can cause congestion.³ Route 3 is also a major roadway facilitating movement between southern New Hampshire and Massachusetts.



Our review of the demographics, of the region is favorable to the establishment of gaming in New Hampshire.

² Manchester-Boston Regional Airport Annual Statistics 2000-2012

³ NH DOT "Route Logs". NH Department of Transportation.

Competitive Set

In this section we look at similar properties in areas with similar characteristics, such as regional population, income, and regulatory environment from which to develop performance comparisons.

Sands, Bethlehem

Demographics

Allentown is a city located in Lehigh County, Pennsylvania, in the United States. It is Pennsylvania's third most populous city, after Philadelphia and Pittsburgh, and the 222nd largest city in the United States. As of the 2010 census, the city had a total population of 118,032 and is currently the fastest growing city in Pennsylvania. It is the largest city in the metropolitan area known as the Lehigh Valley, which had a population of 821,623 residents as of the 2010 U.S. Census. It is also the county seat of Lehigh County. The Lehigh Valley known officially by the United States Census Bureau as the Allentown-Bethlehem-Easton, PA-NJ metropolitan area, is a metropolitan region officially consisting of Carbon, Lehigh and Northampton counties in eastern Pennsylvania and Warren county on the western edge of New Jersey, in the United States. The core population centers are located in southern and central Lehigh and Northampton counties along U.S. Highway 22 and Interstate 78.

The Lehigh Valley is the fastest growing and third most populous region in the state of Pennsylvania with a population of 821,623 residents as of the 2010 U.S. Census. It is eclipsed in total population only by the metropolitan areas of Philadelphia and Pittsburgh in Pennsylvania. It is the 64th most populated metropolitan area in the entire United States. Lehigh County, the Valley's largest county in terms of overall population, is amongst the fastest growing in the nation as well, ranking in the 79th percentile for population growth between 2010-2012. It is part of the New York City CSA.

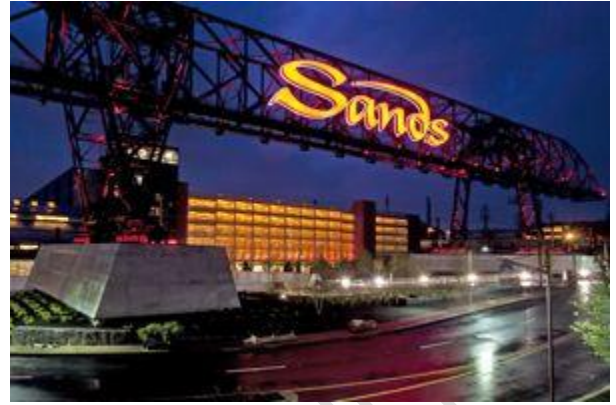


60-miles radius of specified point (Bethlehem, PA)		
Total Population	9,732,443	
Total Population 2000	9,212,489	
Change in Population 2000-2010	519,954	5.6
Males	4,722,543	48.5
Females	5,009,900	51.5
Population Density	874.2	
Land Area Sq. Miles	11,132	
Median Age	40.5	
Age 0 to 17	245,386	22.3
18 to 24 Years	101,969	9.3
25 to 44 Years	275,352	25.1
45 to 64 Years	334,742	30.5
62 Years and Over	179,201	16.3
65 Years and Over	140,995	12.8

90-mile radius of specified point (Bethlehem, PA)		
Total Population	26,109,229	
Total Population 2000	24,971,377	
Change in Population 2000-2010	1,137,852	4.6
Males	12,606,848	48.3
Females	13,502,381	51.7
Population Density	1083	
Land Area Sq. Miles	24,107	
Median Age	40.8	
Age 0 to 17	274,852	22.0
18 to 24 Years	118,880	9.5
25 to 44 Years	309,368	24.7
45 to 64 Years	382,526	30.6
62 Years and Over	210,423	16.8
65 Years and Over	165,870	13.3

Sands Casino Resort Bethlehem

Sands Casino Resort Bethlehem is owned, operated, and was constructed by the Las Vegas Sands Corporation. It is one of five stand-alone casinos that was awarded a slots license by the Pennsylvania Gaming Control Board on December 20, 2006. The casino was slated to open in July 2008, but demolition took longer than expected due to the heavy concrete foundations of the old steel building. Its opening was delayed until the second quarter of 2009. The first concrete for the complex, which is located on the former Bethlehem Steel land on the south side of the city, was poured on November 15, 2007.



The casino opened May 22, 2009. In the winter of 2009-2010, the Casino was granted a license for table games which will allow the casino to expand its games to include poker, blackjack and craps. Table games began operation on July 18, 2010. The hotel opened May 27, 2011.

Since the expansion in November 2009, Sands Casino Resort Bethlehem features over 3,000 slot machines, 180 table games, and several electronic table games. While the Las Vegas Sands Corporation owns a number of properties, this is the only casino of the three the Corporation owns in the United States to carry the Sands brand in its name, since the original Las Vegas Sands was demolished and replaced with The Venetian and the Sands Atlantic City was sold to new owners and demolished.

Hotel Amenities

On May 27, 2011, the Sands Hotel opened. It features 302 rooms, 22 suites, 12,000 square feet of meeting space, an indoor pool and a fitness center.

The hotel features these room types: Deluxe Queen Room, Deluxe King Room, Executive Suite, and Presidential Suite. There are 16 Executive suites and 6 Presidential suites. Rooms (and suites) are available in Smoking or Non-Smoking, and in compliance with ADA regulations, handicapped-accessible rooms are available.

Sands Casino Resort Bethlehem opened May of 2009 in Eastern Pennsylvania. It is situated on the site of the historic Bethlehem Steel plant and located approximately 60 minutes from Philadelphia and the northern New Jersey suburbs and 90 minutes from New York City. Sands Bethlehem offers over 3,000 state-of-the-art slot machines and over 180 table games including a 36 table poker room, as well as a 300-room hotel and over 12,000 sq. ft. of meeting space.

The Outlets at Sands Bethlehem Luxury Outlet Center launched at the property in November 2011. The Sands Bethlehem Event Center, which opened at the property in May 2012 and includes over 14,000 sq. ft. of flexible multipurpose space, accommodates meetings, conventions and a variety of entertainment events.

Dining

- Burgers And More by Emeril (BAM)
- Carnegie Deli
- Steelworks Buffet and Grill
- Emeril's Chop House
- Emeril's Italian Table
- St. James Gate Irish Pub and Carvery
- The Market Gourmet Express: Bananas, Green Leaf's, South Philly Steaks & Fries, Villa Fresh Italian Kitchen, Mo' Burger, Far East, Casa Java
- Chopstick Asian Cuisine

Nightlife

- Coil Lounge
- Infusion Lounge
- Molten Lounge
- Vision Bar

Other nightlife includes: Free live music 7 days a week in Molten Lounge; 1 night a week in St. James Gate Irish Pub and Carvery.

Rivers Casino, Pittsburgh

Rivers Casino is in Pittsburgh, Pennsylvania. The casino's 400,000 square foot gaming space features 2,954 gaming machines and 137 table and poker games. The property has five restaurants and three bars.

Gaming Machines - 2,954 total

Table and Poker Games - 137

Poker, 30 tables

Restaurants and Bars

- Andrew's Steak & Seafood - Steak & Seafood
- Ciao - Italian, Sandwiches
- Drum Bar - Bar
- Grand View Buffet - Buffet
- Levels - Bar
- Spiral Bar - Bar
- West End Cafe - Café - Pizza, Sandwiches
- Wheelhouse Bar and Grille - Grille - Bar Drinks and Food

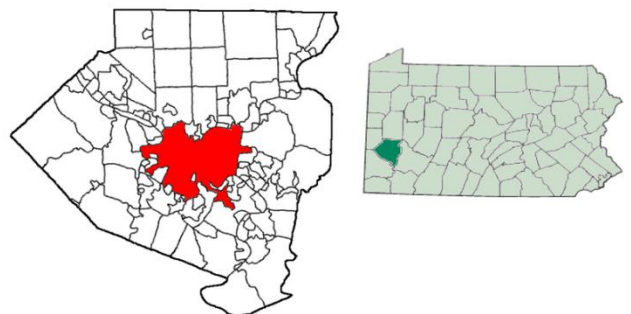


The Rivers Casino (originally going to be named the Majestic Star Casino) is a casino in Pittsburgh, Pennsylvania, USA. It is owned by Holdings Acquisition Co. L.P., a joint venture of Walton Street Capital LLC and High Pitt Gaming LP. Located in Pittsburgh's Chateau neighborhood along the Ohio River and adjacent to the Carnegie Science Center, it had its groundbreaking in December 2007 and opened on August 9, 2009. The casino was originally to be built by Don H. Barden, but financial troubles forced him to sell 75% of his interest in the casino to Holdings Acquisition Co on July 16, 2008.

Demographics

Pittsburgh is the seat of Allegheny County and with a population of 306,211 is the second-largest city in the U.S. State of Pennsylvania. With a metropolitan CSA population of 2,661,369, it is the largest in both the Ohio Valley and Appalachia and the 20th-largest in the U.S.

At the 2010 Census, there were 305,704 people residing in Pittsburgh, a decrease of 8.6% since 2000. The median income for a household in the city was \$28,588, and the median income for a family was \$38,795. Males had a



median income of \$32,128 versus \$25,500 for females. The per capita income for the city was \$18,816. About 15.0% of families and 20.4% of the population were below the poverty line, including 27.5% of those under the age of 18 and 13.5% ages 65 or older.

30-mile radius of Rivers Casino Pittsburgh		
Total Population	2,045,316	
Total Population 2000	2,105,739	
Change in Population 2000-2010	-60,423	-2.9
Males	984,993	48.2
Females	1,060,323	51.8
Population Density	718.3	
Land Area Sq. Miles	2,847	
Median Age	42.4	
Age 0 to 17	412,564	20.2
18 to 24 Years	186,287	9.1
25 to 44 Years	491,735	24.0
45 to 64 Years	602,589	29.5
62 Years and Over	424,847	20.8
65 Years and Over	352,141	17.2



60-mile radius of Rivers Casino Pittsburgh		
Total Population	3,485,562	
Total Population 2000	3,595,227	
Change in Population 2000-2010	-109,665	-3.1
Males	1,694,794	48.6
Females	1,790,768	51.4
Population Density	308.5	
Land Area Sq. Miles	11,298	
Median Age	42.3	
Age 0 to 17	703,118	20.2
18 to 24 Years	337,189	9.7
25 to 44 Years	823,198	23.6
45 to 64 Years	1,021,278	29.3
62 Years and Over	726,173	20.8
65 Years and Over	600,779	17.2

90-mile radius of Rivers Casino Pittsburgh		
Total Population	5,584,789	
Total Population 2000	5,716,564	
Change in Population 2000-2010	-131,775	-2.3
Males	2,727,011	48.8
Females	2,857,778	51.2
Population Density	223.7	
Land Area Sq. Miles	24,966	
Median Age	41.9	
Age 0 to 17	1,161,227	20.8
18 to 24 Years	539,068	9.7
25 to 44 Years	1,315,440	23.6
45 to 64 Years	1,625,195	29.1
62 Years and Over	1,146,098	20.5
65 Years and Over	943,859	16.9

Twin River Casino

Twin River Casino, previously Lincoln Greyhound Park, is a casino and former race track in Lincoln, Rhode Island. The facility has over 300,000 square feet of gaming space, with over 4,500 video slot machines and virtual table games. Table games were introduced in July 2013. Other amenities include a comedy club, a 29,000-square-foot event center, two restaurants, three food courts, several bars, and a racebook. Twin River offers both smoking and non-smoking gaming rooms.



Gaming Machines - 4,538 total

Table and Poker Games - 80 total

- 3 Card Poker
- Baccarat
- Big Six
- Blackjack
- Craps
- Let it Ride
- Pai Gow Poker
- Roulette
- Spanish 21

Other Gaming

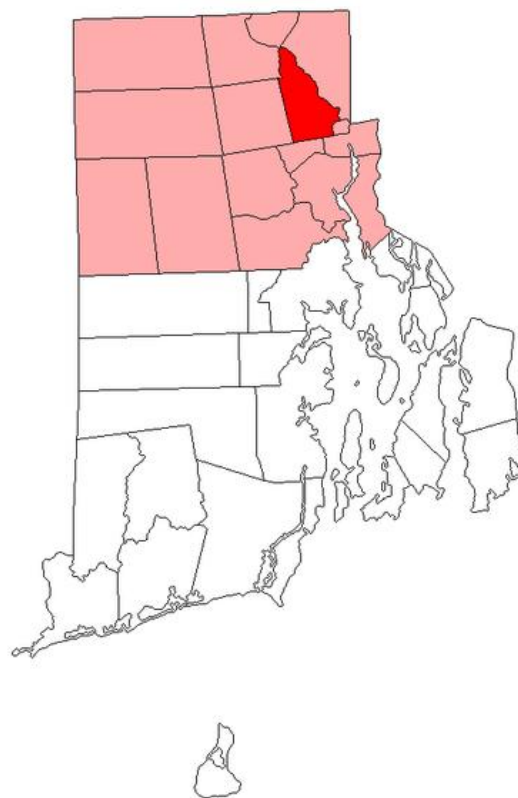
- Bingo - 22 seats
- Race Book

Restaurants and Bars

- Blackstone's Cigar and Martini Bar - Bar
- Dessert Express - Café - Dessert
- Dunkin Donuts - Coffee House
- East Meets West - Chinese
- Fred & Steve's Steakhouse - Steakhouse
- Haagen Dazs - Shop - Ice Cream
- Jeat? - American
- Johnny Rockets - Restaurant
- KFC - Fast Food
- Lighthouse Bar - Bar - Bar Drinks and Food
- Nathan's Hot Dogs - Food Court
- Ronzio Pizza - Food Court
- Sapphire - Lounge
- SoupMan - Café - Soups
- Subway - Fast Food
- Taco Bell - Fast Food
- Wicked Good - Bar & Grill

Demographics

Lincoln is a town in Providence County, Rhode Island. As of the census of 2000, there were 20,898 people, 8,243 households, and 5,778 families residing in the town. The median income for a household in the town was \$47,815, and the median income for a family was \$61,257. Males had a median income of \$41,508 versus \$30,089 for females. The per capita income for the town was \$26,779.



30-miles radius of Twin River, Rhode Island		
Total Population	2,867,058	
Total Population 2000	2,786,971	
Change in Population 2000-2010	80,087	2.9
Males	1,386,893	48.4
Females	1,480,165	51.6
Population Density	1093	
Land Area Sq. Miles	2,623	
Median Age	39.4	
Age 0 to 17	660,963	23.1
18 to 24 Years	273,535	9.5
25 to 44 Years	734,382	25.6
45 to 64 Years	808,367	28.2
62 Years and Over	481,602	16.8
65 Years and Over	389,811	13.6








60-miles radius of Twin River Rhode Island		
Total Population	7,728,143	
Total Population 2000	7,466,240	
Change in Population 2000-2010	261,903	3.5
Males	3,754,020	48.6
Females	3,974,123	51.4
Population Density	955.6	
Land Area Sq. Miles	8,087	
Median Age	39.1	
Age 0 to 17	1,690,218	21.9
18 to 24 Years	805,231	10.4
25 to 44 Years	2,052,558	26.6
45 to 64 Years	2,137,865	27.7
62 Years and Over	1,289,667	16.7
65 Years and Over	1,042,271	13.5

90-miles radius of Twin River Rhode Island		
Total Population	10,860,077	
Total Population 2000	10,475,663	
Change in Population 2000-2010	384,414	3.7
Males	5,270,147	48.5
Females	5,589,930	51.5
Population Density	739.9	
Median Age	39.5	
Age 0 to 17	2,371,620	21.8
18 to 24 Years	1,115,176	10.3
25 to 44 Years	2,820,584	26.0
45 to 64 Years	3,052,731	28.1
65 Years and Over	1,858,241	17.1
65 Years and Over	1,499,966	13.8

Comparator States

-  Land-based or Riverboat Casino
-  Racetrack Casino
-  Tribal Casino
-  Card Room
-  Electronic Gaming Device

Casinos per State (as of Dec. 31, 2012)

STATE					
Alabama			3*		
Alaska			2*		
Arizona			26		
California			70	88	
Colorado	41 ²		2		
Connecticut			2		
Delaware		3 [■]			
Florida		6	8	25	
Idaho			7		
Illinois	10				1,194 [■]
Indiana	11	2			
Iowa	15	3	3		
Kansas	3		4		
Louisiana	14	4	3		2,071
Maine	1	1			
Maryland	2 [■]	1 [■]			
Michigan	3		22		
Minnesota			39	2	
Mississippi	30		3		
Missouri	13				
Montana			14	227 ²	1,503 ²
Nebraska			7*		
Nevada	265 ²		3		2,003 ³
New Jersey	12				
New Mexico		5	21		
New York		9 [■]	8		
North Carolina			2		
North Dakota			11		
Ohio	3	1 [■]			
Oklahoma		2	114		
Oregon			8		2,322 [■]
Pennsylvania	5	6			
Rhode Island		2 [■]			
South Dakota	35 ²		14		1,459 ²
Texas			1*		
Washington			34	71 ²	
West Virginia	1	4 [■]			1,490 [■]
Wisconsin			31		
Wyoming			4		
Total	464	49	466	413	12,042
Number of States	17	14	28	5	7

*Class II games only

²Limited-stakes gaming

[■]Video lottery terminals

¹ Refers to number of non-casino locations in states where electronic gaming devices are present

² Number during FY 2012

³ Locations have 15 or fewer machines

Sources: American Gaming Association, National Indian Gaming Commission, State Gaming Regulatory Agencies

Commercial Casino Tax Revenue by State, 2011 vs. 2012

STATE	2011	2012	% CHANGE
Colorado	\$102.17 million	\$104.26 million	+2.0%
Delaware	\$230.16 million	\$217.44 million	-5.5%
Florida	\$143.60 million	\$161.76 million	+12.6%
Illinois	\$489.42 million	\$574.34 million	+17.4%
Indiana	\$846.37 million	\$806.56 million	-4.7%
Iowa	\$321.53 million	\$334.43 million	+4.0%
Kansas	\$13.08 million	\$92.17 million	+604.7%
Louisiana	\$573.19 million	\$579.45 million	+1.1%
Maine	\$29.06 million	\$43.11 million	+48.3%
Maryland	\$89.53 million	\$218.20 million	+143.7%
Michigan	\$320.67 million	\$319.75 million	-0.3%
Mississippi	\$274.42 million	\$272.73 million	-0.6%
Missouri	\$484.83 million	\$471.41 million	-2.8%
Nevada	\$865.25 million	\$868.60 million	+0.4%
New Jersey	\$277.60 million	\$254.84 million	-8.2%
New Mexico	\$64.72 million	\$62.79 million	-3.0%
New York	\$593.40 million	\$822.67 million	+38.6%
Ohio	NA	\$138.18 million	NA
Oklahoma	\$18.30 million	\$20.38 million	+11.4%
Pennsylvania	\$1.456 billion	\$1.487 billion	+2.1%
Rhode Island	\$308.71 million ¹	\$328.98 million ²	+6.6%
South Dakota	\$16.36 million	\$16.62 million	+1.6%
West Virginia	\$406.46 million	\$402.50 million	-1.0%

¹FY 2011

²FY 2012

Source: State Gaming Regulatory Agencies

Connecticut

Foxwoods Resort Casino & MGM Grand at Foxwoods - Foxwoods Resort Casino & MGM Grand at Foxwoods is a Native American Casino in Mashantucket, Connecticut. The casino's 344,000 square foot gaming space features 6,400 gaming machines and 450 table and poker games. The property has twenty-nine restaurants, three bars and four hotels with 2,577 rooms.

Mohegan Sun - Mohegan Sun is a Native American Casino in Uncasville, Connecticut and is open daily 24 hours. The casino's 350,000 square foot gaming space features 5,500 gaming machines and 320 table and poker games. The property has thirty restaurants, six bars and a hotel with 1,176 rooms.

State	Property	Avg Slots	Net Revenue	WUD	Tables	Table Win	WUD
Connecticut	Foxwoods	6,123	\$ 542,750,408	\$ 243	N/A	N/A	N/A
	Mohegan Sun	5,656	\$ 628,801,430	\$ 305	N/A	N/A	N/A

⁹

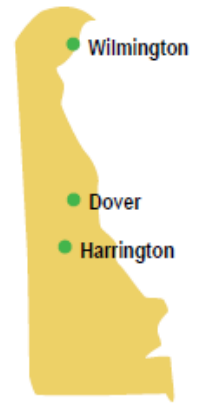
⁹ Connecticut Gaming Division

DELAWARE

Current # of Operating Casinos	3
Casino Format	Racetrack casinos with publicly-run video lottery terminals and table games with distributions to operators
Casino Employees	2,775
Casino Employee Wages	\$105.19 million (includes tips and benefits)
Gross Casino Gaming Revenue	\$526.67 million
Gaming Tax Revenue	\$217.44 million
How Taxes Spent	General fund
Legalization Date	1994
First Casino Opening Date	1995
Revenue Retained by Operator	43.77%
Mode of Legalization	Legislative action
Visitor Volume	Data not available

Note: Delaware wage and employment data includes two of three properties, as one declined to participate in the data collection.

Sources: Delaware Lottery, individual properties



Regional competition from new casinos in Maryland, as well as casinos in Pennsylvania, continued to cut into Delaware's gross gaming and tax revenue, leading to 4.7 and 5.5 percent dips, respectively.

Dover

Dover Downs Hotel & Casino - Dover Downs Hotel & Casino is a horse track in Dover, Delaware that features harness racing and is open daily 24 hours (closed on Easter Sunday and December 25th). The horse track racino's 165,000 square foot gaming space features 2,600 gaming machines and fifty-eight table and poker games. The property has fourteen restaurants, one bar and a hotel with 500 rooms.

Harrington

Harrington Raceway and Casino - Harrington Raceway and Casino is a horse track in Harrington, Delaware that features harness racing and is open Mon-Sat 8am-2am, Sun 1pm-2am. The horse track racino's 140,000 square foot gaming space features 1,800 gaming machines and fifty-one table and poker games. The property has three restaurants and one bar.

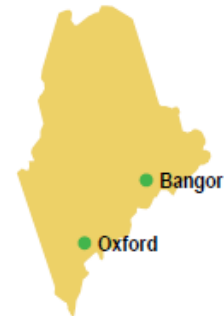
Wilmington

Delaware Park Racetrack, Slots and Golf - is a horse racing facility in Wilmington, Delaware with two tracks that feature thoroughbred racing and is open daily 24 hours. The horse track racino's 78,520 square foot gaming space features 2,540 gaming machines and eighty-nine table and poker games. The property has eleven restaurants.

State	Property	Avg Slots	Net Revenue	WUD	Tables	Table Win	WUD
Delaware	Delaware Park	2,376	\$ 175,920,100	\$ 203	89	\$ 18,021,696	\$ 838
	Dover Downs	2,488	\$ 177,109,800	\$ 195	59	\$ 14,255,799	\$ 994
	Harrington	1,815	\$ 94,727,800	\$ 143	42	\$ 7,420,323	\$ 727

10

MAINE		
Current # of Operating Casinos	2	
Casino Format	Land-based and racetrack casinos with slot machines and table games	
Casino Employees	879	
Casino Employee Wages	\$11.90 million (includes tips and benefits)	
Gross Casino Gaming Revenue	\$99.22 million	
Gaming Tax Revenue	\$43.11 million	
How Taxes Spent	Education, health care, agriculture, gambling control board administration, city of Bangor	
Legalization Date	2004	
First Casino Opening Date	2005	
State Gaming Tax Rate	1% tax on handle or the amount wagered; 39% tax on gross gaming revenue; 3% tax on gross gaming revenue to the city of Bangor	
Mode of Legalization	Local option vote, legislative action	
Visitor Volume	Data not available	
<i>Note: Maine wage data includes one of two properties, as one declined to participate in data collection.</i>		
<i>Sources: Maine Gambling Control Board, individual properties</i>		



Compared to 2011, employment (+141.8 percent), gross gaming revenues (+66.9 percent) and direct gaming tax receipts (+48.3 percent) increased dramatically in Maine during 2012 as a result of the June opening of Oxford Casino in Oxford and the March addition of live table games at Hollywood Casino Hotel & Raceway in Bangor.

Indian Island

Penobscot High Stakes Bingo - Penobscot High Stakes Bingo offers a wide variety of bingo games, pull tabs, and coinboards. The free mystery games are very popular which carry trip prizes all over the world. The casino's gaming space is about 26,400 square feet.

Oxford

The Oxford Casino - The Oxford Casino is in Oxford, Maine and is open daily 24 hours. The casino's 25,000 square foot gaming space features 790 gaming machines and twenty-two table games.

Bangor

Hollywood Casino Hotel & Raceway - Hollywood Casino Hotel & Raceway is a horse track in Bangor, Maine and is open Sun-Wed 8am-1am, Thu-Sat 8am-3am. The horse track racino's 10,000 square foot gaming space features 1,000 gaming machines and fourteen table and poker games. The property has a hotel with 152 rooms.

¹⁰ Delaware Gaming Control Board

Maine Horse Tracks

Cumberland Center - Cumberland Fairgrounds
Farmington - Farmington Fairgrounds
Fryeburg - Fryeburg Fairgrounds
Oxford - Oxford Fairgrounds
Presque Isle - Northern Maine Fairgrounds

Scarborough - Scarborough Downs
Skowhegan - Skowhegan State Fairgrounds
Topsham - Topsham Fairgrounds
Union - Union Fairgrounds
Windsor - Windsor Fairgrounds

State	Property	Avg Slots	Net Revenue	WUD	Tables	Table	WUD
Maine	Hollywood	918	\$ 56,212,926	\$ 145	16	\$ 7,569,321	\$ 2,311
	Oxford	809	\$ 60,578,987	\$ 205	22	\$ 1,796,340	\$ 1,669

MARYLAND

Current # of Operating Casinos	3
Casino Format	Land-based, slots-only casinos
Casino Employees	499
Casino Employee Wages	\$17.47 million (includes tips and benefits)
Gross Casino Gaming Revenue	\$377.81 million
Gaming Tax Revenue	\$218.20 million
How Taxes Spent	Education trust fund, local impact grants, small, minority- and women-owned businesses
Legalization Date	2008
First Casino Opening Date	2010
Revenue Retained by Operator	33%
Mode of Legalization	Constitutional referendum
Visitor Volume	Data not available

Note: Maryland wage and employment data includes two of three properties, as one declined to participate in the data collection.

Sources: Maryland Lottery, individual properties



Maryland's significant year-over-year increases in gaming revenue (+142.6 percent) and gaming tax revenue (+143.7 percent) mostly can be attributed to the opening of the Maryland Live! Casino in Hanover in June and a full year of operations at Ocean Downs in Berlin.

Flintstone

Rocky Gap Casino & Resort - Rocky Gap Casino & Resort is in Flintstone, Maryland. The casino's gaming space features 550 gaming machines and ten table games.

Hanover

Maryland Live! Casino - Maryland Live! Casino is in Hanover, Maryland and is open daily 24 hours. The casino's 160,000 square foot gaming space features 4,332 gaming machines and 174 table and poker games. The property has six restaurants and one bar.

Perryville

Hollywood Casino - Hollywood Casino is in Perryville, Maryland. The casino's 34,000 square foot gaming space features 1,500 gaming machines and twenty-two table and poker games. The property has two restaurants.

Maryland Horse Track Racinos

Berlin

Casino at Ocean Downs - Casino at Ocean Downs is a horse track in Berlin, Maryland that features harness. The horse track racino's 34,000 square foot gaming space features 800 gaming machines. The property has four restaurants and one bar.

Maryland Horse Tracks

Baltimore - Pimlico Race Course

Elkton - Fair Hill Races

Fort Washington - Rosecroft Raceway

Laurel - Laurel Park

Timonium - Timonium Racetrack

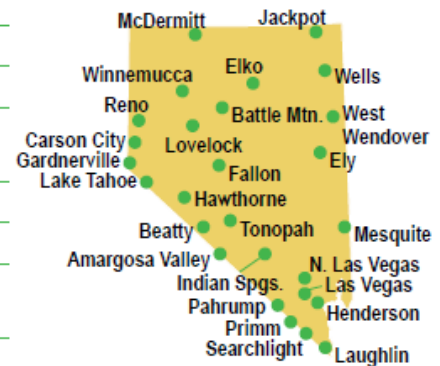
<u>State</u>	<u>Property</u>	<u>Avg Slots</u>	<u>Net Revenue</u>	<u>WUD</u>	<u>Tables</u>	<u>Table</u>	<u>WUD</u>
Maryland	Hollywood Casino Perryville	1,500	\$ 77,659,342	\$ 190	22	\$ 12,612,195.63	\$ 1,571
	Casino at Ocean Downs	800	40,796,392	\$ 187	0	N/A	N/A
	Maryland LIVE	4,332	333,113,993	\$ 282	172	\$ 95,112,248.54	\$ 1,515
	Rocky Gap	550	36,640,669	\$ 183	10	\$ 5,570,524.61	\$ 1,526

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NEVADA

Current # of Operating Casinos	265 (FY 2012)
Casino Format	Land-based
Casino Employees	170,206 (FY 2012)
Casino Employee Wages	\$7.693 billion (includes tips and benefits) (FY 2012)
Gross Casino Gaming Revenue	\$10.860 billion
Gaming Tax Revenue	\$868.60 million
How Taxes Spent	Education, local governments, general fund, problem gambling programs
Legalization Date	1931
First Casino Opening Date	1931
State Gaming Tax Rate	Graduated tax rate with a maximum tax of 6.75% on gross gaming revenue; additional fees and levies may be imposed by counties, municipalities and the state adding approximately 1% to the tax burden
Mode of Legalization	Legislative action
Visitor Volume	52.30 million

Sources: Nevada Gaming Control Board, Nevada Commission on Tourism



When compared to 2011 figures, Nevada casinos experienced a 1.5 percent increase in gross gaming revenue, while state and local governments received 0.4 percent more gaming tax revenue.

Win Revenue Summary - August 2013

Nevada's non-restricted gaming licensees reported a total "gaming win" of \$955,281,446 for the month of August 2013. This amounts to an 11.17% increase compared to August 2012, when licensees reported a gaming win of \$859,261,683. For the fiscal year (July 1, 2013 through August 31, 2013), gaming win has increased 0.85%.¹²

Nevada Online Gaming

In 2013, Nevada became the first state in the US to have a domestically licensed and regulated online poker room operating within its borders. Ultimate Poker, which launched on April 30, is regulated by the Nevada Gaming Control Board. Nevada only permits poker to be played over the Internet. Other forms of gambling are not allowed to be played online. Below is a legislative history of how Nevada adopted online gaming.

¹² 2013 Nevada Gaming Control Board.

		Taxable Revenue by Area					
County/Area	Revenue Range	8/01/13 to	8/31/13	6/01/13 to	8/31/13	9/01/12 to	8/31/13
		Taxable Revenue	% Change	Taxable Revenue	% Change	Taxable Revenue	% Change
STATEWIDE	ALL NONRESTRICTED LOCATIONS	806,816	-1.04	2,484,706	1.90	10,176,409	2.47
	\$1,000,000 AND OVER REVENUE RANGE	801,308	-1.09	2,470,001	1.94	10,114,212	2.58
CARSON VALLEY AREA	ALL NONRESTRICTED LOCATIONS	8,755	1.24	25,588	0.05	97,639	-1.57
	\$1,000,000 AND OVER REVENUE RANGE	8,607	1.51	25,205	0.08	95,937	-1.26
CHURCHILL COUNTY	ALL NONRESTRICTED LOCATIONS	1,786	8.65	5,080	0.98	20,879	-0.22
CLARK COUNTY	ALL NONRESTRICTED LOCATIONS	665,717	-2.02	2,095,368	2.45	8,723,846	2.98
	\$1,000,000 AND OVER REVENUE RANGE	663,493	-1.97	2,088,659	2.57	8,693,393	3.12
CLARK COUNTY DOWNTOWN LAS VEGAS AREA	ALL NONRESTRICTED LOCATIONS	33,080	-7.27	109,864	-1.42	496,062	-2.40
	\$1,000,000 AND OVER REVENUE RANGE	32,574	-7.91	108,946	-1.60	491,280	-2.23
	\$12,000,000 AND OVER REVENUE RANGE	31,404	-8.22	105,466	-1.93	474,351	-2.43
CLARK COUNTY LAS VEGAS STRIP AREA	ALL NONRESTRICTED LOCATIONS	439,800	-0.84	1,357,117	3.28	5,574,951	5.54
	\$1,000,000 AND OVER REVENUE RANGE	439,638	-0.71	1,356,032	3.49	5,570,308	5.70
	\$12,000,000 TO \$36,000,000 REVENUE RANGE	10,378	-20.10	29,092	-23.15	134,476	-17.95
	\$36,000,000 TO \$72,000,000 REVENUE RANGE	22,657	-8.75	68,517	-3.31	285,172	-9.04
	\$72,000,000 AND OVER REVENUE RANGE	404,170	0.14	1,250,885	4.65	5,118,238	7.40
CLARK COUNTY NORTH LAS VEGAS AREA	ALL NONRESTRICTED LOCATIONS	16,708	-18.27	60,049	-6.59	253,857	-7.71
CLARK COUNTY LAUGHLIN AREA	ALL NONRESTRICTED LOCATIONS	35,160	4.81	108,671	5.35	460,459	-0.70
CLARK COUNTY BOULDER STRIP AREA	ALL NONRESTRICTED LOCATIONS	48,165	-14.63	179,615	-0.16	781,828	-0.51
CLARK COUNTY MESQUITE AREA	ALL NONRESTRICTED LOCATIONS	8,043	-1.92	23,915	-5.65	113,371	-4.62
CLARK COUNTY BALANCE OF COUNTY	ALL NONRESTRICTED LOCATIONS	84,762	3.82	256,137	3.68	1,043,318	0.59
	\$1,000,000 AND OVER REVENUE RANGE	83,975	3.92	253,360	3.57	1,031,974	0.63
DOUGLAS COUNTY SOUTH SHORE LAKE TAHOE AREA	ALL NONRESTRICTED LOCATIONS	24,914	0.61	58,311	-10.88	192,858	-4.57
ELKO COUNTY	ALL NONRESTRICTED LOCATIONS	22,231	7.23	64,955	0.12	259,853	-1.83
ELKO COUNTY WENDOVER AREA	ALL NONRESTRICTED LOCATIONS	14,219	9.92	40,686	-0.87	163,588	-2.76
ELKO COUNTY BALANCE OF COUNTY	ALL NONRESTRICTED LOCATIONS	8,011	2.77	24,269	1.83	96,265	-0.20
HUMBOLDT COUNTY	ALL NONRESTRICTED LOCATIONS	1,815	-5.69	5,474	1.71	21,363	0.19
LYON COUNTY	ALL NONRESTRICTED LOCATIONS	3,271	0.39	10,007	2.64	41,164	0.55
NYE COUNTY	ALL NONRESTRICTED LOCATIONS	3,566	-4.45	10,768	-5.96	47,796	-4.69
WASHOE COUNTY	ALL NONRESTRICTED LOCATIONS	72,904	5.72	203,572	2.13	748,275	1.64
	\$1,000,000 AND OVER REVENUE RANGE	71,520	5.21	200,753	1.78	736,583	1.58
WASHOE COUNTY RENO AREA	ALL NONRESTRICTED LOCATIONS	52,603	5.80	148,736	2.73	544,814	2.76
	\$1,000,000 AND OVER REVENUE RANGE	52,220	5.82	147,873	2.59	540,509	2.68
	\$1,000,000 TO \$12,000,000 REVENUE RANGE	2,491	9.92	7,093	7.83	27,553	9.75
	\$12,000,000 TO \$36,000,000 REVENUE RANGE	7,227	0.24	20,978	-1.61	77,927	-5.28
	\$36,000,000 AND OVER REVENUE RANGE	42,502	6.59	119,802	3.07	435,028	3.82
WASHOE COUNTY SPARKS AREA	ALL NONRESTRICTED LOCATIONS	11,799	8.71	31,597	3.18	120,590	-1.52
	\$1,000,000 AND OVER REVENUE RANGE	11,147	3.97	30,577	0.85	117,856	-1.92
WASHOE COUNTY NORTH SHORE LAKE TAHOE AREA	ALL NONRESTRICTED LOCATIONS	3,717	11.90	9,354	2.63	27,045	1.98
WASHOE COUNTY BALANCE OF COUNTY	ALL NONRESTRICTED LOCATIONS	4,786	-5.45	13,885	-6.23	55,827	-2.24
WHITE PINE COUNTY	ALL NONRESTRICTED LOCATIONS	762	-2.71	2,040	-9.53	8,143	-12.27
BALANCE OF COUNTIES	ALL NONRESTRICTED LOCATIONS	1,094	-21.57	3,543	-12.00	14,594	-1.87
	\$1,000,000 AND OVER REVENUE RANGE	798	-20.70	2,685	-10.80	10,748	-1.92

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List of Casinos in Nevada

Alamo Casino and Travel Center - Las Vegas	Don Laughlin's Riverside Resort Hotel & Casino
Alamo Casino and Travel Center - Sparks	Downtown Grand Casino (Expected to open Fall 2013)
Aliante Station	Eastside Cannery
Aquarius Casino Resort	Edgewater Hotel Casino
Aria Resort & Casino	El Capitan Resort Casino
Arizona Charlie's - Boulder	El Cortez Hotel & Casino
Arizona Charlie's - Decatur	Eldorado Casino
Atlantis Casino Resort	Eldorado Hotel Casino
Avi Resort & Casino	Ellis Island Casino & Brewery
Baldini's Sports Casino	Emerald Island
Bally's Las Vegas	Encore Las Vegas
Barley's Casino & Brewing Co.	Eureka Casino & Hotel
Barton's Club 93	Excalibur Hotel-Casino
Bellagio	Fiesta Henderson Casino Hotel
Bighorn Casino	Fiesta Rancho Hotel & Casino
Bill's Gamblin Hall & Saloon	Flamingo Las Vegas
Binion's Gambling Hall and Hotel	Four Queens Hotel-Casino
Bonanza Casino	Four Way Bar-Cafe & Casino
Bonanza Inn & Casino	Fremont Hotel & Casino
Boomtown Hotel & Casino	Gansevoort Las Vegas
Bordertown Casino RV Resort (Reno)	Gold Coast Hotel & Casino
Boulder Station Hotel & Casino	Gold Dust West - Carson City
Bruno's Country Club	Gold Dust West - Elko
Buffalo Bill's Resort & Casino	Gold Strike Hotel & Gambling Hall
Cactus Pete's Resort Casino	Golden Gate Hotel & Casino
Caesars Palace	Golden Nugget Laughlin
Cal-Neva Resort Spa & Casino	Golden Nugget, The (Las Vegas)
California Hotel & Casino	Gold Town Casino (Pahrump)
Cannery Hotel & Casino	Grand Sierra Resort and Casino
Carson Nugget	Green Valley Ranch Resort Spa Casino
Carson Station Hotel Casino	Hacienda Hotel & Casino
Carson Valley Inn	Hard Rock Hotel & Casino s
CasaBlanca Hotel-Casino-Golf-Spa	Harrah's Lake Tahoe
Casino Fandango	Harrah's Las Vegas
Casino MonteLago	Harrah's Laughlin Casino & Hotel
Casino Royale Hotel & Casino	Harrah's Reno
Casino West	Harvey's Resort Hotel-Casino - Lake Tahoe
Circus Circus Hotel & Casino	Hooters Casino Hotel
Circus Circus Hotel Casino (Reno)	Horizon Casino Resort
Clarion Hotel and Casino	Horseshu Hotel & Casino
Club Cal-Neva-Virginian Hotel and Casino	Hotel Nevada & Gambling Hall
Club Fortune Casino	Hyatt Regency Lake Tahoe Resort & Casino
Colorado Belle Hotel Casino & Microbrewery	Indian Springs Casino
Commercial Casino	Jerry's Nugget
The Cosmopolitan of Las Vegas	John Ascuaga's Nugget
Crystal Bay Club Casino	Jokers Wild
D Las Vegas, The (Formerly known as Fitzgeralds Las Vegas)	Klondike Sunset Casino

List of Casinos in Nevada (continued)

Lakeside Casino and RV Park	Riviera Hotel & Casino
Lakeside Inn and Casino	Saddle West Hotel-Casino & RV Park
Las Vegas Auto-Truck Plaza	Sam's Town Hotel & Gambling Hall
Las Vegas Club Hotel & Casino	Sands Regency Hotel Casino, The
LVH - Las Vegas Hotel & Casino	Santa Fe Station Hotel & Casino
Longhorn Casino	Searchlight Nugget Casino
Longstreet Inn Casino & RV Resort	Silver Legacy Resort Casino
Lucky Club	Silver Nugget
Luxor Las Vegas	Sharkey's Casino
M Resort Spa Casino	Siegel Slots & Suites
Magic Star Casino	Siena Hotel Spa Casino
Main Street Station Hotel & Casino	Silver Saddle Saloon
Mandalay Bay	Silver Sevens Hotel & Casino
MGM Grand Hotel Casino	Silverton Casino Hotel Lodge
Mirage, The	Skyline Restaurant & Casino
Montego Bay Casino Resort	Slots-A-Fun Casino
Model T Hotel-Casino-RV Park	South Point Hotel and Casino
Montbleu Resort Casino & Spa	Stagecoach Hotel & Casino
Monte Carlo Resort & Casino	Stockman's Casino
Nevada Hotel & Casino	Stockmen's Hotel & Casino
New York-New York Hotel & Casino	Stratosphere Hotel & Casino
Opera House Saloon & Casino	Sturgeon's Casino
Orleans Hotel & Casino, The	Suncoast Hotel and Casino
Pahrump Nugget Hotel & Gambling Hall	Sunset Station Hotel and Casino
Palace Station Hotel & Casino	Tahoe Biltmore Lodge & Casino
Palazzo, The	Terrible's Gold Ranch (Verdi)
Palms, The	Terrible's Lakeside Casino & RV Park
Paris Casino Resort	Terrible's Rail City Casino (Sparks)
Peppermill Hotel Casino Reno	Texas Station
Peppermill Inn & Casino	Tonopah Station House
Pioneer Hotel & Gambling Hall	Topaz Lodge & Casino
Planet Hollywood Resort & Casino	Treasure Island - TI
Plaza Hotel & Casino	Tropicana Las Vegas
Poker Palace, The	Tropicana Laughlin
Primm Valley Resort & Casino	Tuscany Suites & Casino
Quad Resort & Casino, The s	Venetian Resort Hotel Casino
Railroad Pass Hotel & Casino	Virgin River Hotel-Casino-Bingo
Rainbow Hotel Casino	Wendover Nugget Hotel & Casino
Ramada Reno Hotel and Casino	Western Village Inn & Casino
Rampart Casino	Westin Las Vegas
Red Garter Hotel & Casino	Whiskey Pete's Hotel & Casino
Red Lion Hotel & Casino (Elko)	Wild Wild West Casino
Red Lion Inn & Casino (Winnemucca)	Wildfire Casino
Red Rock Resort Spa Casino	Winnemucca Inn
Rio Suites Hotel & Casino	Winners Hotel-Casino
River Palms Resort Casino	Wynn Las Vegas

Slot Win Per Unit Per Day - Las Vegas Strip - \$72 Million and Over Market

Year	Slots					
	Win (US\$ '000s)	% Change	Units	% Change	WPUPD (US\$)	% Change
2000	2,107,673	9.3	50,203	4.7	115	4.4
2001	2,055,412	(2.5)	47,175	(6.0)	119	3.8
2002	2,111,912	2.7	47,181	0.0	123	2.7
2003	2,160,261	2.3	43,787	(7.2)	135	10.2
2004	2,535,568	17.4	44,989	2.7	154	14.2
2005	2,789,933	10.0	43,377	(3.6)	176	14.1
2006	3,059,256	9.7	41,746	(3.8)	201	13.9
2007	3,142,884	2.7	40,050	(4.1)	215	7.1
2008	2,886,892	(8.1)	40,543	1.2	195	(9.3)
2009	2,471,788	(14.4)	38,660	(4.6)	175	(10.2)
2010	2,397,238	(3.0)	37,090	(4.1)	177	1.1
2011	2,507,853	4.6	37,304	0.6	184	4.0
2012	2,553,266	1.8	35,453	(5.0)	197	7.1
Annual % Chg.: 2000 - 2012		1.6 %		(2.9) %		4.6 %
Source: Nevada Gaming Control						

Table Games Per Unit Per Day - Las Vegas Strip - \$72 Million and Over Market

Year	Table Games					
	Win (US\$ '000s)	% Change	Units	% Change	WPUPD (US\$)	% Change
2000	2,134,219	7.5	2,173	8.2	2,691	(0.6)
2001	2,032,847	(4.7)	2,103	(3.2)	2,648	(1.6)
2002	1,944,706	(4.3)	2,060	(2.0)	2,586	(2.3)
2003	1,893,165	(2.7)	2,028	(1.6)	2,558	(1.1)
2004	2,170,121	14.6	2,126	4.8	2,797	9.3
2005	2,508,218	15.6	2,193	3.2	3,134	12.0
2006	2,860,963	14.1	2,223	1.4	3,526	12.5
2007	2,964,579	3.6	2,243	0.9	3,621	2.7
2008	2,596,219	(12.4)	2,289	2.1	3,107	(14.2)
2009	2,408,137	(7.2)	2,236	(2.3)	2,951	(5.0)
2010	2,656,197	10.3	2,215	(0.9)	3,285	11.3
2011	2,884,700	8.6	2,295	3.6	3,444	4.8
2012	2,986,086	3.5	2,269	(1.1)	3,606	4.7
Annual % Chg.: 2000 - 2012		2.8 %		0.4 %		2.5 %
Source: Nevada Gaming Control						

NEW JERSEY

Current # of Operating Casinos	12
Casino Format	Land-based
Casino Employees	34,726
Casino Employee Wages	\$912.22 million (includes tips)
Gross Casino Gaming Revenue	\$3.051 billion
Gaming Tax Revenue	\$254.84 million
How Taxes Spent	Senior citizens, disabled, economic revitalization programs
Legalization Date	1976
First Casino Opening Date	1978
State Gaming Tax Rate	8% tax on gross gaming revenue, plus a community investment alternative obligation of 1.25% of gross gaming revenue (or an investment alternative 2.5% on gross gaming revenue)
Mode of Legalization	Statewide vote, legislative action
Visitor Volume	27.70 million

Sources: New Jersey Casino Control Commission, South Jersey Transportation Authority



The opening of the state's newest casino, Revel Atlantic City, in April led to a 5.8 percent increase in employment compared to 2011, but the strength and growth of regional competition and Hurricane Sandy led to an 8.0 percent decline in gross gaming revenue and an 8.2 percent drop in gaming tax revenue.

Atlantic City

Atlantic Club – The Atlantic Club is a Casino in Atlantic City, New Jersey and is open daily 24 hours. The casino's 75,374 square foot gaming space features 1,488 gaming machines and sixty table games. The property has seven restaurants, five bars and a hotel with 809 rooms.

Bally's - Bally's Atlantic City is in Atlantic City, New Jersey and is open daily 24 hours (slots); table games weekdays 11am-4am, weekends 24 hours. The casino's 104,100 square foot gaming space features 2,320 gaming machines and 167 table and poker games. The property has thirteen restaurants, one bar and a hotel with 1,750 rooms.

Borgata - Borgata Hotel Casino and Spa is in Atlantic City, New Jersey and is open daily 24 hours. The casino's 161,000 square foot gaming space features 3,700 gaming machines and 259 table and poker games. The property has twelve restaurants, four bars and a hotel with 2,002 rooms.

Caesars - Caesars Atlantic City is a Casino in Atlantic City, New Jersey and is open daily 24 hours. The casino's 111,800 square foot gaming space features 2,190 gaming machines and 204 table and poker games. The property has sixteen restaurants and a hotel with 1,140 rooms.

Golden Nugget - Golden Nugget is a Casino in Atlantic City, New Jersey and is open daily 24 hours. The casino's 80,000 square foot gaming space features 1,500 gaming machines and ninety table and poker games. The property has ten restaurants, one bar and a hotel with 728 rooms.

Harrah's - Harrah's Resort Atlantic City is a Casino in Atlantic City, New Jersey and is open daily 24 hours. The casino's 158,500 square foot gaming space features 2,630 gaming machines and 220 table and poker games. The property has thirteen restaurants, three bars and two hotels with 2,590 rooms.

Resorts - Resorts Casino Hotel is in Atlantic City, New Jersey and is open daily 24 hours. The casino's 100,000 square foot gaming space features 2,125 gaming machines and eighty-seven table games. The property has seven restaurants, two bars and a hotel with 942 rooms.

Revel - Revel Casino Hotel is in Atlantic City, New Jersey and is open daily 24 hours. The casino's 130,000 square foot gaming space features 2,439 gaming machines and ninety-seven table games. The property has ten restaurants, one bar and a hotel with 1,800 rooms.

Showboat - Showboat Atlantic City is a Casino in Atlantic City, New Jersey and is open daily 24 hours. The casino's 108,900 square foot gaming space features 2,290 gaming machines and 134 table and poker games. The property has seven restaurants, four bars and two hotels with 1,331 rooms.

Tropicana - Tropicana Atlantic City Casino & Resort is in Atlantic City, New Jersey and is open daily 24 hours. The casino's 132,896 square foot gaming space features 2,677 gaming machines and 143 table and poker games. The property has seventeen restaurants, one bar and a hotel with 2,079 rooms.

Trump Plaza - Trump Plaza Hotel & Casino is in Atlantic City, New Jersey and is open daily 24 hours. The casino's 91,181 square foot gaming space features 1,688 gaming machines and sixty-nine table games. The property has eleven restaurants, two bars and a hotel with 728 rooms.

Taj Mahal - Trump Taj Mahal Casino Resort is in Atlantic City, New Jersey and is open daily 24 hours. The casino's 167,321 square foot gaming space features 2,648 gaming machines and 201 table and poker games. The property has nineteen restaurants, one bar and two hotels with 2,248 rooms.

New Jersey Horse Tracks

East Rutherford - Meadowlands Racetrack

Freehold - Freehold Raceway

Mays Landing - Atlantic City Racetrack

Oceanport - Monmouth Park

Online Gaming

New Jersey is the third state in the nation to offer online gambling, along with Nevada and Delaware. The state is preparing for the launch of online gambling on Nov. 26 2013 after a five-day invitation-only test period to make sure all the systems work properly.

State	Property	Avg Slots	Net Revenue	WUD	Tables	Table	WUD
New Jersey	Bally's Atlantic City	2,322	\$ 197,915,229	\$ 234	138	\$ 98,112,689	\$ 1,948
	Borgata Hotel Casino and Spa	3,305	\$ 417,234,016	\$ 346	261	\$ 195,457,441	\$ 2,052
	Caesars Atlantic City	2,193	\$ 229,462,232	\$ 287	177	\$ 129,102,488	\$ 1,998
	Golden Nugget - Atlantic City	1,506	\$ 97,278,949	\$ 177	91	\$ 33,171,681	\$ 999
	Harrah's Resort	2,626	\$ 297,882,399	\$ 311	179	\$ 101,357,509	\$ 1,551
	Resorts Casino Hotel	1,935	\$ 99,141,237	\$ 140	70	\$ 31,691,937	\$ 1,240
	Revel Casino Hotel	2,410	\$ 80,264,208	\$ 120	148	\$ 42,051,867	\$ 778
	Showboat Atlantic City	2,294	\$ 180,807,068	\$ 216	114	\$ 44,603,297	\$ 1,072
	The Atlantic Club	1,484	\$ 110,677,038	\$ 204	58	\$ 16,498,019	\$ 779
	Tropicana Atlantic City	2,677	\$ 190,371,544	\$ 195	143	\$ 59,622,147	\$ 1,142
	Trump Plaza Hotel & Casino	1,594	\$ 83,118,505	\$ 143	64	\$ 19,387,100	\$ 830
	Trump Taj Mahal Casino Resort	2,535	\$ 206,902,415	\$ 224	187	\$ 88,589,664	\$ 1,298

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NEW YORK		
Current # of Operating Casinos	9	
Casino Format	Racetrack casinos with publicly-run video lottery terminals with distributions to operators	
Casino Employees	5,233	
Casino Employee Wages	\$189.63 million (includes tips and benefits)	
Gross Casino Gaming Revenue	\$1.802 billion	
Gaming Tax Revenue	\$822.67 million	
How Taxes Spent	Education	
Legalization Date	2001	
First Casino Opening Date	2004	
Revenue Retained by Operator	34.90%	
Mode of Legalization	Legislative action	
Visitor Volume	Data not available	
<small>Note: New York wage and employment data includes eight of nine properties, as one declined to participate in data collection. 2011 data was used for two properties because they declined to provide 2012 information.</small>		
<small>Sources: New York Racing and Wagering Board, New York Lottery, individual properties</small>		



The first full year of operations of Resorts World New York in Queens, New York City was the driving force behind significant gains in gaming revenue (+43.1 percent) and tax receipts (+38.6 percent) when compared to 2011 figures.

Buffalo

Seneca Buffalo Creek Casino - Seneca Buffalo Creek Casino is a Native American Casino in Buffalo, New York and is open daily 24 hours. The casino's 15,300 square foot gaming space features 808 gaming machines and eighteen table games. The property has one restaurant.

Hogansburg

Akwesasne Mohawk Casino Resort - Akwesasne Mohawk Casino Resort is a Native American Casino in Hogansburg, New York and is open daily 24 hours. The casino's 52,500 square foot gaming space features 2,524 gaming machines and thirty-eight table and poker games. The property has four restaurants and two hotels with 150 rooms.

Three Feathers Casino - Three Feathers Casino is in Hogansburg, New York and is open Sun-Wed 11am-10pm, Thu 11am-11pm, Fri-Sat 11am-midnight. The casino's gaming space features 400 gaming machines.

Irving

Seneca Gaming and Entertainment - Seneca Gaming and Entertainment is a Native American Casino in Irving, New York and is open Sun-Thu 9:30am-2am, Fri-Sat 9:30am-4:30am. The casino's 25,000 square foot gaming space features 500 gaming machines. The property has one restaurant.

Jamaica

Resorts World Casino New York City - Resorts World Casino New York City is in Jamaica, New York and is open daily 8am-4am. The casino's 330,000 square foot gaming space features 5,000 gaming machines. The property has eleven restaurants.

Aqueduct Racetrack - Aqueduct Racetrack is a horse racing facility in Jamaica, New York with three tracks that feature thoroughbred racing and is open Oct-May, Wed-Sun 10:45am-7:30pm. The property has four restaurants and two bars.

Niagara Falls

Seneca Niagara Casino & Hotel - Seneca Niagara Casino & Hotel is a Native American Casino in Niagara Falls, New York and is open daily 24 hours. The casino's 147,000 square foot gaming space features 4,000 gaming machines and 124 table and poker games. The property has seven restaurants and a hotel with 604 rooms.

Salamanca

Seneca Allegany Casino & Hotel - Seneca Allegany Casino & Hotel is a Native American Casino in Salamanca, New York and is open daily 24 hours. The casino's 68,300 square foot gaming space features 2,000 gaming machines and thirty-six table games. The property has five restaurants and a hotel with 212 rooms.

Seneca Gaming and Entertainment - Seneca Gaming and Entertainment is a Native American Casino in Salamanca, New York and is open Sun-Thu 9:30am-1am, Fri-Sat 9:30am-2am. The casino's 15,000 square foot gaming space features 280 gaming machines and ten poker games. The property has one restaurant.

Union Springs

Lakeside Entertainment - Lakeside Entertainment is a Native American Casino in Union Springs, New York and is open Sun-Thu 10am-10pm, Fri-Sat 10am-2am. The casino's gaming space features eighty-six gaming machines.

Verona

Turning Stone Resort Casino - Turning Stone Resort Casino is a Native American Casino in Verona, New York and is open daily 24 hours. The casino's 125,000 square foot gaming space features 2,162 gaming machines and 117 table and poker games. The property has seventeen restaurants and five hotels with 709 rooms.

New York Horse Track Racinos

Batavia

Batavia Downs Casino - Batavia Downs Casino is a horse track in Batavia, New York that features harness racing and is open Mon-Sun 10am-4am. The horse track racino's 60,000 square foot gaming space features 647 gaming machines. The property has three restaurants.

Farmington

Finger Lakes Casino & Racetrack - Finger Lakes Casino & Racetrack is a one mile horse track in Farmington, New York that features thoroughbred racing and is open daily 9am-4am. The horse track racino's 30,000 square foot gaming space features 1,200 gaming machines. The property has five restaurants.

Hamburg

Hamburg Casino - Hamburg Casino is a horse track in Hamburg, New York that features harness racing and is open daily 8am-4am. The horse track racino's 66,000 square foot gaming space features 940 gaming machines. The property has three restaurants and one bar.

Monticello

Monticello Casino and Raceway - Monticello Casino and Raceway is a horse track in Monticello, New York that features harness racing and is open Mon-Thu 10am-2am, Fri-Sat 10am-4am. The horse track racino's 40,000 square foot gaming space features 1,545 gaming machines. The property has four restaurants.

Nichols

Tioga Downs Casino - Tioga Downs Casino is in Nichols, New York with two tracks that feature harness racing and is open Sun-Thu 9am-2am, Fri-Sat 9am-3am. The horse track racino's 19,000 square foot gaming space features 800 gaming machines. The property has three restaurants and one bar

Saratoga Springs

Saratoga Casino and Raceway - Saratoga Casino and Raceway is in Saratoga Springs, New York with four tracks that feature harness racing and is open daily 9am-4am. The horse track racino's 55,000 square foot gaming space features 1,778 gaming machines. The property has five restaurants and two bars.

Vernon

Vernon Downs Casino & Hotel - Vernon Downs Casino & Hotel is a horse track in Vernon, New York that features harness racing and is open Sun-Wed 9am-2am, Thu-Sat 9am-3am. The horse track racino's 34,500 square foot gaming space features 761 gaming machines. The property has six restaurants, one bar and a hotel with 175 rooms.

Yonkers

Empire City at Yonkers Raceway - Empire City at Yonkers Raceway is a half-mile horse track in Yonkers, New York that features harness racing and is open daily 9am-4am. The horse track racino's

120,000 square foot gaming space features 5,300 gaming machines. The property has five restaurants and two bars.

New York Horse Tracks

Elmont - Belmont Park

Jamaica - Aqueduct Racetrack

Saratoga Springs - Saratoga Race Course

<u>State</u>	<u>Property</u>	<u>Avg Slots</u>	<u>Net Revenue</u>	<u>WUD</u>	<u>Tables</u>	<u>Table Win</u>	<u>WUD</u>
New York	Resorts World	5,005	\$ 814,288,519	\$ 443	N/A	N/A	N/A
	Empire City Casino	5,339	\$ 48,998,639	\$ 300	N/A	N/A	N/A

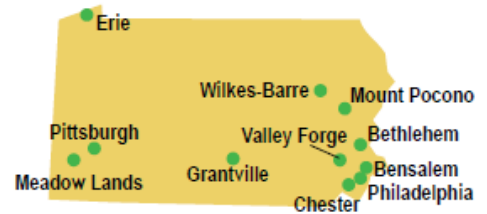
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PENNSYLVANIA

Current # of Operating Casinos	11
Casino Format	Land-based and racetrack casinos with slots and table games
Casino Employees	10,162
Casino Employee Wages	\$339.77 million (includes tips and benefits)
Gross Casino Gaming Revenue	\$3.158 billion
Gaming Tax Revenue	\$1.487 billion
How Taxes Spent	Property tax relief, economic development, tourism, horse racing industry, host local government
Legalization Date	2004
First Casino Opening Date	2007
State Gaming Tax Rate	Slot Machines: 55% tax – 34% to state gaming fund, 12% to horse racing industry, 5% to economic development, 4% to local and county governments; Table Games: 16% tax – 14% to general fund, 2% to local county municipalities
Mode of Legalization	Legislative action
Visitor Volume	Data not available

Note: Pennsylvania wage and employment data includes seven of 11 properties, as four declined to participate in data collection.

Sources: Pennsylvania Gaming Control Board, individual properties



Economic recovery and the continued success of existing properties combined with the opening of the state's 11th casino in Valley Forge to drive Pennsylvania's 2012 increases in gaming revenue (+4.6 percent) and tax receipts (+2.1 percent) when compared to 2011 figures. Pennsylvania's statewide gaming revenue was the second largest in the country during 2012, moving past New Jersey for the first time.

Bethlehem

Sands Casino Resort Bethlehem - Sands Casino Resort Bethlehem is in Bethlehem, Pennsylvania and is open daily 24 hours. The casino's 139,000 square foot gaming space features 3,024 gaming machines and 182 table and poker games. The property has eight restaurants and a hotel with 300 rooms.

Farmington

Lady Luck Casino Nemaquin - Lady Luck Casino Nemaquin is in Farmington, Pennsylvania. The casino's gaming space features 600 gaming machines and twenty-eight table games.

King of Prussia

Valley Forge Casino Resort - Valley Forge Casino Resort is in King of Prussia, Pennsylvania and is open daily 24 hours. The casino's 50,000 square foot gaming space features 600 gaming machines and sixty-five table and poker games. The property has seven restaurants and a hotel with 488 rooms.

Mount Pocono

Mount Airy Casino Resort - Mount Airy Casino Resort is in Mount Pocono, Pennsylvania and is open daily 24 hours. The casino's 65,144 square foot gaming space features 2,300 gaming machines and eighty-eight table and poker games. The property has four restaurants and a hotel with 188 rooms.

Philadelphia

SugarHouse Casino - SugarHouse Casino is in Philadelphia, Pennsylvania and is open daily 24 hours. The casino's 51,017 square foot gaming space features 1,602 gaming machines and fifty-four table games. The property has two restaurants.

Pittsburgh

Rivers Casino - Rivers Casino is in Pittsburgh, Pennsylvania and is open daily 24 hours. The casino's 400,000 square foot gaming space features 2,954 gaming machines and 137 table and poker games. The property has five restaurants and three bars.

Pennsylvania Horse Track Racinos

Bensalem

Parx Casino - Parx Casino is in Bensalem, Pennsylvania with two tracks that feature thoroughbred racing and is open daily 11am-midnight. The horse track racino's 260,000 square foot gaming space features 3,500 gaming machines and 180 table and poker games. The property has eight restaurants.

Chester

Harrah's Philadelphia - Harrah's Philadelphia is a horse track in Chester, Pennsylvania that features harness racing and is open daily 24 hours. The horse track racino's 110,500 square foot gaming space features 2,873 gaming machines and 119 table and poker games. The property has six restaurants and three bars.

Erie

Presque Isle Downs & Casino - Presque Isle Downs & Casino is a polytrack horse track in Erie, Pennsylvania that features thoroughbred racing and is open daily 24 hours. The horse track racino's gaming space features 1,720 gaming machines and forty-nine table and poker games. The property has three restaurants and three bars.

Grantville

Hollywood Casino at Penn National Race Course - Hollywood Casino at Penn National Race Course is a one mile horse track in Grantville, Pennsylvania that features thoroughbred racing and is open daily 24 hours. The horse track racino's 97,985 square foot gaming space features 2,483 gaming machines and sixty-six table and poker games. The property has six restaurants.

Washington

The Meadows Racetrack and Casino - The Meadows Racetrack and Casino is a horse track in Washington, Pennsylvania that features harness racing and is open daily 24 hours. The horse track racino's 350,000 square foot gaming space features 3,317 gaming machines and seventy-eight table and poker games. The property has seven restaurants.

Wilkes Barre

Mohegan Sun at Pocono Downs - Mohegan Sun at Pocono Downs is a 5/8 mile dirt horse track in Wilkes Barre, Pennsylvania that features harness racing and is open daily 24 hours. The horse track racino's 82,000 square foot gaming space features 2,331 gaming machines and eighty-four table and poker games. The property has ten restaurants and one bar.

<u>State</u>	<u>Property</u>	<u>Avg Slots</u>	<u>Net Revenue</u>	<u>WUD</u>	<u>Tables</u>	<u>Table Win</u>	<u>WUD</u>
Pennsylvania	Mohegan Sun	2,332	\$ 224,326,145	\$ 264	84	\$ 42,923,506	\$ 1,400
	Parx	3,376	\$ 376,418,086	\$ 306	165	\$ 110,307,984	\$ 1,827
	Harrah's Philadelphia	2,793	\$ 249,568,812	\$ 245	122	\$ 80,330,840	\$ 1,804
	Presque Isle	1,911	\$ 138,463,135	\$ 200	51	\$ 14,956,139	\$ 809
	The Meadows	3,316	\$ 240,805,246	\$ 199	80	\$ 35,983,833	\$ 1,232
	Mount Airy	2,030	\$ 146,594,808	\$ 198	72	\$ 39,224,667	\$ 1,492
	Penn National	2,467	\$ 238,200,029	\$ 265	69	\$ 37,810,041	\$ 1,496
	Sands Bethlehem	3,018	\$ 290,903,382	\$ 264	166	\$ 165,378,077	\$ 2,734
	The Rivers	2,885	\$ 283,332,873	\$ 269	115	\$ 69,280,996	\$ 1,649
	SugarHouse	1,605	\$ 184,283,208	\$ 315	57	\$ 85,318,943	\$ 4,134
	Valley Forge	600	\$ 55,944,930	\$ 256	50	\$ 31,583,280	\$ 1,731
	Nemacolin	600	N/A	N/A	50	N/A	N/A

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RHODE ISLAND

Current # of Operating Casinos	2
Casino Format	Racetrack casinos with publicly-run video lottery terminals with distributions to operators
Casino Employees	N/A
Casino Employee Wages	N/A
Gross Casino Gaming Revenue	\$527.96 million
Gaming Tax Revenue	\$328.98 million (FY 2012)
How Taxes Spent	General fund
Legalization Date	1992
First Casino Opening Date	1992
Revenue Retained by Operator	27.58% ¹
Mode of Legalization	Legislative action
Visitor Volume	Data not available

Note: Both properties in Rhode Island declined to provide employment and wage data.
¹FY 2012 data was used to calculate the percentage of revenue retained by operator.

Sources: Rhode Island Lottery, individual properties



Due in part to the recovering overall economy, Rhode Island's two casinos brought in more gross gaming revenue (+2.9 percent) in 2012 than in 2011, and generated more tax revenue (+6.6 percent) in FY 2012 than they did in FY 2011.

Lincoln

Twin River Casino - Twin River Casino is a dog track in Lincoln, Rhode Island that features greyhound racing and is open daily 24 hours. The dog track racino's 300,000 square foot gaming space features 4,500 gaming machines and sixty-six table games. The property has fifteen restaurants and two bars.

Newport

Newport Grand - Newport Grand is a Casino in Newport, Rhode Island and is open daily 10am-1am. The casino's 50,000 square foot gaming space features 1,070 gaming machines. The property has two restaurants.

State	Property	Avg Slots	Net Revenue	WUD	Tables	Table Win	WUD
Rhode Island	Twin Rivers	4,700	\$ 473,478,000	\$ 276	66	\$ 5,755,660	\$ 2,813
	Newport Grand	1,088	\$ 48,120,638	\$ 121			

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¹⁷ Rhode Island Lottery

WEST VIRGINIA

Current # of Operating Casinos	5
Casino Format	Racetrack casinos with publicly run video lottery terminals and table games with distributions to operators, one land-based commercial casino
Casino Employees	4,351
Casino Employee Wages	\$134.68 million
Gross Casino Gaming Revenue	\$948.81 million
Gaming Tax Revenue	\$402.50 million
How Taxes Spent	Education, senior citizens, tourism
Legalization Date	1994
First Casino Opening Date	1994
Revenue Retained by Operator	47.11%
Mode of Legalization	Local option vote, legislative action
Visitor Volume	Data not available

Note: West Virginia wage and employment data includes four of five properties, as one declined to participate in data collection. 2011 data was used for two properties because they declined to provide 2012 information.

Sources: West Virginia Lottery, individual properties



Increased competition from new casinos in neighboring states played a role in keeping West Virginia from experiencing the gaming growth seen by other states. Compared to 2011 figures, casinos in West Virginia saw their gross gaming revenues and direct gaming tax receipts both decline by 1.0 percent in 2012.

White Sulphur Springs

The Casino Club at The Greenbrier - The casino's 103,000 square foot gaming space features 320 gaming machines and thirty-seven table games. The property has one restaurant.

Cross Lanes

Mardi Gras Casino & Resort - Mardi Gras Casino & Resort is a dog track in Cross Lanes, West Virginia that features greyhound racing and is open daily 24 hours. The dog track racino's 60,000 square foot gaming space features 1,062 gaming machines and seventy tables.

Wheeling

Wheeling Island Racetrack and Gaming Center - is a dog track in Wheeling, West Virginia that features greyhound racing and is open daily 7am-4am. The racino's 90,000 square foot gaming space features 1,800 gaming machines and sixty-two table and poker games. The property has six restaurants and a hotel with 151 rooms.

Charles Town

Hollywood Casino - Charles Town - Hollywood Casino is a six furlongs horse track in Charles Town, West Virginia that features thoroughbred racing and is open daily 24 hours. The horse track racino's 184,348 square foot gaming space features 4,500 gaming machines and 112 table and poker games. The property has seven restaurants and a hotel with 153 rooms.

Chester

Mountaineer Casino, Racetrack & Resort - Mountaineer Casino, Racetrack & Resort is a horse track in Chester, West Virginia that features thoroughbred racing and is open daily 24 hours. The horse track racino's 121,986 square foot gaming space features 2,145 gaming machines and fifty-nine table and poker games. The property has seven restaurants, one bar and a hotel with 354 rooms.

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<u>State</u>	<u>Property</u>	<u>Avg Slots</u>	<u>Net Revenue</u>	<u>WUD</u>	<u>Tables</u>	<u>Table</u>	<u>WUD</u>
West Virginia	Mountaineer	1,980	\$ 41,262,132	\$ 215	51	\$ 30,047,235	\$ 1,614
	Wheeling Island	1,401	\$ 24,101,943	\$ 177	32	\$ 12,840,323	\$ 1,099
	Tri-State	977	\$ 13,186,709	\$ 139	54	\$ 20,025,588	\$ 1,016
	Charles Town	3,197	\$ 86,415,661	\$ 279	125	\$ 160,290,084	\$ 3,513
	Greenbrier Casino Club	316	\$ 4,950,083	\$ 296	37	\$ 6,182,748	\$ 458
	Mardi Gras	1,200					

Comparator State Summary

State	License Fee	Minimum Investment	Property	VLT Tax%	Casino Sq. Ft.	Avg Slots	Net Revenue	WUD	Table Games Tax %	Tables	Table Win	WUD
	\$ 250,000 Fee			Racetrack 39% Net					Racetrack 16% Net			
	\$5,000,000 competitive bid.	N/A		Non-racetrack 46% Net					Non-racetrack 16% Net			
Maine		N/A	Hollywood	40%	10,000	918	\$ 56,212,926	\$ 145	16%	16	\$ 7,569,321	\$ 2,311
			Oxford	46%	25,000	809	\$ 60,578,987	\$ 205	16%	22	\$ 1,796,340	\$ 1,669
Rhode Island	N/A	N/A		71%					18%			
	N/A	N/A	Twin Rivers	71%	300,000	4,700	\$ 473,478,000	\$ 276	18%	66	\$ 5,755,660	\$ 2,813
	N/A	N/A	Newport Grand	71%	50,000	1,088	\$ 48,120,638	\$ 121	N/A			
New York												
			Resorts World	47%	330,000	5,005	\$ 814,288,519	\$ 443				
			Empire City Casino	47%	120,000	5,339	\$ 48,998,639	\$ 300				
Delaware	N/A	N/A		56.5%					33.9%			
	N/A	N/A	Delaware Park	56.5%	78,520	2,376	\$ 175,920,100	\$ 203	33.9%	89	\$ 18,021,696	\$ 838
	N/A	N/A	Dover Downs	56.5%	165,000	2,488	\$ 177,109,800	\$ 195	33.9%	59	\$ 14,255,799	\$ 994
	N/A	N/A	Harrington	56.5%	140,000	1,815	\$ 94,727,800	\$ 143	33.9%	42	\$ 7,420,323	\$ 727
Pennsylvania												
	\$50,000,000 - Slots											
	\$16,500,000 - Tables	N/A	Mohegan Sun	55%	82,000	2,332	\$ 224,326,145	\$ 264	12.0%	84	\$ 42,923,506	\$ 1,400
	\$50,000,000 - Slots											
	\$16,500,000 - Tables	N/A	Parx	55%	260,000	3,376	\$ 376,418,086	\$ 306	12.0%	165	\$ 110,307,984	\$ 1,827
	\$50,000,000 - Slots											
	\$16,500,000 - Tables	N/A	Harrah's Philadelphia	55%	110,500	2,793	\$ 249,568,812	\$ 245	12.0%	122	\$ 80,330,840	\$ 1,804
	\$50,000,000 - Slots											
	\$16,500,000 - Tables	N/A	Presque Isle	55%	48,074	1,911	\$ 138,463,135	\$ 200	12.0%	51	\$ 14,956,139	\$ 809
	\$50,000,000 - Slots											
	\$16,500,000 - Tables	N/A	The Meadows	55%	350,000	3,316	\$ 240,805,246	\$ 199	12.0%	80	\$ 35,983,833	\$ 1,232
	\$50,000,000 - Slots	Competitive selection										
	\$7,500,000 - Tables		Mount Airy	55%	65,144	2,030	\$ 146,594,808	\$ 198	12.0%	72	\$ 39,224,667	\$ 1,492
	\$50,000,000 - Slots											
	\$16,500,000 - Tables	N/A	Penn National	55%	97,985	2,467	\$ 238,200,029	\$ 265	12.0%	69	\$ 37,810,041	\$ 1,496
	\$50,000,000 - Slots	Competitive selection										
	\$7,500,000 - Tables		Sands Bethlehem	55%	139,000	3,018	\$ 290,903,382	\$ 264	12.0%	166	\$ 165,378,077	\$ 2,734
	\$50,000,000 - Slots	Competitive selection										
	\$7,500,000 - Tables		The Rivers	55%	400,000	2,885	\$ 283,332,873	\$ 269	12.0%	115	\$ 69,280,996	\$ 1,649
	\$50,000,000 - Slots	Competitive selection										
	\$7,500,000 - Tables		SugarHouse	55%	51,017	1,605	\$ 184,283,208	\$ 315	12.0%	57	\$ 85,318,943	\$ 4,134
	\$50,000,000 - Slots	Competitive selection										
	\$7,500,000 - Tables		Valley Forge	55%	50,000	600	\$ 55,944,930	\$ 256	12.0%	50	\$ 31,583,280	\$ 1,731
	\$50,000,000 - Slots	Competitive selection										
	\$7,500,000 - Tables		Nemacolin	55%	35,000	600				50		

Comparator State Summary (continued)

State	License Fee	Minimum Investment	Property	VLT Tax%	Casino Sq. Ft.	Avg Slots	Net Revenue	WUD	Table Games Tax %	Tables	Table Win	WUD
Connecticut	N/A	N/A		25%						No Tax on Table Games		
	N/A	N/A	Foxwoods	25%	344,000	6,123	\$ 542,750,408	\$ 243	N/A			
	N/A	N/A	Mohegan Sun	25%	350,000	5,656	\$ 628,801,430	\$ 305	N/A			
New Jersey	\$200,000 \$500/slot annual license	Requires a casino have a hotel with minimum 500 rooms		8% tax on gross gaming revenue 2.5% of gross gaming revenue or alternative investment equal to 1.5% of gross revenue								
			Bally's Atlantic City	9.5%	104,100	2,322	\$ 197,915,229	\$ 234	9.5%	138	\$ 98,112,689	\$ 1,948
			Borgata Hotel Casino and Spa	9.5%	161,000	3,305	\$ 417,234,016	\$ 346	9.5%	261	\$ 195,457,441	\$ 2,052
			Caesars Atlantic City	9.5%	111,800	2,193	\$ 229,462,232	\$ 287	9.5%	177	\$ 129,102,488	\$ 1,998
			Golden Nugget - Atlantic City	9.5%	80,000	1,506	\$ 97,278,949	\$ 177	9.5%	91	\$ 33,171,681	\$ 999
			Harrah's Resort	9.5%	158,500	2,626	\$ 297,882,399	\$ 311	9.5%	179	\$ 101,357,509	\$ 1,551
			Resorts Casino Hotel	9.5%	100,000	1,935	\$ 99,141,237	\$ 140	9.5%	70	\$ 31,691,937	\$ 1,240
			Revel Casino Hotel	9.5%	130,000	2,410	\$ 80,264,208	\$ 120	9.5%	148	\$ 42,051,867	\$ 778
			Showboat Atlantic City	9.5%	108,900	2,294	\$ 180,807,068	\$ 216	9.5%	114	\$ 44,603,297	\$ 1,072
			The Atlantic Club	9.5%	75,374	1,484	\$ 110,677,038	\$ 204	9.5%	58	\$ 16,498,019	\$ 779
			Tropicana Atlantic City	9.5%	132,896	2,677	\$ 190,371,544	\$ 195	9.5%	143	\$ 59,622,147	\$ 1,142
			Trump Plaza Hotel & Casino	9.5%	91,181	1,594	\$ 83,118,505	\$ 143	9.5%	64	\$ 19,387,100	\$ 830
		Trump Taj Mahal Casino Resort	9.5%	167,321	2,535	\$ 206,902,415	\$ 224	9.5%	187	\$ 88,589,664	\$ 1,298	
West Virginia			Mountaineer	56.7			1,980	\$ 41,262,132	\$ 215	51	\$ 30,047,235	1614
			Wheeling Island	56.7	90,000		1,800	\$ 24,101,943	\$ 177	62	\$ 12,840,323	567
			Tri-State	56.7			977	\$ 13,186,709	\$ 139	54	\$ 20,025,588	1016
			Charles Town	56.7			3,197	\$ 86,415,661	\$ 279	125	\$ 160,290,084	3513
			Greenbrier Casino Club	56.7	103,000		316	\$ 4,950,083	\$ 296	37	\$ 6,182,748	458
			Mardi Gras	56.7	60,000	1,200						
Maryland	\$3,000,000 per 500 VLTs \$425/VLT-\$500/table Ann.	\$25,000,000 per 500 VLTs										
	\$3,000,000 per 500 VLTs \$425/VLT-\$500/table Ann.	N/A	Hollywood Casino Perryville	67%	34,000	1,500	\$ 77,659,342	\$ 190	20%	22	\$ 12,612,195.63	\$ 1,571
	\$3,000,000 per 500 VLTs \$425/VLT-\$500/table Ann.	N/A	Casino at Ocean Downs	67%	34,000	800	40,796,392	\$ 187	20%	0	N/A	N/A
	\$3,000,000 per 500 VLTs \$425/VLT-\$500/table Ann.	N/A	Maryland LIVE	67%	160,000	4,332	333,113,993	\$ 282	20%	172	\$ 95,112,248.54	\$ 1,515
	Reduced for resort facility	Reduced for resort facility	Rocky Gap	43%	10000	550	36,640,669	\$ 183	20%	10	\$ 5,570,524.61	\$ 1,526
Nevada Las Vegas Strip \$72 Million and Over Market	Quarterly License Fee \$20,300 + \$25/table over 35 Slot Machine Quarterly License Fee \$ 20/slot	N/A		6.75% tax on gross revenue Slot Machine Annual Tax: \$250/slot Slot Machine Quarterly License Fee \$ 20/slot		35,453	\$ 2,553,266,000	\$ 197	6.75% tax on gross revenue Table Game Annual Tax \$16,000 + \$200/table over 16 Quarterly License Fee \$20,300 + \$25/table over 35	2269	\$ 2,986,086,000	\$ 3,606

Financial Information

Application, licensing, and other fees

Application, licensing, and other fees or penalties, including provisions for licensee / applicant payment of investigation and other related costs.

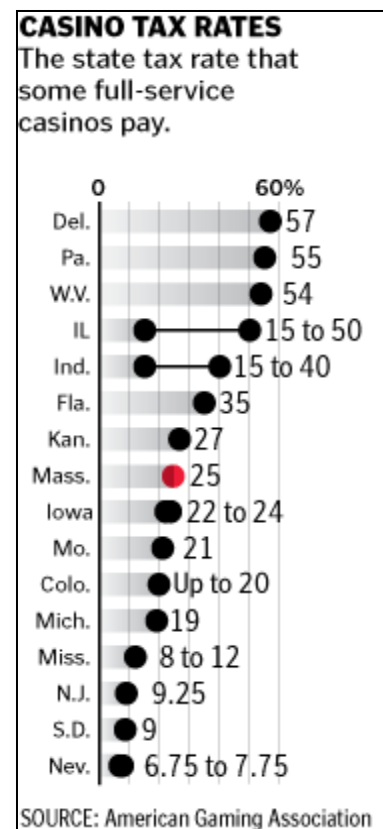
To make sure the integrity and viability of applicants, thorough background checks and investigation are required. Given our review and research, a \$400,000 to \$500,000 application fee to fund the due diligence and background investigations would be a fair cost to the bidders and sufficient to cover the associated costs of performing these checks. This amount will also help to identify only serious bidders who can afford this initial cost.

Rates of Taxation

Rates of taxation or other allocation of gambling proceeds (i.e. host amount, compulsive gambling, mutual brand development, etc...)

The tax rate must be competitive with Massachusetts as the New Hampshire facility may be competing with gaming facilities in Boston/Everett and to a lesser extent with Springfield/Palmer and perhaps Leominster. Given the 25% stated gaming tax rate in Massachusetts, New Hampshire must be competitive in establishing a gaming tax rate in order to attract required investment, higher quality operators, reinvestment in assets and patrons alike and to be able to offer the array of quality amenities to attract out of state visitors as well as to appeal to the local market. However, 25% is not a true indication of their “effective” rate to any operator.

In reality, Massachusetts does include broad assessments as part of SB 152, including a \$600 annual fee per slott machine and “any remaining costs of the commission necessary to maintain regulatory control over gaming establishments that are not covered by ... any other designated sources of funding shall be assessed annually on gaming licensees under this chapter”, and in addition assesses a \$5 million fee “for the costs of service and public health programs dedicated to addressing problems associated with compulsive gambling or other addiction services, based on number of gaming commission.” Taken together, this adds about another 2.5% “tax” on gaming revenue which needs to be considered in any comparison with New Hampshire gaming tax rates.



Another aspect to be considered in a tax discussion are the community host agreements which are in the process of or have been negotiated with communities which are to contain casino developments in Massachusetts. As has been noted on the Gaming Commission website, agreements for payments to these “host” communities will far exceed property taxes and other

<u>State</u>	<u>Slot Tax Rate</u>	<u>Table Tax Rate</u>
DE	56.5%	33.9%
CT	25%	
MA	25%	25%
NY	47%	
PA	55%	12%
RI	71%	18%
NV	6.75%	6.75%
<u>NJ</u>	<u>8%</u>	<u>8%</u>
Average	25.0%	18.0%

local taxes which may ordinarily be incurred. These results need to be determined, considered and factored into any “effective rate” in Massachusetts.

In New Hampshire, a tax rate higher than 33% – 35% could directly impact the number of jobs created, total long term investment in the facility and affect the overall economic impact of the related operations in a negative manner. The tax rate on table games (14% of daily gross table game revenue) does acknowledge the additional labor expense due to the more manual operations and related supervision of table games. Also, the casino “hold” percentage is less on most table games.

We also believe it should be mandated that 3 - 4% annually is to be allocated to required reinvestment back into the property (not necessarily annually, but put into a fund to be used only for reinvestment to ensure the quality of the property remains consistent) and some percentage of the tax rate (1%) could be earmarked to provide support for local and state compulsive or problem gaming programs. Furthermore, the 3 – 4% required reinvestment while appearing as an additional “condition” from a public perception standpoint is typically the rate at which experienced operators will set aside funds on an annual basis for normal capital improvements and property maintenance.

This would be similar to the reinvestment requirement as referenced in Massachusetts’ MGL, c.23K, s.21 (a) (4), “The licensee shall: ... (4) make, or cause to be made, capital expenditures to its gaming establishment in a minimum aggregate amount equal to 3.5 per cent of the net gaming revenues derived from the establishment; provided, however, that a gaming licensee may make capital expenditures in an amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved by the commission.”

Another option is a base tax rate guaranteed to the state of (33% - 35%) with perhaps with 1% – 2% to host/local communities to offset related expenses.

Considerations

- Lower rates are more relevant to jurisdictions in which the capacity of the market is permitted to float with operator investment.
- Higher rates limit total investment available which, in turn, tends to limit the nature of the facility to more "gambling oriented" than full amenity oriented
- Number of operators not typically capped at lower levels, allowing market and risk of operators to "maximize" both market development and overall return to the people of the State
- Higher rates place operators at competitive disadvantage in attracting and retaining customers, especially when geographic factors have to be overcome
- Investment Level
- Smaller end lends itself to a greater number of investors and properties but does not typically match the desires for more full amenity development
- Higher End requires larger concentration of gaming to acquire "critical mass" of product variety and visitations to drive capacity utilization

Ideal Unclaimed Winnings/"Breakage" Distribution

With the current ticket-in/ticket-out technology, most unclaimed winnings are of small denominations where the patron decides it is not worth standing in line to redeem at a kiosk or at the cage for a small amount of change, or the patron decides to save the ticket for a return visit only to lose the slip of paper. In dealing with these unredeemed winnings once they expire, we have seen two models:

- The Operator retains outstanding tickets/vouchers (after a predetermined time period) as revenue and it is taxed accordingly, or
- more recently, many states have decided to claim outstanding tickets/vouchers as "unclaimed property" defined as any financial asset that has been left with a "holder," such as a bank, insurance company or other business or organization, without activity or contact for a specified period of time.

Pay Table Calculations for Electronic Gaming

Every slot machine has a pay table that lists all the possible payouts in a slots game and will show the payout for each combination of symbols for the number of coins bet. The internal payout percentage relates to the amount returned to a slot player in the form of winnings. This would be the difference between total bets and the casino's "hold". If a pay table for a machine states that the payout percentage is 85%, the slot machine will return 85 cents of winnings and the rest of the dollar goes to the casino. The payout percentage is calculated over time and it could take up to thousands of spins before the percentage is actually paid out.

It's best to provide ranges for each game type and denomination so the operator has flexibility with new and popular slot products moving forward. We would recommend keeping any Pay Table requirements out of the legislation and addressed in the regulatory rules to provide the managing Gaming Board flexibility to respond to market demand. Regarding “fair” pay table limits, we would recommend:

- Participation Games: if wide area progressive machines (WAPs) and/or revenue share games are permitted, the range should be 11% - 16% (these games are typically the highest hold games on the floor).
- Penny Video Reel: should be in the 10% - 13% range. This will be the majority of the floor. This will allow a wide mixture of manufacturers and game types. There will be some (few) games that may come-in above or below the recommended range.
- \$0.02 - \$0.05: Video reel or mechanical reel: There may not be any of these in the mix, but if there are we would recommend 8% - 11%.
- \$0.10 - \$0.25 and \$1.00 Video Reels: 5% - 8%. These are typically high-limit room games with Multi-line, and a high average bet.
- \$0.25 Mechanical Reels: If there are any of this type: 8% - 11%.
- \$1.00, \$5.00 up to \$100 Mechanical Reels; 4% - 7%.
- Video Poker Multi Game/Multi-Denomination (action games included):
 - 0.01-\$0.10: 7% - 11%
 - \$0.25-\$0.50: 5% - 7%
 - \$1.00-\$100: 2% - 5%
- Video Keno: 9% - 12%

Minimum and Maximum Payout Ratios by Jurisdiction ⁵

State	Overall			Slots			Video Poker	
	Min	Max		Min	Max		Min	Max
Arizona				83	100		83	100
Arkansas	83							
California								
Colorado	80	100						
Connecticut								
Delaware	87	95						
Florida	85							
Illinois	80							
Indiana								
Iowa								
Kansas	87							
Kentucky								
Louisiana	80	99.9						
Maine								
Maryland	87							
Massachusetts								
Michigan *	75							
Minnesota				80	95		83	98
Mississippi								
Missouri								
Montana	80							
Nevada	75							
New Hampshire								
New Jersey	83							
New Mexico	80	96						
New York								
North Carolina	83	98						
North Dakota				80	100		83	100
Ohio								
Oklahoma								
Pennsylvania								
Rhode Island								
West Virginia	80	95						
Wisconsin	80	100						

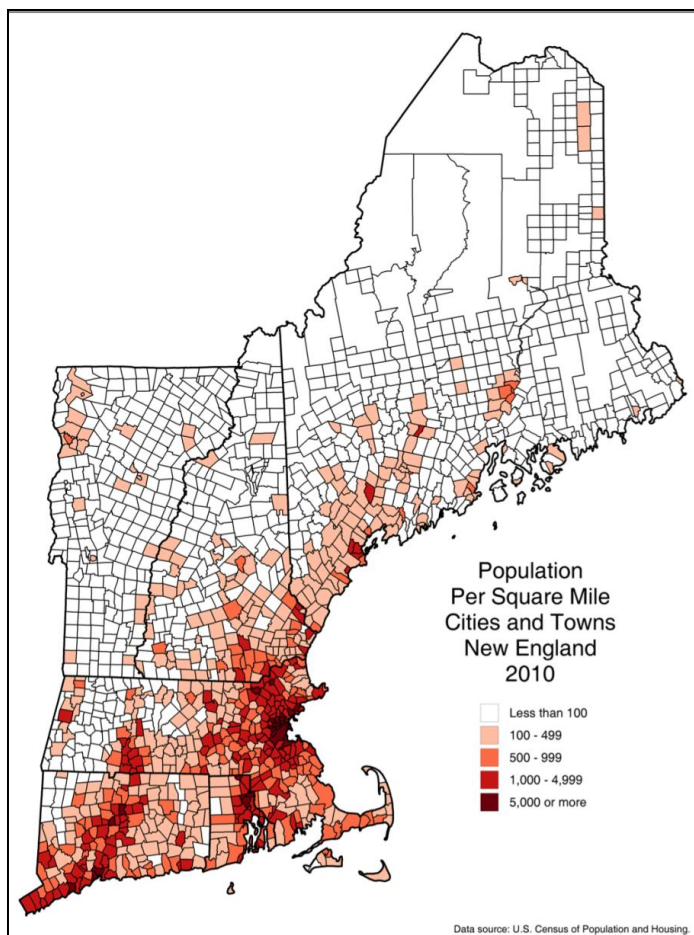
Note: Michigan requires games to be set to the minimum standards for machines in Nevada or New Jersey

²⁰ State Gaming Control Boards

Capital Investment and Number of Gaming Positions:

Minimum capital investment and required elements of capital investment and reinvestment, including specifications for hotels, restaurants or live entertainment facilities. Ideal allocation of the number of licensees, coupled with the number of gaming positions, in the State of New Hampshire, given current and expected developments in gaming in northeastern United States

Based on our projections for the facility and the activity in Massachusetts, A minimum initial investment of \$200M - \$300M for the casino is recommended (or required) with a total investment of at least \$450M within five years of issuance of the license. The requirement in SB 152-O that “the applicant agree to make a minimum capital investment in the project in an amount determined by the commission; provided that such capital investment shall be not less than \$425,000,000 and exclusive of land acquisition, off-site improvement costs and license fees” follows similar practices by previous state jurisdictions to ensure potential project proposals meet a predefined benchmark in terms of the quality of the facilities they propose to develop in the marketplace. As we see in Massachusetts, the proposals are exceeding expectations with some proposals committing over \$1 billion for the projects. We also expect proposals that exceed this minimum threshold in New Hampshire, but this is a sufficient starting point and will allow the market to dictate the final configuration of the resort as well as discourage less serious bidders, or bidders who might, lacking this provision, propose minimal facilities beyond merely the casino itself in order to minimize the total capital investment. As non-gaming amenities continue to make up a greater share of casino-resort revenue, allowing potential developers to add and refine amenities over a five year period provides flexibility to the developer to add or expand the appropriate facilities as the market matures versus requiring a total investment at the outset which may lead to a suboptimal mix in the facilities programming. It is unlikely a



developer will open with anywhere close to 5,000 slots or 150 table games (prior facilities in similar markets to that of Southern New Hampshire have typically opened with around 2,500 slot machines and between 75-100 table games). The hotel facilities would most likely also expand at some point in the future as the casino and resort facilities induce additional demand for room nights and meeting and event space, and the economy continues to recover and expand.

The goal of this effort is to offer a comprehensive gaming resort, able to attract local market patrons, gaming and non-gaming tourists as well as groups, both leisure and business.

For a stand-alone casino format, we would envision a large high-end casino containing roughly 2,000 – 2,500 slot machines, and 85 table games, including a poker room. We would expect a minimum 350-room casino hotel to accommodate overnight gaming patrons with oversized standard rooms, an approximately 10,000 square foot spa, and fitness center. There will be numerous food & beverage venues and some level of retail (based on surrounding retail options in order to avoid cannibalization from existing retail businesses), which are not important to the state from a tax basis at this time, but will enhance the overall gaming and entertainment experience. Given the level of tourism and a location in southern New Hampshire, we assume that a correctly sized meeting and event space (minimum of 25,000 square foot) will also add to the appeal of the facility and fill in seasonal fluctuations in attendance.

The Verizon Wireless Arena is currently a major entertainment venue in Southern New Hampshire. Seating capacity for the Verizon Wireless Arena varies, depending upon each individual event. For example, hockey games seat approximately 10,019, basketball seats 11,140 people, end stage concerts hold about 10,050, while center stage concerts seat about 11,770. The Manchester Monarchs, a professional ice hockey team in the American Hockey League, an affiliate of the Los Angeles Kings since 2001, also play their home games at the Verizon Wireless Arena. It would not make sense for a casino hotel to compete with the type and level of entertainment offered by the arena. It would make sense for the new casino hotel to work together with the arena to further enhance the overall entertainment experience in southern New Hampshire and northern Massachusetts. Given the large format nature of the Verizon Wireless Arena, the proposed facility could support a more intimate entertainment venue. Entertainment options improve the offerings casino facilities include in their programming, and can help attract non-gaming patrons to the property, generating additional revenues from a market not typically served by a pure casino property type.

The state does not have to specify the precise characteristics of the proposed development in the regulations. Given the minimum investment requirement, the operator will configure the mix of amenities most likely to complement and enhance the property based on their brand history and industry expertise. Much time and effort will be devoted to the overall property program including: casino size and game mix, hotel room count and room mix, food and beverage offerings, retail sizing and mix, meeting and event space sizing, entertainment venue feasibility

and sizing, spa and fitness sizing and configuration, and many other areas. Based on the potential bidders, multiple models exist for the operation of the various departments within the resort. Food and beverage space could be operated internally by the resort operator or leased to outside, established restaurant brands, or a mix of both. A similar practice could also hold for the retail space where some retail is managed by the resort operator and some leased to well-known retailers. Ultimately the market will likely dictate which model and mix works best for the proposed facility. Operators, historically will evaluate the community and partner with local business wherever possible and bring in outside brands when appropriate.

Likewise, the size, quality and components of a hotel offering will take some study. The market supply and demand will ultimately determine the number and level of amenities (spa, fitness center, etc.). We expect the selected operator/developer will design and construct a facility which will be easily expanded upon over time as revenues contribute to this expansion.

The above findings and conclusions are based, in part, on the following general assumptions:

- The first full year of operation for the proposed facility would be 2016
- The development will generally include the components as described above
- The competitive set and quality and scope of the competition will remain static during the timeframe of the report
- Active marketing and targeted promotional programs will be generated and maintained
- An experienced professional management team will operate the property

Considerations

Number of Gaming Facilities

- Single facility limits geographic options and economic/population coverage
- Greater number of facilities reduces investment in each facility, reducing ability to promote investment and "resort" or high end image
- Single facility would likely not open with maximum gaming capacity. An operator would want to "grow" into proven capacity allowing operator to "under-develop" or "under-invest" in the market development

Greater number of facilities risks smaller sized and more "intrastate" competition for customers, promoting more "locals" market development

Other Options

As we understand the current legislative initiative calling for one casino license in New Hampshire, we also understand that, like many states, regions of the states have different characteristics and issues. Tourism is a significant industry in New Hampshire with many

tourists visiting New Hampshire for skiing, hiking and to view the scenery and foliage at various times of the year.

New Hampshire Tourism Economic Highlights - Fiscal Year 2011²¹:

- Travel and tourism is New Hampshire's second largest industry in terms of jobs supported by dollars from out of state.
- Trips in New Hampshire for recreation and business during FY 2011 were 33.99 million.
- Direct Spending in New Hampshire by travelers in FY 2011 reached \$4.22 billion.
- Traveler spending in FY 2011 supported approximately 61,821 direct full-time and part-time jobs.
- Visitors to New Hampshire in FY 2011 paid \$139.2 million in meals and rooms taxes (60.1% of all rooms and meals tax collected).

In addition, the New Hampshire Division of Travel and Tourism Development expects 7.8 million visitors to spend \$1.09 billion during the Fall of 2013.

Given this information, and to provide economic stimulus to the northern part of the state, the Authority may also want to consider adding a "Resort License", for a reduced number of VLT/Slot machines (250 – 500) and table games (40 - 50) to be able to offer casino gaming as an additional amenity to an existing resort. Again, market supply and demand will determine the interest of casino developers to determine the value and proper configuration. This may help differentiate New Hampshire resorts from other New England and Canadian ski/golf resorts.

²¹ The NH Division of Travel and Tourism Development

Tax Exemptions

Any special tax exemptions or subsidized government credit provided to casino licensees.

This is up to the discretion of the authority as tax exemptions or subsidies are not common for casino developments. The only current example is Revel in Atlantic City.

The Revel Casino Resort in Atlantic City was planned, designed and was in mid-construction when the economy was still strong and prior to increased competition from Pennsylvania, New York and Maryland. However, if not for state support, it is likely Revel would not have been completed. Morgan Stanley, the original investor, had walked away from the project in April 2010, taking a \$1.4 billion loss rather than finishing the project.

Revel was unable to secure new financing until the state stepped in February 2011 with a \$261 million tax credit and a pledge from Gov. Chris Christie to invest in the flailing tourism industry.

The tax credit demonstrated to Wall Street that the State of New Jersey was going to stand behind Atlantic City and investors delivered the \$1.1 billion needed to finish it.

The state financing came out of a stimulus package passed in 2009 to create jobs in New Jersey. Atlantic City's unemployment rate in November was 14.1 percent, well over the then state average of 9.1 percent. Money from the tax credits will go to revitalizing the blighted South Inlet area and to backing the second-tier loans.

Rules relating to a licensee's plans and continuing obligations for employment in both the casino development and operational stages, including a workforce development plan and affirmative standards designed to maximize equal opportunity for all potential employee applicants, including provisions for outreach to residents living locally or in nearby New Hampshire communities.

Applicants will include projected employment numbers in their proposals and will use this as an attractive component of their offering. Operators will be motivated to hire as many local residents as possible. Including local hiring and workforce development / training plans as a measured aspect of submitted proposals would be appropriate, but they will be motivated to do this anyway.

From our experience, casino operators make great efforts to become good members of the community and are actively involved in educational and charitable endeavors. Many work with local community colleges and vocational schools to establish gaming related curriculum to be taught going forward and sometimes establish their training centers there. It is in their best interest to hire as many employees as possible from local communities. Usually, only top executives will be brought in from other jurisdictions. Operators will not relocate individuals for manager jobs and below. Job fairs, dealer schools and training initiatives for required skills will be included.

State operation of a gaming facility vs. private management with Government oversight.

It is advisable to let professionals do what they do best. Private operators will be more motivated to generate higher revenues due to various incentives (including shareholders) and market conditions. Government review and oversight is necessary and expected of the private operators. Even in jurisdictions where gaming facilities are state owned (Canadian provinces), private management is retained.

Rhode Island is a unique situation. The state oversee all aspects of gambling. The State Lottery Division (within the Rhode Island Department of Revenue) manages and controls all aspects of gaming. Entities referred to as "retailers" own and operate the facilities where gaming is conducted. For Twin River, the current owners are 140 investors including banks, insurance companies and investment firms. Our belief is that this is not a model to emulate.

Maryland attempted to operate with a model where the state owned the slot machines and quickly realized the impracticality of this model and backed off in subsequent years.

Use of auctions to determine license fees, tax rates, capital investment amounts, number of gaming positions, or other fiscal and capacity requirements.

We have seen this in other industries where bidding on a contract is more normal. In the case of awarding this casino license, there is more to consider than just the license fee and tax revenue stream. The amount of job creation, investment in the community and any social impacts of gaming within the state also need to be considered.

An auction would reduce accusations of favoritism by the authority and project a sense of fairness in the award process. The Pennsylvania Gaming Control Board received criticism in the awarding of licenses as it appeared certain licenses favored particular groups or individuals.

Projections

Based on comparator set data, and the population, income levels and other factors, we have developed the following models:

Assumptions					
2013	<u>Property Name</u>	<u># Slots</u>	<u>W/U/D</u>	<u># Tables</u>	<u>W/U/D</u>
Comp 1	Sands Bethlehem	3,018	\$ 264.00	166	\$ 2,734.00
Comp 2	Twin Rivers	4,700	\$ 276.00	66	\$ 2,813.00
Comp 3	The Rivers	2,885	\$ 269.00	115	\$ 1,649.00
NH Main Property	Unknown	2,500	\$ 280.00	85	\$ 2,400.00

Projected Revenues Based on Current Assumptions

Growth Rate	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Slots Revenue	\$ 267,864,375	\$ 275,900,306	\$ 284,177,315	\$ 292,702,635	\$ 301,483,714	\$ 310,528,225	\$ 319,844,072	\$ 329,439,394	\$ 339,322,576	\$ 349,502,253
Slots Tax	\$ 80,359,313	\$ 82,770,092	\$ 85,253,195	\$ 87,810,790	\$ 90,445,114	\$ 93,158,468	\$ 95,953,222	\$ 98,831,818	\$ 101,796,773	\$ 104,850,676
Tables Revenue	\$ 76,693,800	\$ 78,994,614	\$ 81,364,452	\$ 83,805,386	\$ 86,319,548	\$ 88,909,134	\$ 91,576,408	\$ 94,323,700	\$ 97,153,411	\$ 100,068,014
Tables Tax	\$ 10,737,132	\$ 11,059,246	\$ 11,391,023	\$ 11,732,754	\$ 12,084,737	\$ 12,447,279	\$ 12,820,697	\$ 13,205,318	\$ 13,601,478	\$ 14,009,522
Total Tax Revenue	\$ 91,096,445	\$ 93,829,338	\$ 96,644,218	\$ 99,543,545	\$ 102,529,851	\$ 105,605,746	\$ 108,773,919	\$ 112,037,136	\$ 115,398,250	\$ 118,860,198
										\$ 2,448,520,077
Present Value	\$ 2,228,473,886									
***Discounted at 5%										
Slots Tax - 30%										
Table Tax 14%										

Projected Revenues Based Highest Viable Tax Rates

Growth Rate	5%	5%	4%	4%	4%	3%	3%	3%	3%	3%
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Slots Revenue	\$ 258,693,750	\$ 271,628,438	\$ 282,493,575	\$ 293,793,318	\$ 305,545,051	\$ 314,711,402	\$ 324,152,744	\$ 333,877,327	\$ 343,893,646	\$ 354,210,456
Slots Tax	\$ 90,542,813	\$ 95,069,953	\$ 98,872,751	\$ 102,827,661	\$ 106,940,768	\$ 110,148,991	\$ 113,453,461	\$ 116,857,064	\$ 120,362,776	\$ 123,973,660
Tables Revenue	\$ 78,183,000	\$ 82,092,150	\$ 85,375,836	\$ 88,790,869	\$ 92,342,504	\$ 95,112,779	\$ 97,966,163	\$ 100,905,148	\$ 103,932,302	\$ 107,050,271
Tables Tax	\$ 14,072,940	\$ 14,776,587	\$ 15,367,650	\$ 15,982,356	\$ 16,621,651	\$ 17,120,300	\$ 17,633,909	\$ 18,162,927	\$ 18,707,814	\$ 19,269,049
Total Tax Revenue	<u>\$ 104,615,753</u>	<u>\$ 109,846,540</u>	<u>\$ 114,240,402</u>	<u>\$ 118,810,018</u>	<u>\$ 123,562,419</u>	<u>\$ 127,269,291</u>	<u>\$ 131,087,370</u>	<u>\$ 135,019,991</u>	<u>\$ 139,070,591</u>	<u>\$ 143,242,708</u>
										\$ 2,950,799,792
Present Value	\$ 2,674,887,698									
***Discounted at 5%										
Slots Tax - 35%	**Projected revenues are exclusive of any per machine fee and are exclusive of any other tax revenue changes (plus or minus) that will accompany a casino development (local property tax, state business tax, state meals and rooms tax, lottery revenues, liquor sales, etc.) that we are unable to estimate at this time.									
Table Tax 18%										

Miscellaneous

Central Computer System

Considerations for the establishment, connection, maintenance and security of a central computer system.

A central system is a relatively new concept of additional state oversight in the central review and monitoring of VLT / Slot Machine performance of games within the jurisdiction. In our opinion, the central system model was initially implemented due to the relationship of the state and their online lottery system provider. Central systems typically implemented are lottery products and are outside of casino management systems generally found in the industry (Bally, IGT, Konami, and Aristocrat). To placate lottery vendors, managers within the states were sold on the ideas of safety, accountability and “checks and balances” to have a second redundant system, at a cost of millions of dollars to reproduce the functionality of slot accounting, similar to the systems their state labs or affiliates validate for use by casino licensees. This means there are two systems, paid for by licensees which once operational, for a number of reasons, will never be in synch or balance. Hours of time and effort will thereafter be spent to explain discrepancies and determine small debits and credits – back and forth between the state’s central system and the licensee’s onsite accounting system.

With one casino, using a certified system (either by the state or accredited lab) which the state has access to (with read only permissions as a beginning) we would think that level of oversight would be sufficient. Without some over-riding reason of state protection, we think the implementation of a central system for one (or even two) casino-resort properties is unnecessary.

Host Community

Rules for host community and impacted community acceptance of casino development, including requirements for negotiated agreements.

When Massachusetts passed their 2011 gaming legislation, they included an unprecedented program for a municipality deemed to be impacted (expect to experience negative effects) by the development of a proposed casino-resort facility the ability to negotiate an agreement with the developer (or by petitioning the Gaming Commission within 10 days after a developer's final application is submitted) to seek compensation for the impact of the facility. In fact, the affected community may receive up to \$50,000 for the purpose of negotiating the agreements, the funding for which derives from the applicant’s fee to the state.

There is no relative experience to relate to this provision. In contrast, in Pennsylvania, the state retained oversight authority to determine where developments were to be located and could over-rule local zoning authorities.

Appendix A

Massachusetts Status

In November 2011 Massachusetts passed a Gaming Act to introduce casino gambling into the state and authorizing the Massachusetts Gaming Commission (MGC) to license 3 regional casinos and one slots parlor. The Massachusetts Gaming Commission is targeting February, 2014 as their date for issuing casino licenses. Licensing will launch the construction phase, which will last 9-12 months, making the grand opening of the first Massachusetts casino in late-2014 or early 2015.

The Massachusetts law establishing expanded gaming in the state was created by House Bill H3807 with amendment by Senate document 2035. It passed the legislature Nov 14, 2011 and was signed into law by the governor Nov 22, 2011.

Key Provisions

Establishment of the Massachusetts Gaming Commission (MGC)

This is a 5-member commission. The governor appoints its chairman, the state attorney general appoints one member with law enforcement experience, the state treasurer appoints one member with finance experience, and the governor, attorney general and the treasurer together appoint the last two members.

The Massachusetts Gaming Commission will license three casinos and one slots-only casino in the state.

The 3 casinos will be divided into 3 separate regions. Region A includes Suffolk, Essex, Middlesex, Norfolk and Worcester counties; Region B is Western Massachusetts; and Region C is the southeast including New Bedford, Fall River, Cape Cod and the South Shore. The slots-only casino can be built anywhere in the state.

The Mashpee Wampanoag tribe is attempting to meet requirements to develop a tribal casino in Taunton.

- Casino bidders must commit to invest at least \$500 million in each facility. The slots-only casino must pledge a \$125 million investment.
- Casino bidders must pay an \$85 million licensing fee. The slots-only casino requires a \$25 million licensing fee.
- The casino application fee is a non-refundable \$400,000.
- The gaming tax must be at least 25 percent of the gross gaming revenues
- of the facility or \$100 million, whichever is higher Each casino must be approved by local voters.

Massachusetts

Casinos: Proposals, Plans and Locations

Applicants

Mashpee Wampanoag Casino

The House is scheduled to consider the casino compact reached between the Mashpee

Wampanoag Tribe and Gov. Patrick, according to a copy of the Legislative agenda sent to representatives.



The compact lays out how much the tribe would pay the state if it wins federal approval to build a \$500 million Indian casino in Taunton. Under the terms of the deal, the tribe would pay from 21 percent to 0 percent of gross gambling revenues based on the level of competition in Southeastern Massachusetts, known as Region C in the legislation that authorized casinos. If a commercial casino is licensed in the region and the tribe also wins federal approval, it would not have to pay the state any money under the terms of the compact.

Slots License

Plainridge Racecourse

Plainridge Racecourse is a harness track that hopes to add 1,250 slot machines to its racecourse and simulcast operations. It is seeking the only slot machine license offered by the state. Plainville is 35 miles southwest of Boston.

Penn National Gaming has proposed a \$225 million project at Plainridge Racecourse, which would be renamed Plainridge Park Casino, a departure from the company's Hollywood casino brand name. Penn's argument to the commission leaned heavily on saving harness racing in Massachusetts. Plainridge is the state's only active harness track, and the sport probably will not survive at Plainridge if Penn does not win the license.

Raynham

Developer George Carney wants to build a \$125 million slots parlor at the Raynham Park facility. Raynham Park has partnered with Greenwood Racing, owner of Parx Casino outside Philadelphia, for a \$168 million slots parlor at the facility that has been offering simulcasting since voters outlawed dog racing in Massachusetts four years ago.

Leominster

Cordish Cos. of Baltimore has proposed a \$204 million slots parlor near the intersection of Route 117 and Interstate 190 in the north-central city of Leominster. It is about an hour from Boston, just off Route 2, the main east-west highway in the northern part of the state. As it is about 40 miles from southern New Hampshire, it will provide some competition (if approved) to a New Hampshire casino property. However, the slots only environment and the 49% gaming tax (40% plus 9% to the Race Horse Development Fund) should make it less desirable as a destination and less likely to attract those within 30 miles of southern New Hampshire.

Casino License

Region A

In Everett, Massachusetts -- which neighbors Boston -- Steve Wynn is proposing a \$1.2 billion waterfront resort that will include 550 hotel rooms, a 600-seat outdoor amphitheater, and a 100,000 square foot casino. Suffolk Downs and Foxwoods are also both competing for the single license, and a decision is expected in early 2014.

The owners of Suffolk Downs propose a \$1B destination resort casino at their thoroughbred race track in East Boston. It would feature 200,000 sq-ft of gambling space, thousands of slots, 200 table games, 10 restaurants, a 300-room hotel, and a new grandstand. In a surprise move, as reported by the Boston Globe, Caesars Entertainment has been dropped from the Suffolk Downs project because of doubts that they would pass the required state background check. This development could seriously affect the agreement with Suffolk Downs, which has been supported by Boston Mayor Menino.

Foxwoods Massachusetts, the partnership proposing to develop a \$1 billion resort casino in Milford, has agreed to provide the city with more than \$32 million in upfront payments and annual payments of more than \$31 million to offset the impact of the casino, which would be built off Interstate 495.

Region B

The Mohegan Sun is competing with MGM Resorts in Springfield for the state's single casino license in Western Massachusetts. Under the state's 2011 casino law, the commission can approve a slots' facility that could be anywhere in the state and up to three casino resorts, each in different geographic zones.

The Mohegan Sun, based in Uncasville, Conn., is proposing a nearly \$1 billion resort in Palmer on about 150 acres off Exit 8 of the Massachusetts Turnpike.

MGM Resorts International announced plans for an \$800 million casino resort in Springfield, Massachusetts. The project is named MGM Springfield and will encompass three downtown city blocks. The total resort will be 500,000 square feet of casino gaming, dining, entertainment, hotel, residential and retail facilities.