

Racino – New Territories Update

Panel at the University of Arizona
Race Track Industry Program's
Symposium on Racing and Gaming

December 4, 2007

Panelists

- Will E. Cummings,
Cummings Associates
- David Roberts,
Florida Division of
Pari-Mutuel Wagering
- Keith Kocher,
Kansas Lottery

Will E. Cummings
Cummings Associates

Overview

- Background / Slots 101
- Pennsylvania
- Indiana
- Florida – David Roberts
- Kansas – Keith Kocher

“Gross Annual Wager” (Win)

Slots + VLTs	\$48.9 bn
[Traditional] Lotteries	\$21.0 bn
Table Games	\$12.0 bn
Pari-Mutuel Racing	\$3.6 bn

Cummings estimates based on Eugene Martin Christiansen's *Gross Annual Wager* statistics for 2006 presented in *International Gaming & Wagering Business*, November 2007.

Annual Spending / Adult

Slots + VLTs	\$600 - \$700
Table Games	\$70 - \$200
[Traditional] Lotteries	\$50 - \$170
Pari-Mutuel Racing	\$20 - \$60

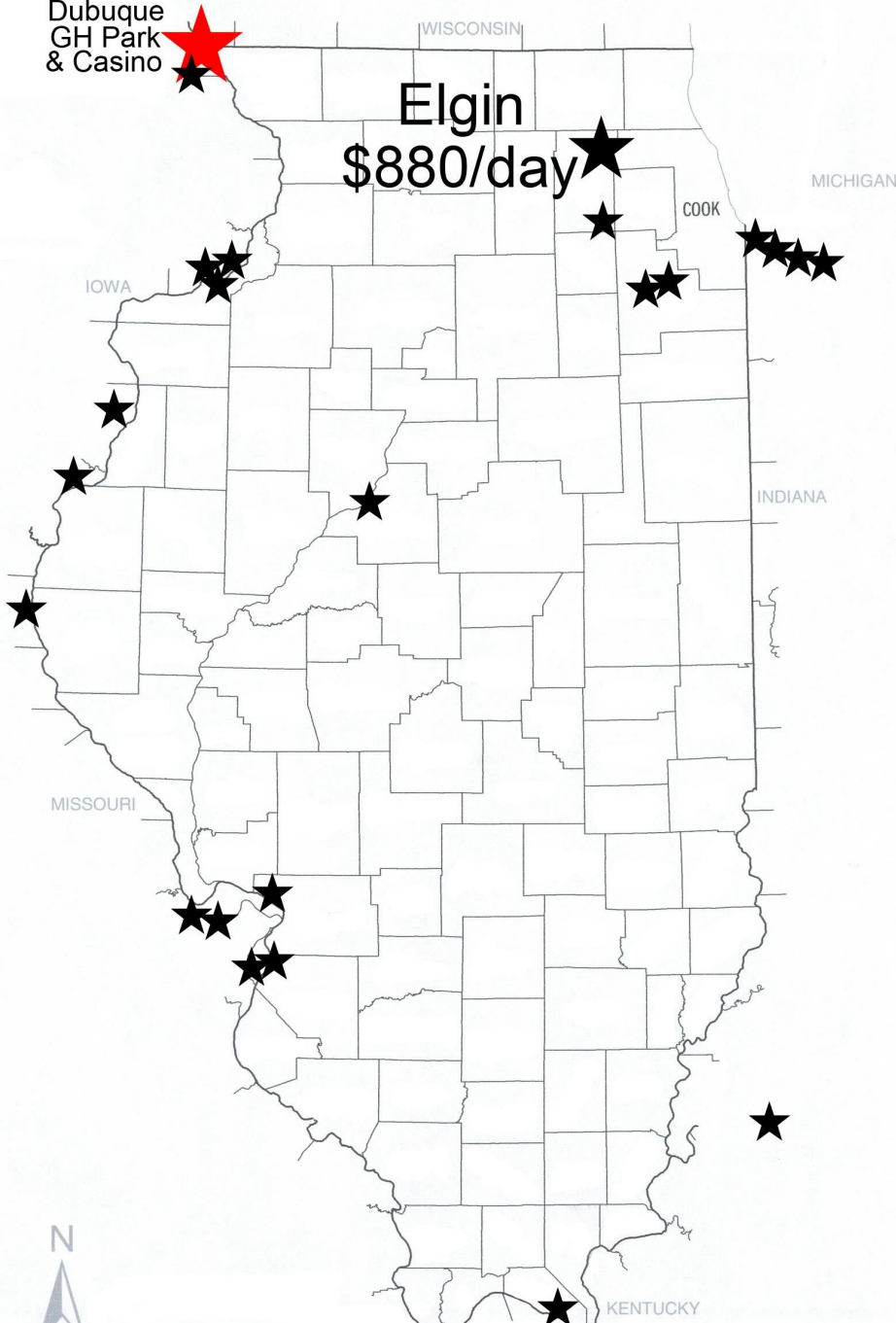
Cummings estimates for adults who live within ten miles of a mainstream outlet.

Win / Slot / Day – ?

Dubuque
GH Park
& Casino



Elgin
\$880/day



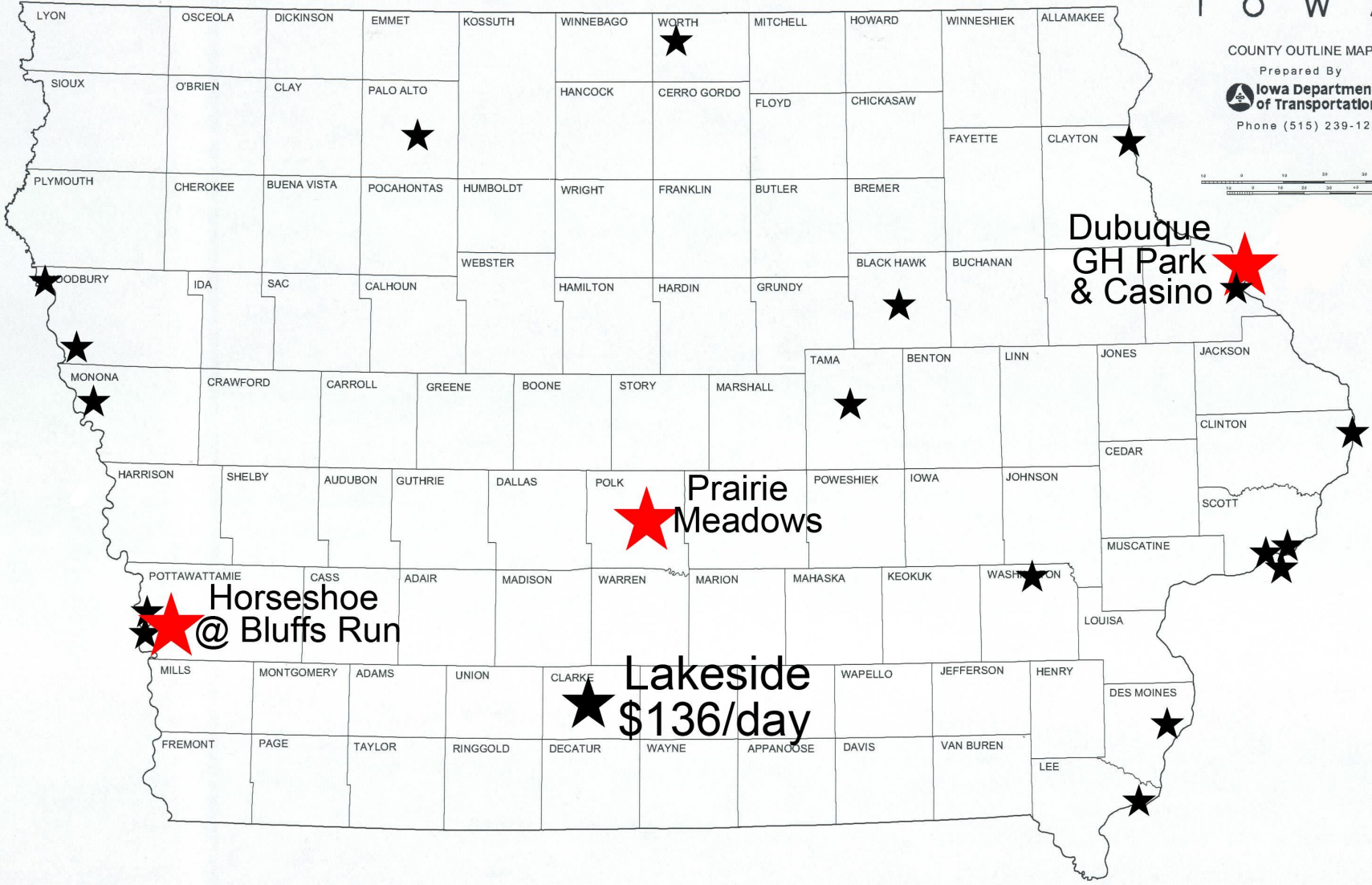
I O W A

COUNTY OUTLINE MAP

Prepared By



Phone (515) 239-1289



Dubuque
GH Park
& Casino

Prairie
Meadows

Horseshoe
@ Bluffs Run

Lakeside
\$136/day

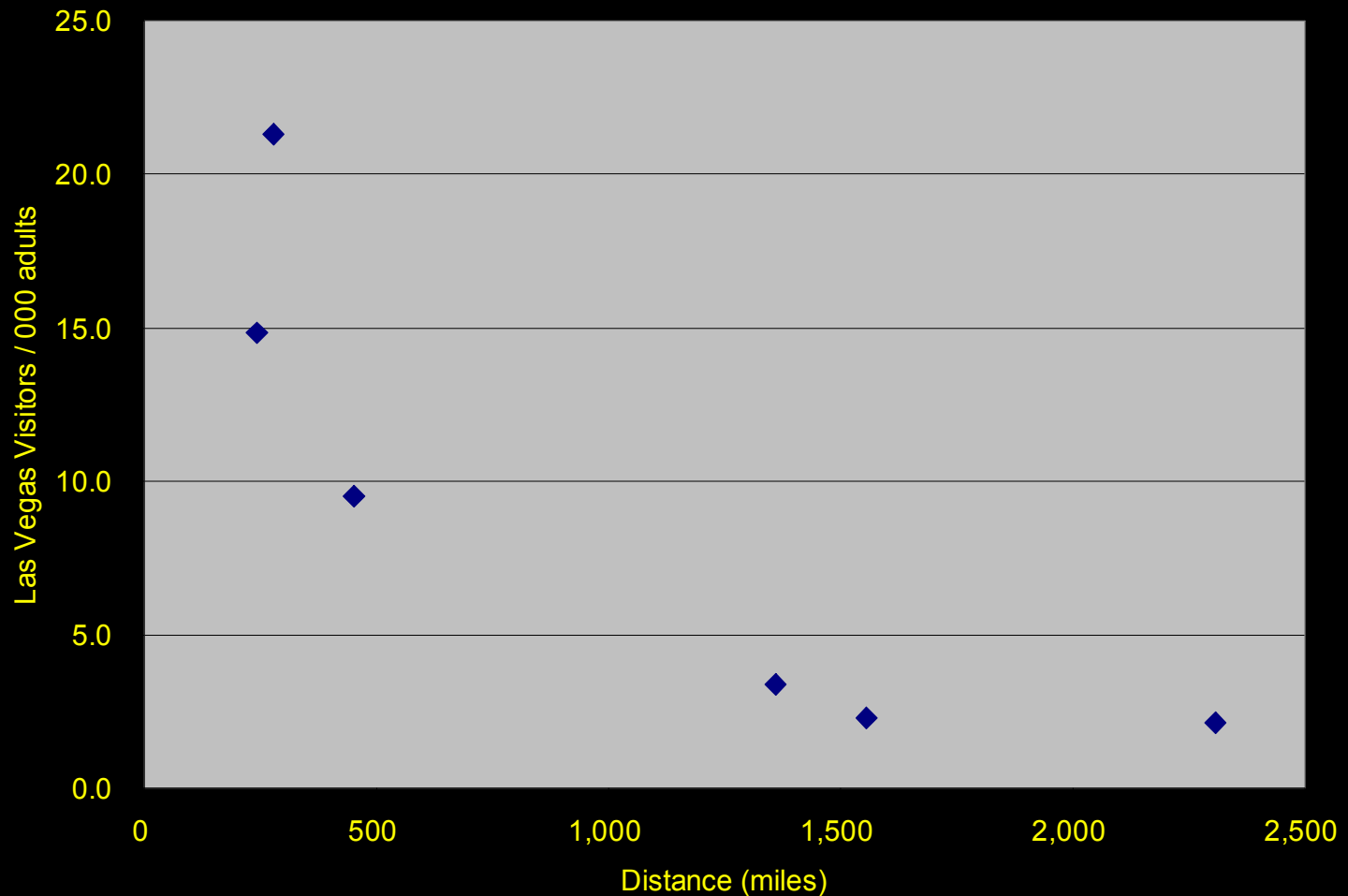
Win / Slot / Day in 2006

	# Slots	Pop'n	W/S/D
Illinois	9,892	12.9mn	\$478
Indiana	18,936	6.3mn	\$336
Iowa	15,967	3.0mn	\$206
Mississippi	34,712	2.9mn	\$194
Nevada	206,648	2.5mn	\$110

Things That Matter

- Location
- Location
- Size
- Everything Else

Location I: Visitation/Distance



Location II: Reilly's Law

$$ms \sim S/d^2$$

Where

ms : market share

S : "size" of each trade center

d : distance

Newton's Law

$$F = m / d^2$$

Where

F : gravitational force

m : mass (of each body)

d : distance

Reilly's Law

$$ms \sim S/d^2$$

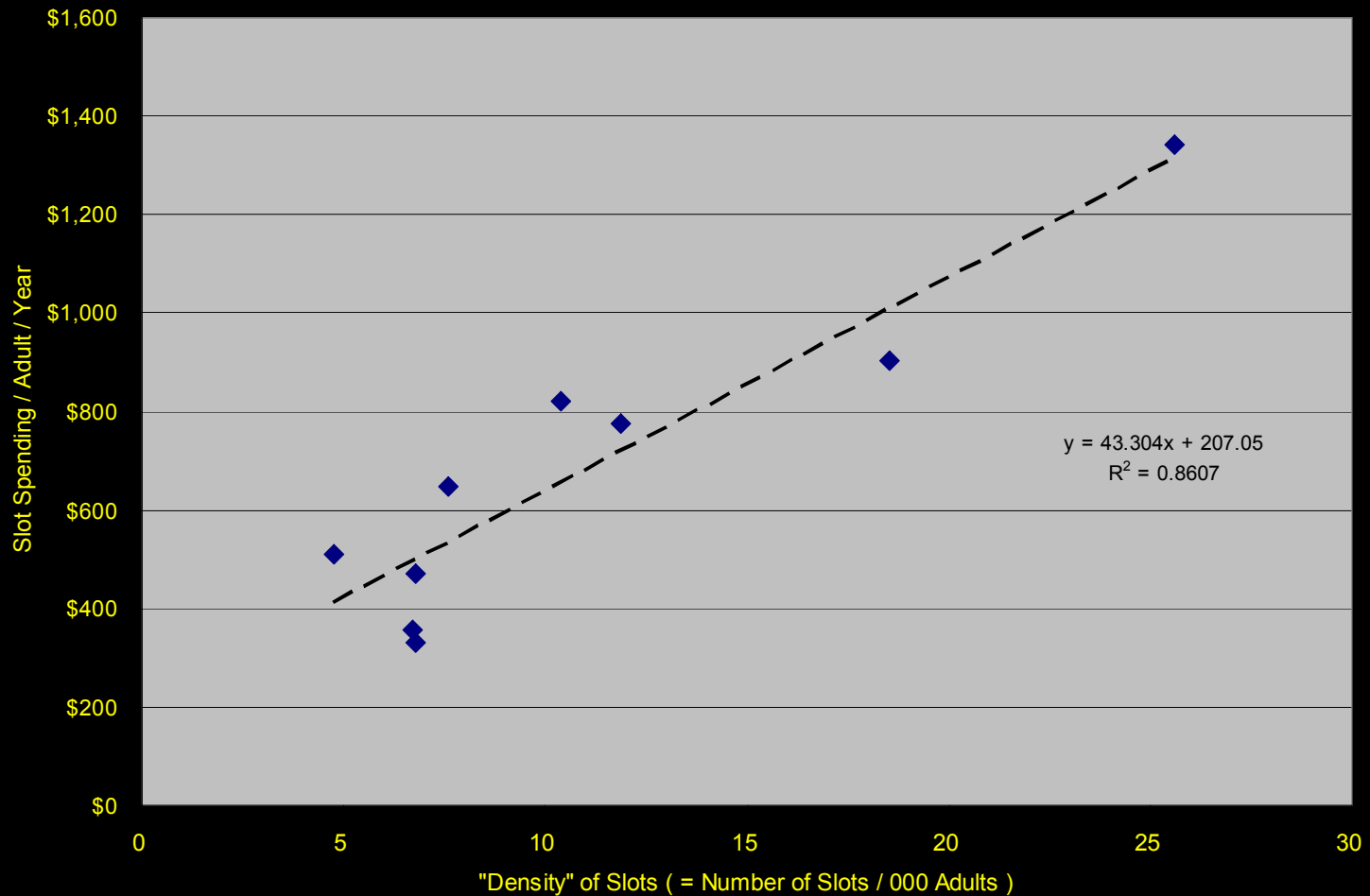
Where

ms : market share

S : casino size (capacity)

d : distance

Size Matters



Other Things That Matter

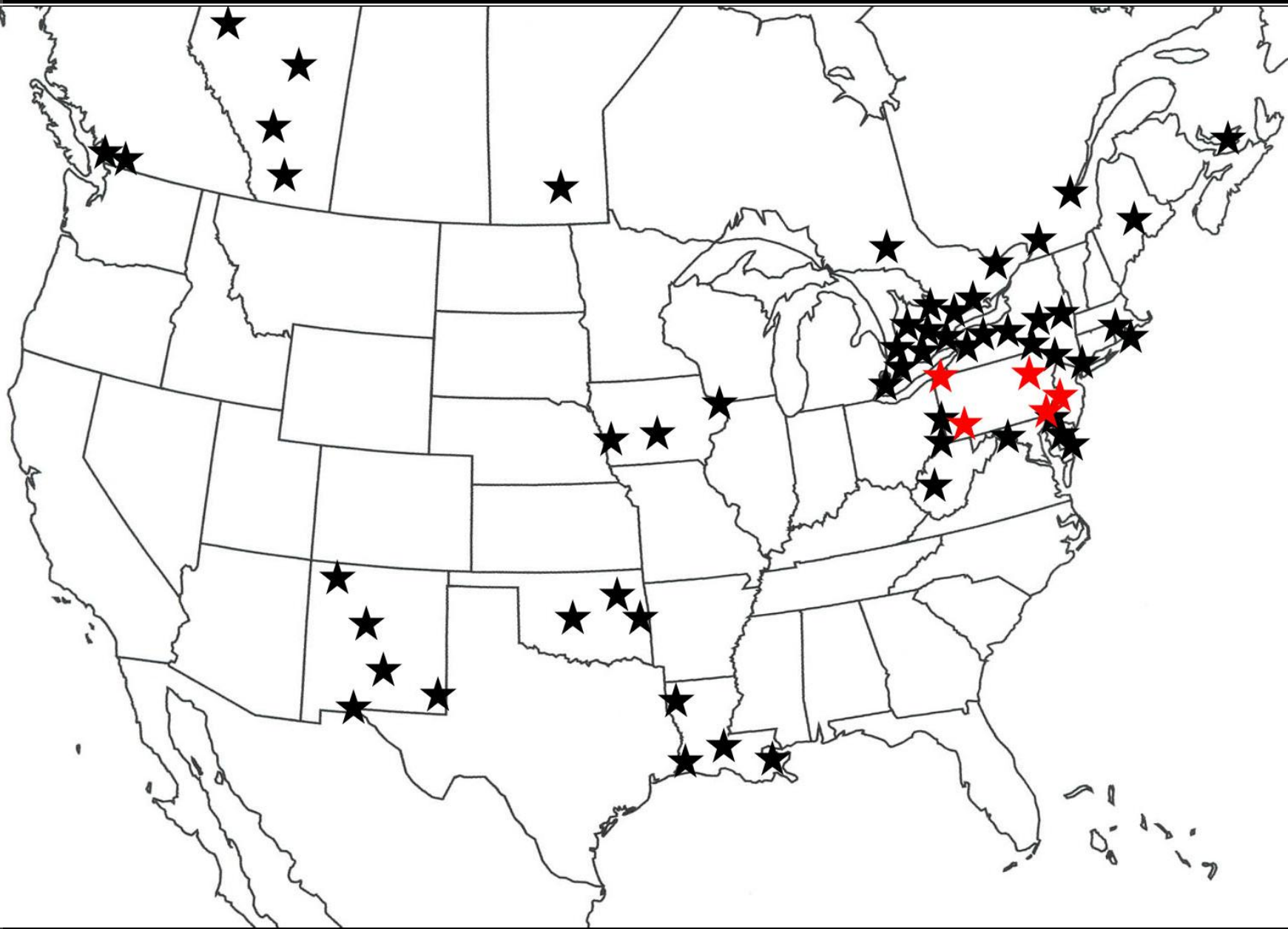
- Micro-Access
- Spaciousness
- Slot Mix
- Fit & Finish
- Management
- Marketing – esp. Players' Club

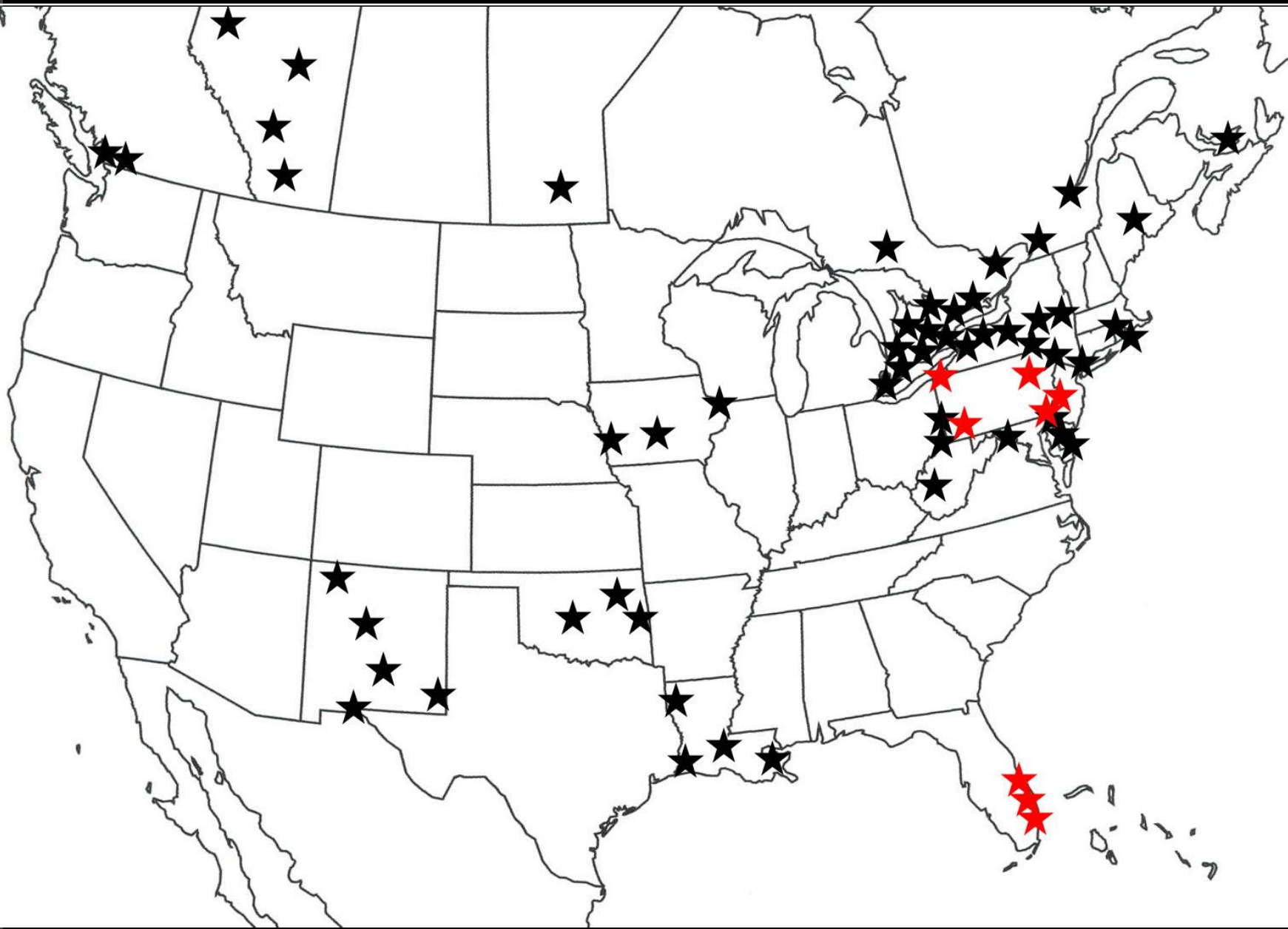
Useful Assets

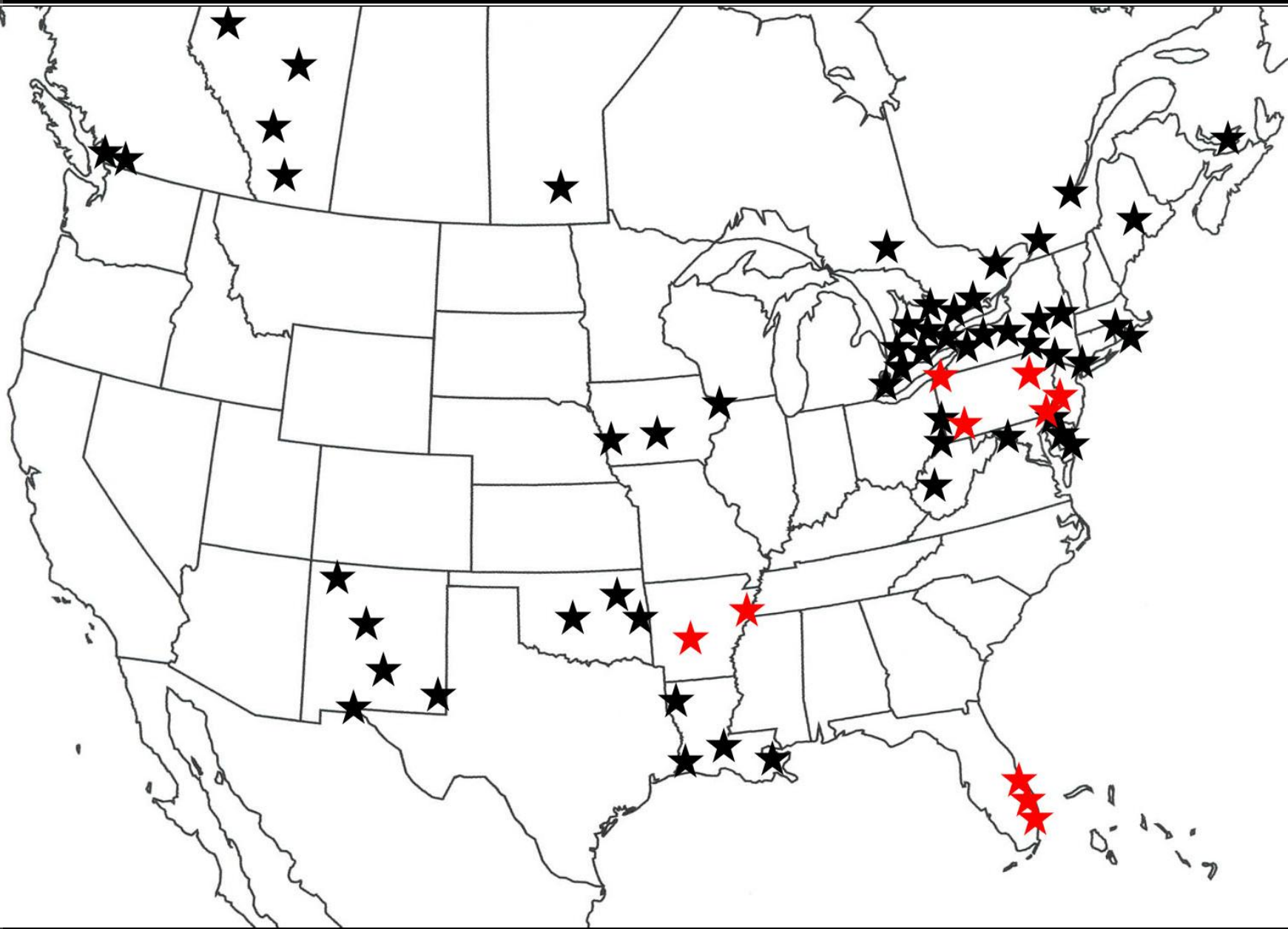
- Hotel
- Structured Parking
- Variety of Dining Choices
- Retail
- Entertainment
- Players' Club

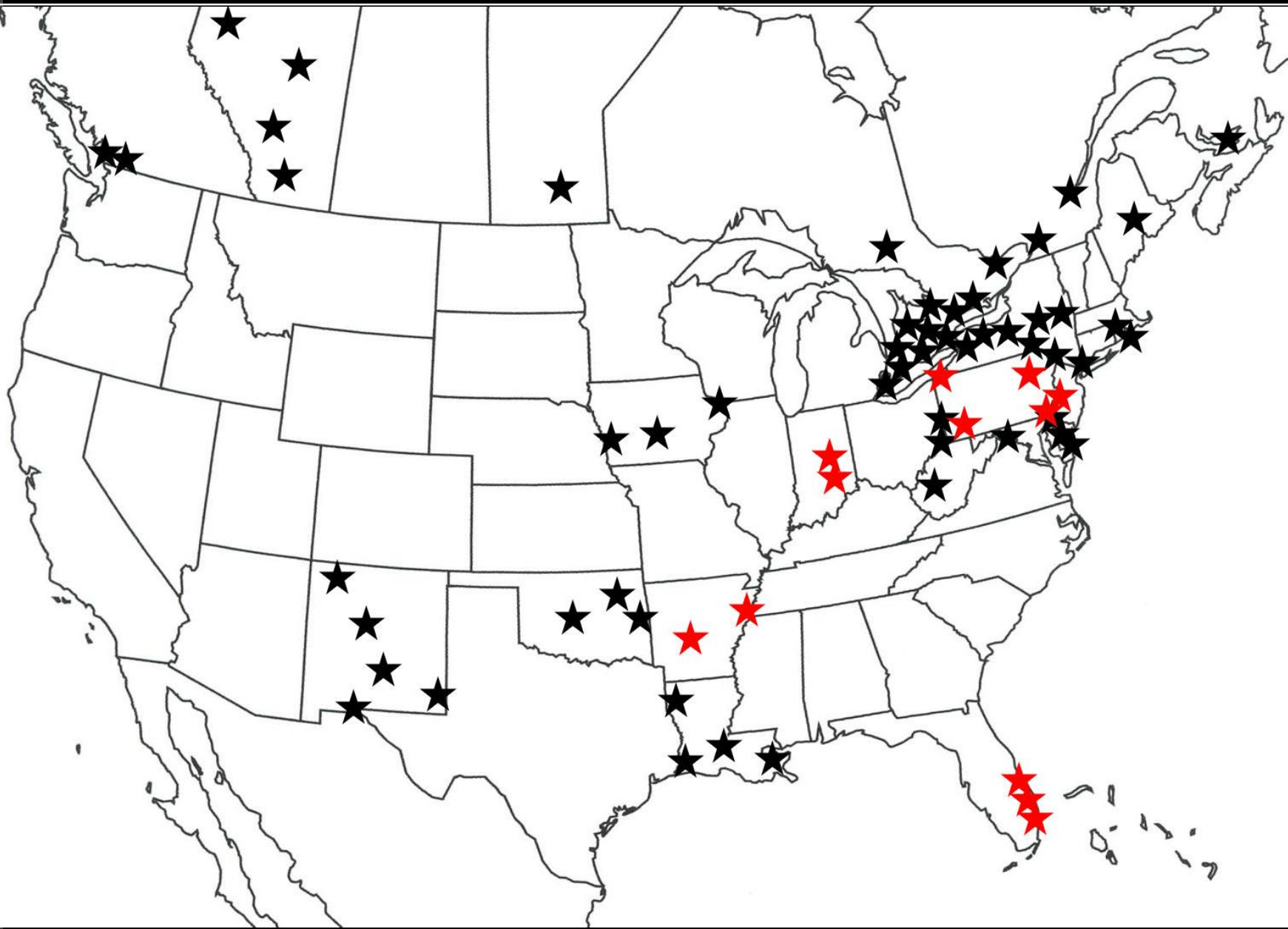
Slots at Tracks

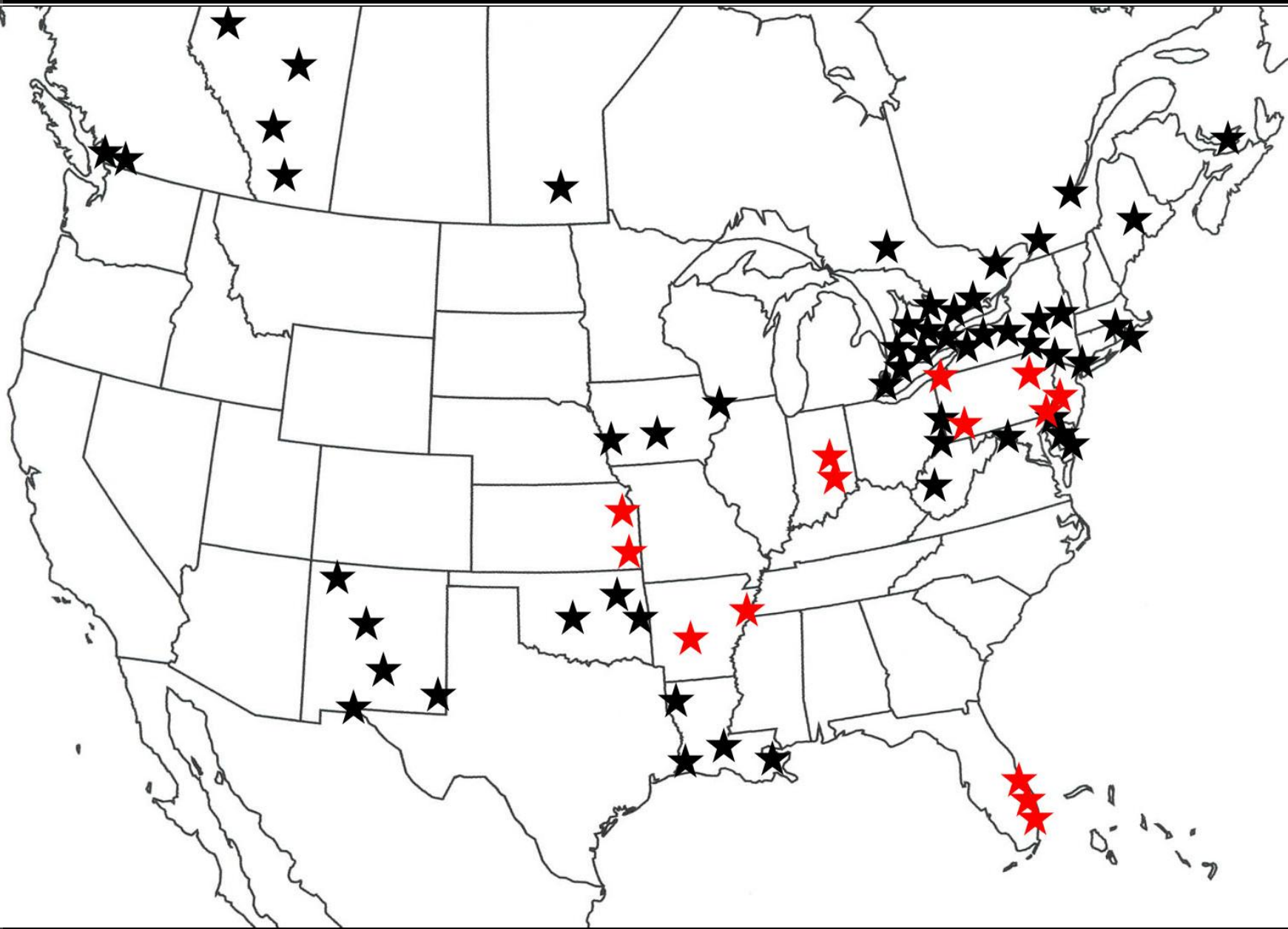




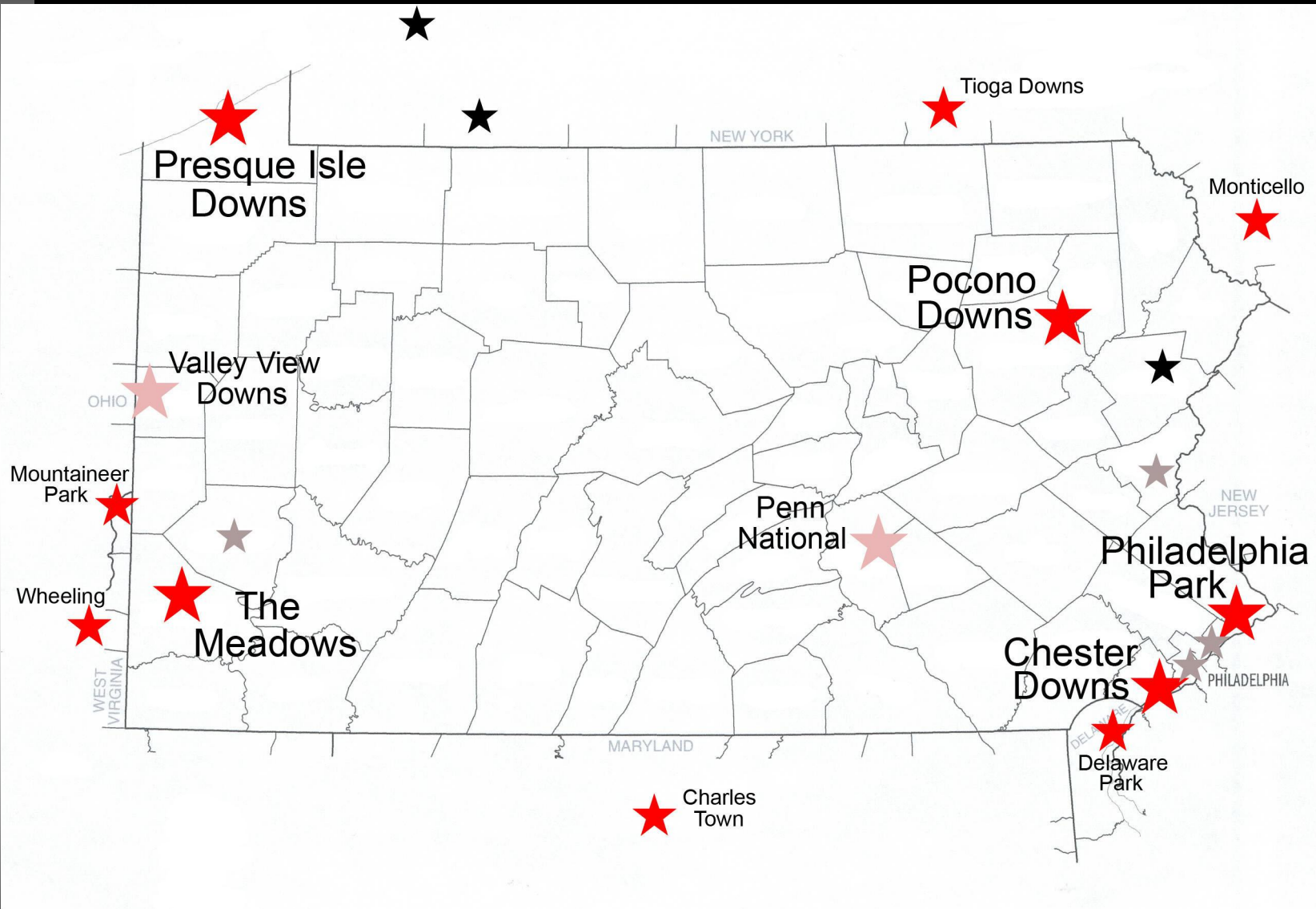








Pennsylvania



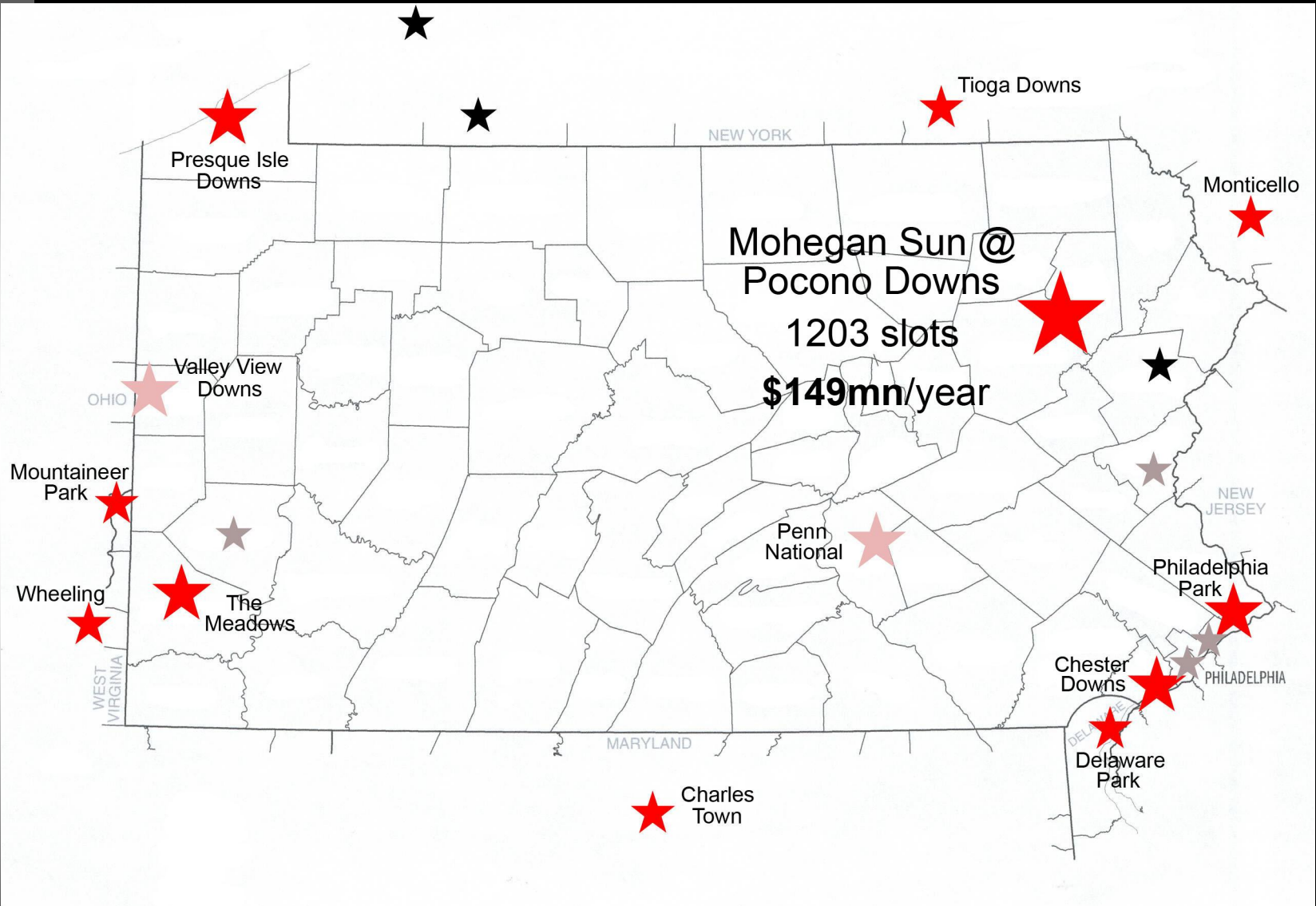
PA Statutory Framework

- 7 tracks + 5 standalone + 2 resorts
- Up to 5,000 slots at each major site
- \$50mn up-front license fee
- 43% to state & local government
- 12%(-) to purses & breeders funds
- 45%(+) to facility operator

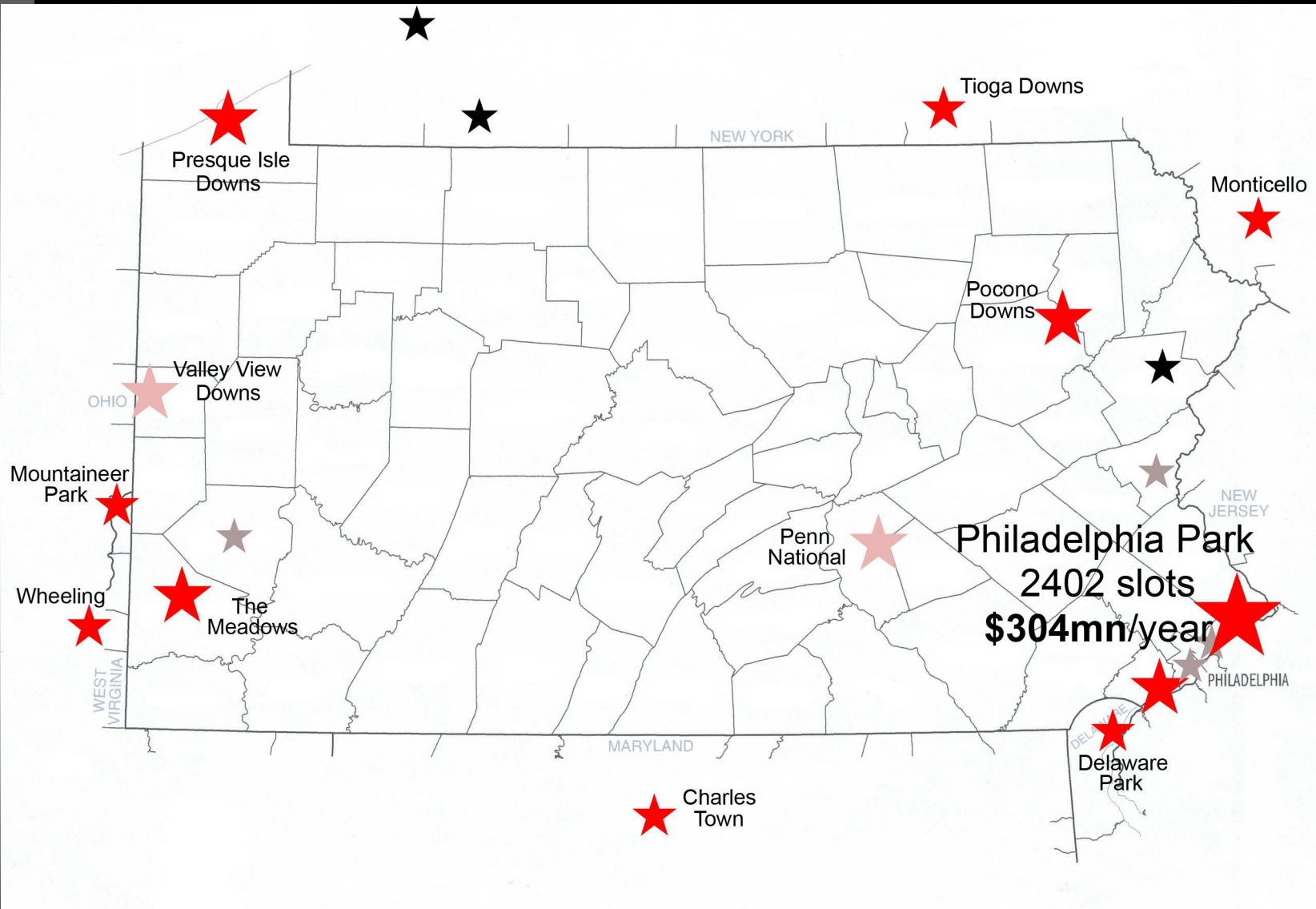
Mohegan / Pocono Phase II

NEW CASINO COMING IN 2008



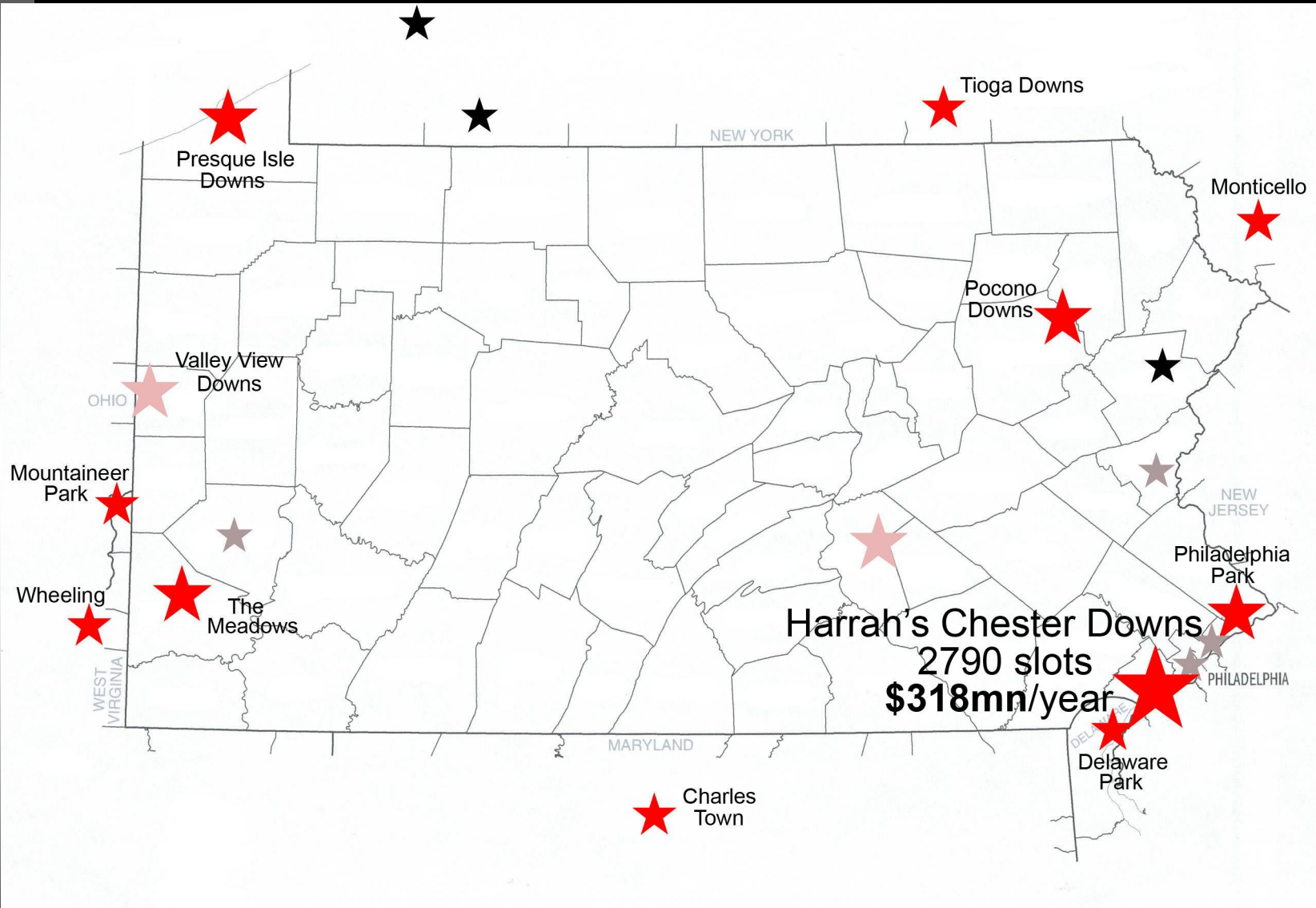










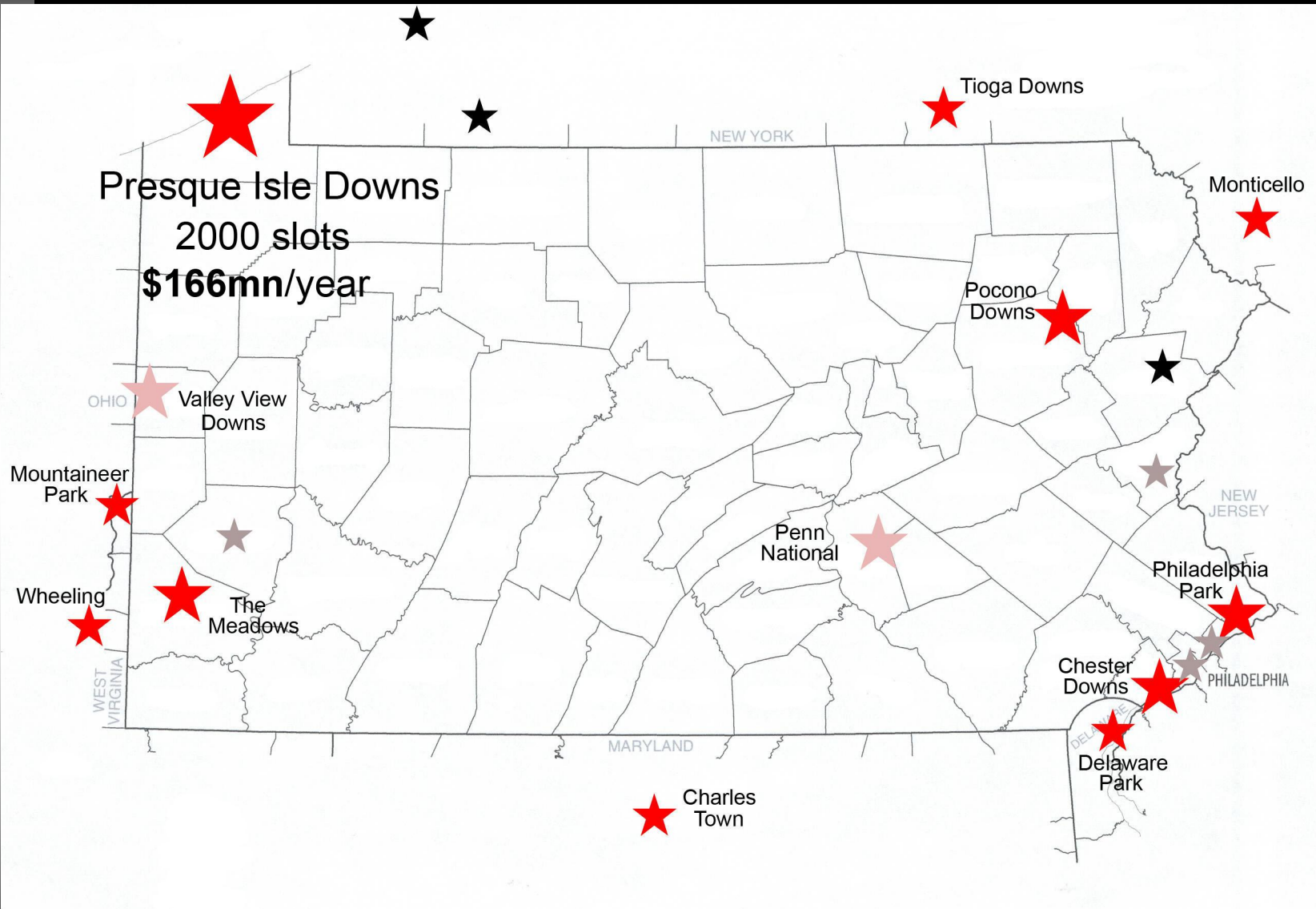




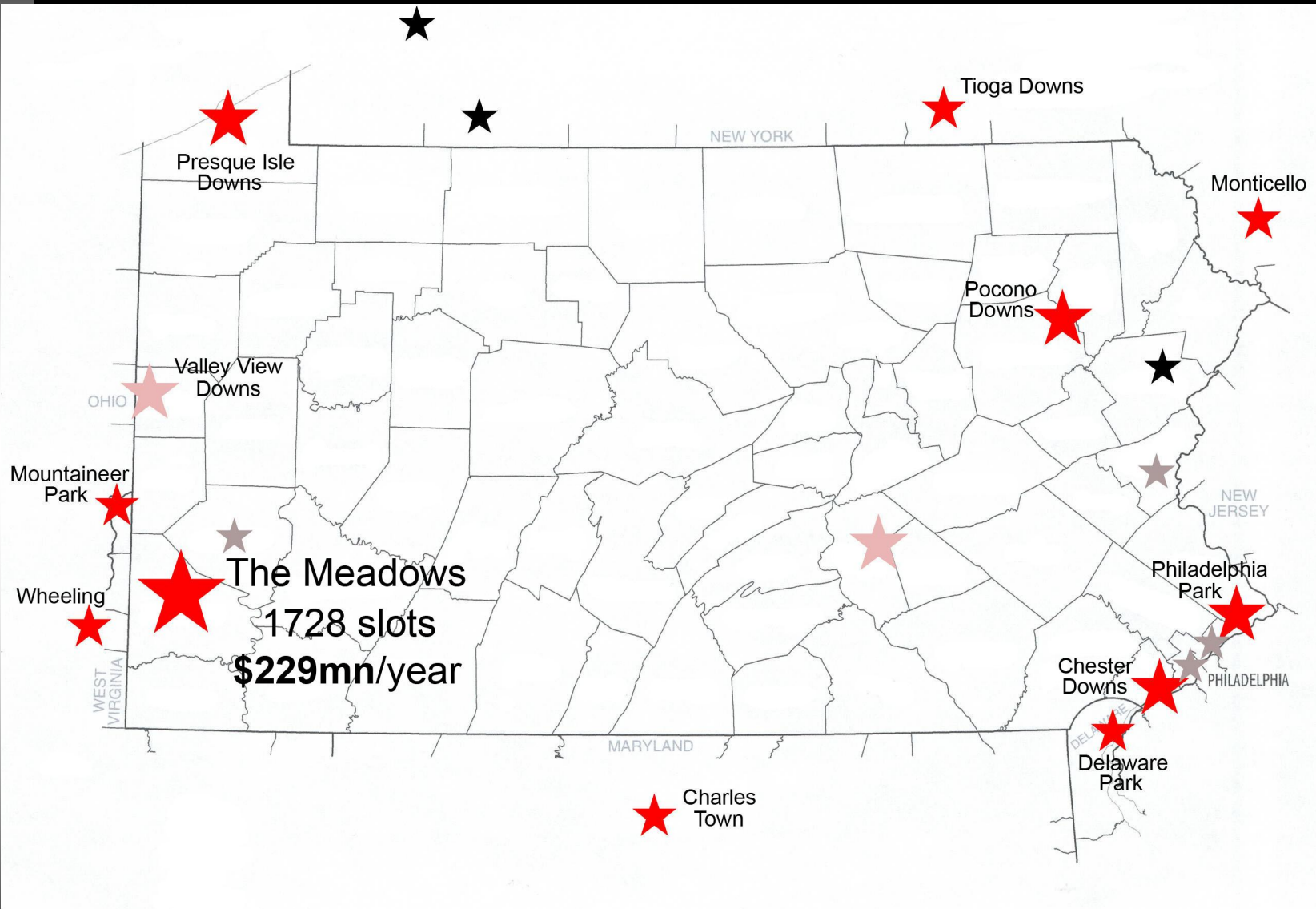




Aerial View









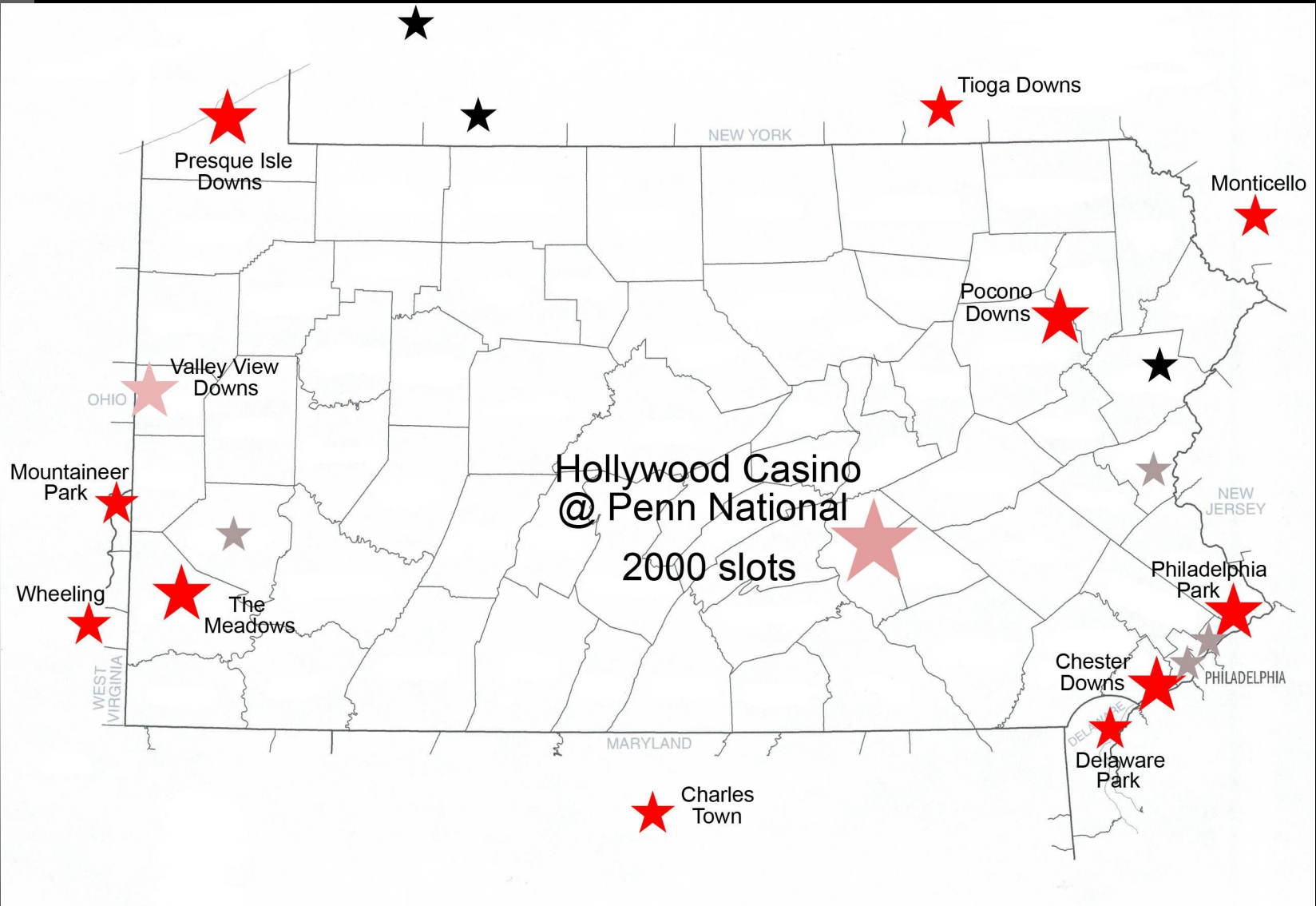


The Meadows Phase II



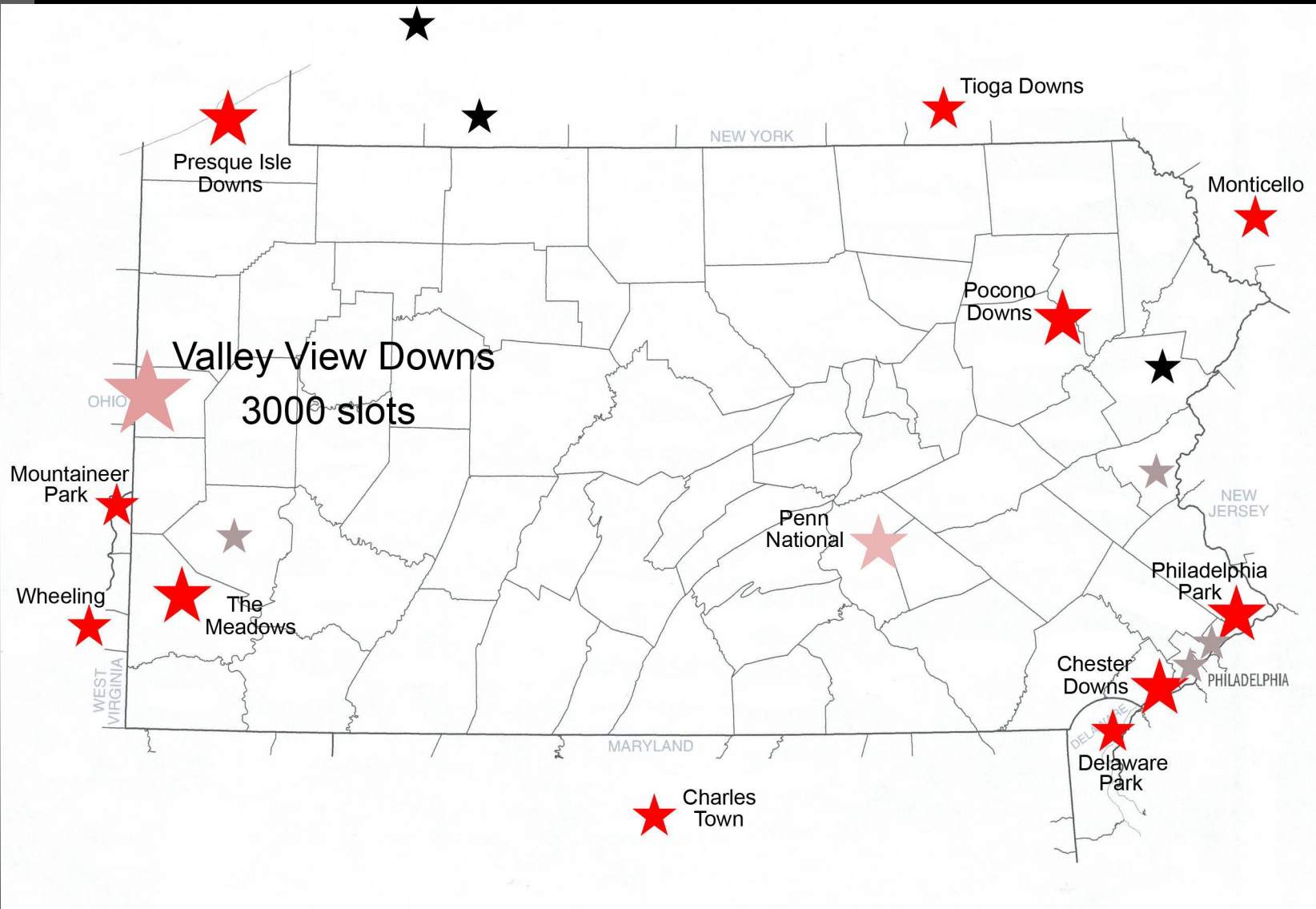
Pennsylvania Summary 11/25/07

	# Slots	Annual Win
Mohegan/Pocono	1,203	\$149 mn
Philadelphia Park	2,402	\$304 mn
Harrah's Chester	2,790	\$318 mn
Presque Isle	2,000	\$166 mn
The Meadows	1,728	\$229 mn
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Total / 5 Tracks	10,123	\$1,166 mn



Hollywood @ Penn National

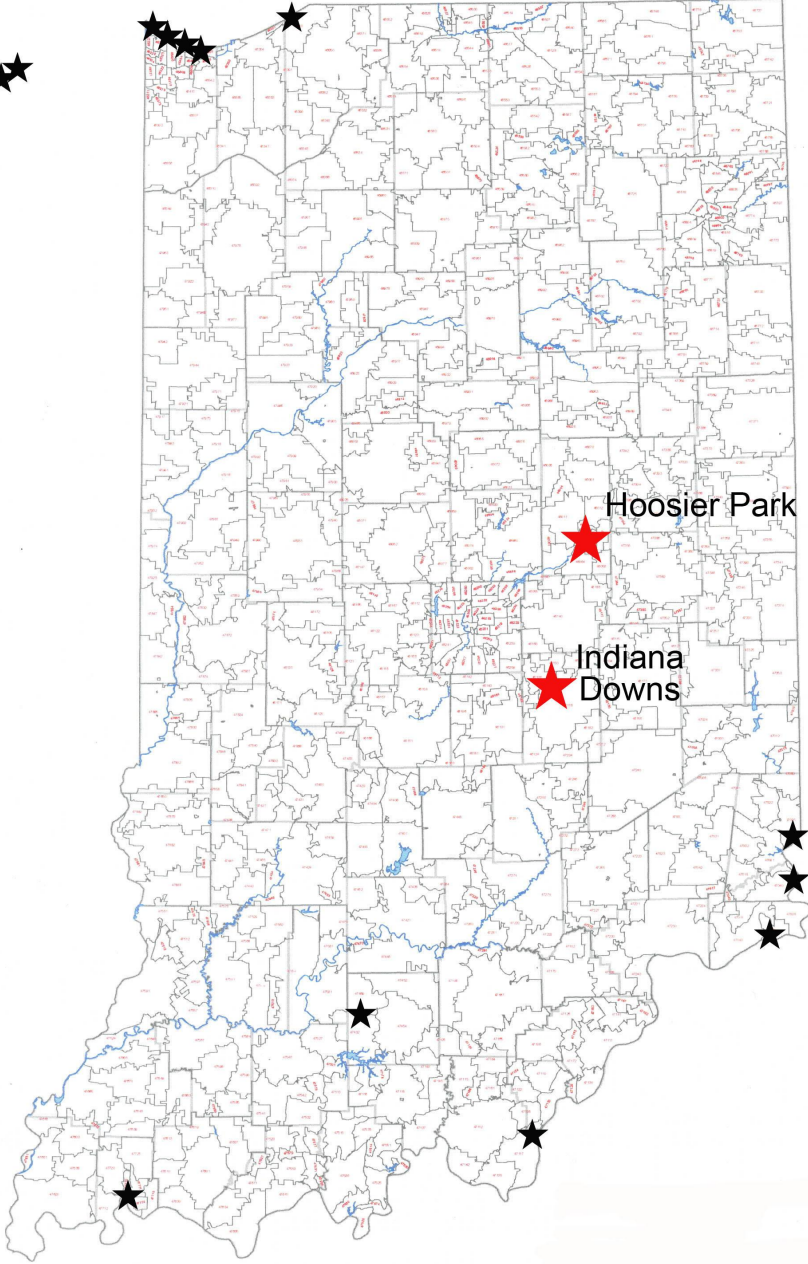




Valley View Downs



Indiana

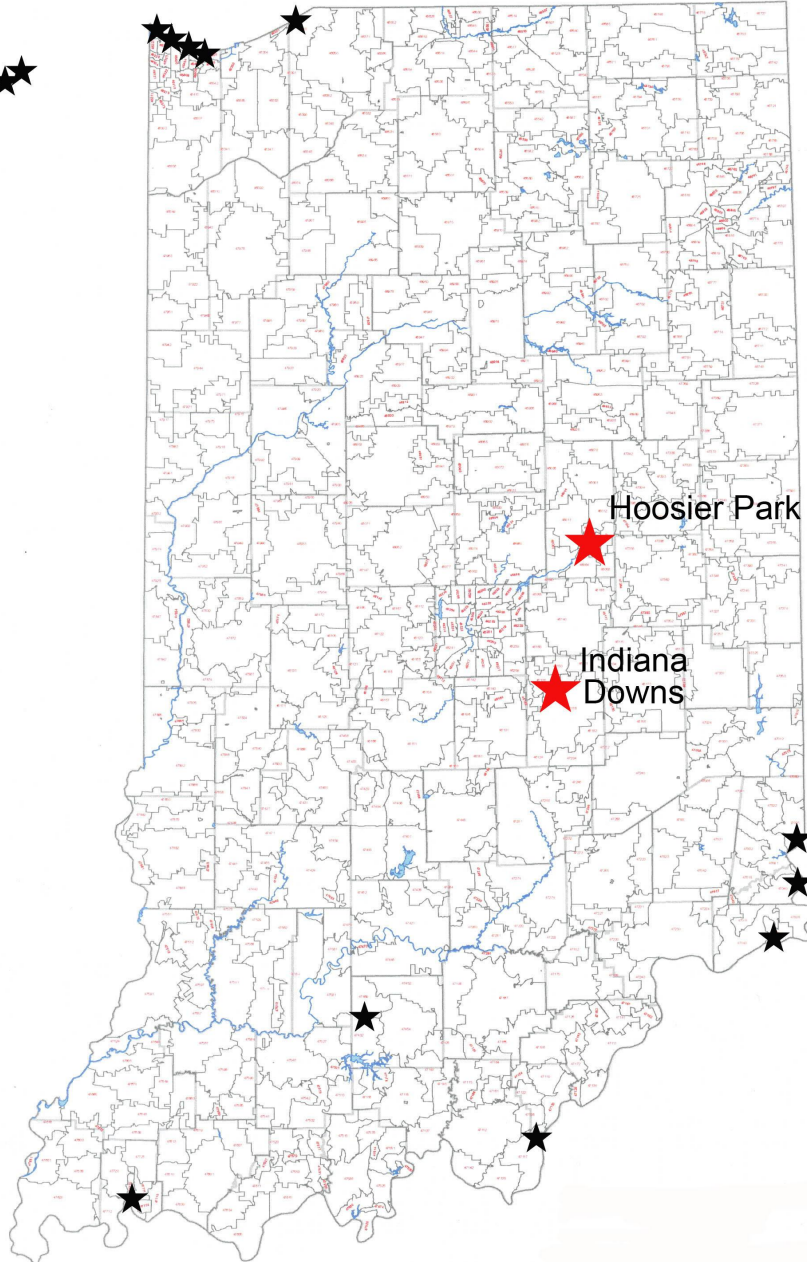


Hoosier Park

Indiana
Downs

Indiana Statutory Framework

- 2 tracks, with 2,000 slots at each
- \$250mn up-front license fee
- 35%(-) to state government
- 3%(-) to local government
- 15%(-) to purses & breeders funds
- 47%(+) to facility operator

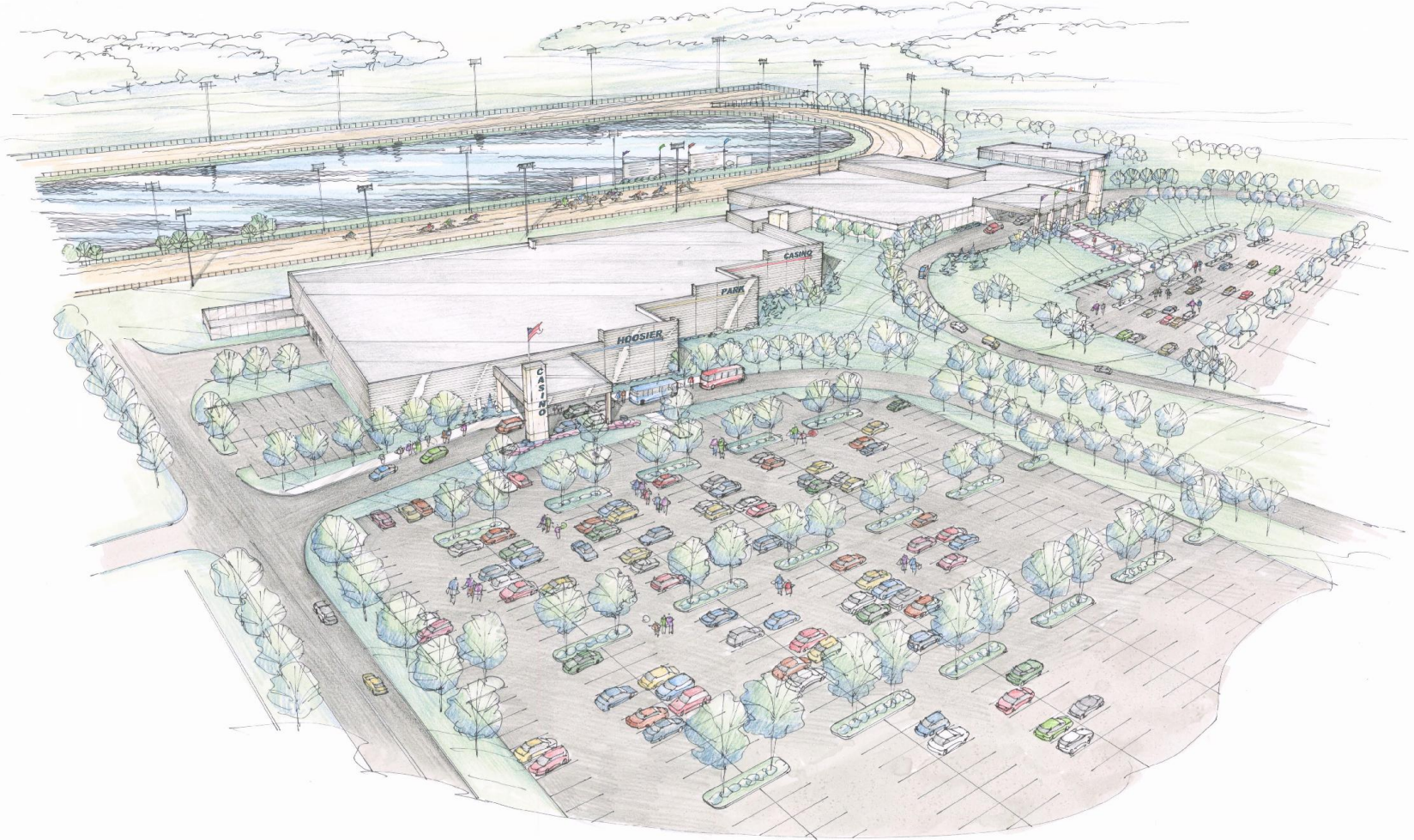


Hoosier Park

Indiana
Downs

Sunday December 2nd, 2007, 4:26 pm





HOOSIER PARK ARTIST RENDERING

HOOSIER PARK
ANDERSON, INDIANA
28 SEPTEMBER 2007

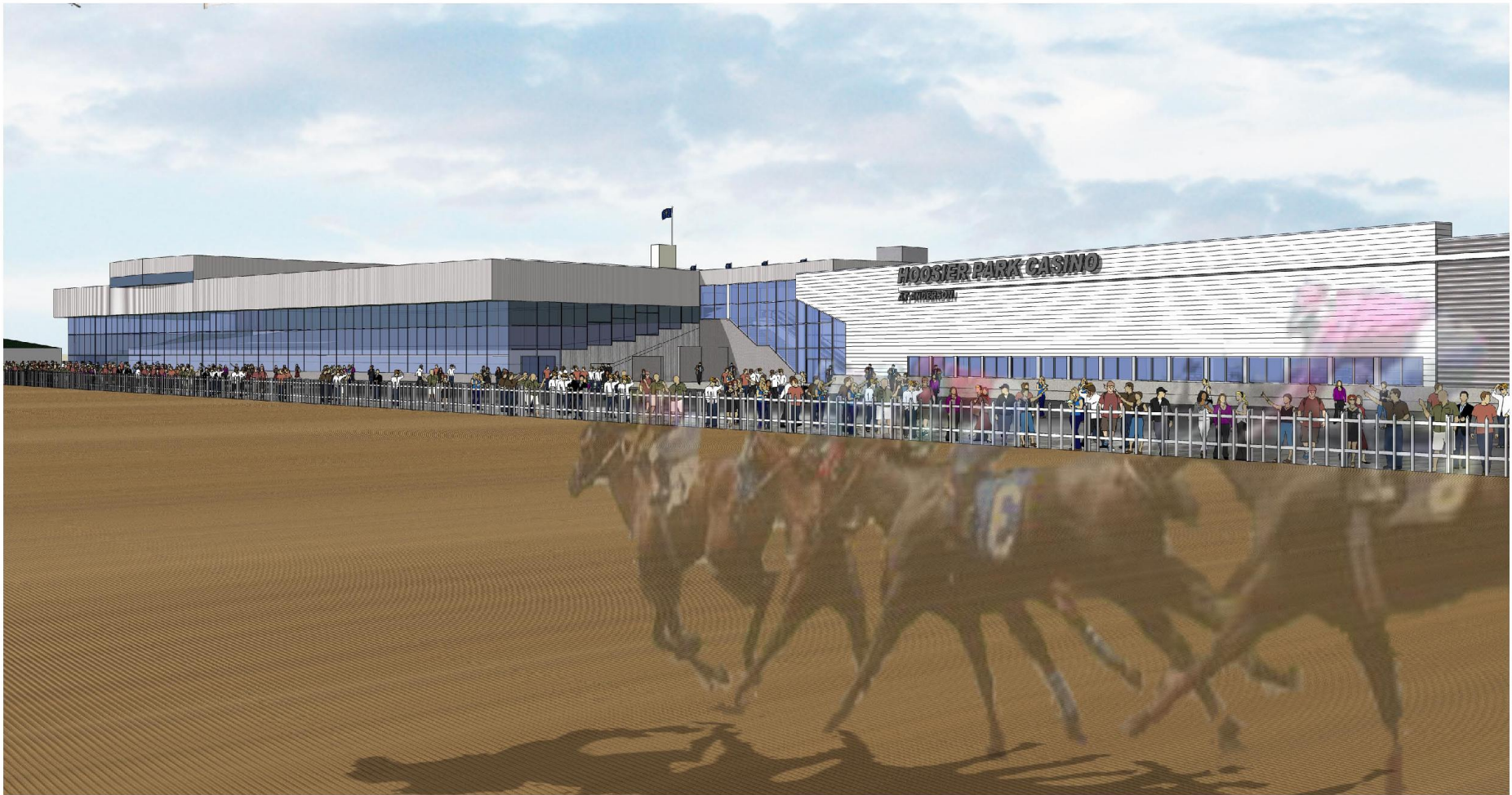

CSO Architects



VIEW FROM PARKING LOT

HOOSIER PARK
ANDERSON, INDIANA
28 SEPTEMBER 2007


CSO Architects



VIEW FROM TRACK

HOOSIER PARK
ANDERSON, INDIANA
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CSO Architects

Thank You

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