

REVENUE ESTIMATING CONFERENCE

TAX: Various

ISSUE: Destination Resorts with Gambling Facilities

BILL NUMBER(S): CS/SB 2050

SPONSOR(S): Commerce and Tourism; Braynon

MONTH/YEAR COLLECTION IMPACT BEGINS: Bill has an effective date of July 1, 2011; collections would be significantly delayed.

DATE OF ANALYSIS: April 15, 2010

SECTION 1: NARRATIVE

- a. Current Law:** On April 7, 2010, the Governor and the Seminole Tribe of Florida executed a Compact agreement that was subsequently ratified by the Legislature (Chapter 2010-29, Laws of Florida) and approved by the United States Secretary of the Interior. The Compact allows the play of covered games in seven Seminole tribal gaming facilities. The covered games include slot machines at all seven facilities and banked card games at five of the seven facilities. Expressly excluded are roulette, craps, roulette-style games and craps-style games. The Tribe is granted exclusive rights to offer the covered games while recognizing the current authorization for slots at the pari-mutuel-based facilities in Miami-Dade and Broward counties. The Compact has a life of 20 years, with the exception of the authorization for banked card games which only lasts five years (until FY 2015-16). Revenues are deposited in the General Revenue Fund.

Chapter 2005-362, Laws of Florida, provided for the regulation of slot machines at pari-mutuel facilities located in Broward and Miami-Dade counties. Today, five facilities operate slots: Gulfstream Park, Mardi Gras Gaming Center, Isle Casino at Pompano, Flagler Magic City, and Calder Casino. Each of these facilities runs a cardroom in addition to the slots facilities. Hialeah and Miami Jai-Alai are anticipated to begin operations within the next year. The current tax rate on slot machine revenues is 35%. Tax collections are deposited in the Educational Enhancement Trust Fund.

- b. Proposed Change:** The proposed legislation would create mechanism to authorize the operation of no more than five destination resorts that contain gambling facilities. See attached document for the provisions of the bill that affect state revenues.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Revenue Estimating Conference Forecast for Slot Machine Revenues, February 2011

Casino City's Indian Gaming Industry Report ~ 2011 Edition

Compact Agreement between the Governor and Seminole Tribe of Florida, April 7, 2010

Multiple editions of the Southwest Contractor, Top Projects Nevada (2004, 2005, 2006, 2007, and 2008)

TM Davis & Associates web-based documents

2003: PKF Consulting, Guide to Cost Allocations for Developers

Various reports and documents on Massachusetts' proposals for Destination Resort Casinos (2008 through 2011)

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

The proposed legislation gives extensive discretion and rule-making authority to the new Destination Resort Commission. For that reason, it is hard to estimate with any degree of certainty how many destination resorts there will be, where they will be located, when they will open, what types of games they will offer, how large their gaming facilities will be, how much construction they will undertake, and what tax rate applies. The estimates developed on the attached worksheets and totaled below should be viewed as conservative projections, assuming implementation progresses as envisioned --- and that no licensee indefinitely holds on to the license without commencing operations.

The only revenues *benefiting* the General Revenue Fund come from the proposed Gross Receipts Tax. It is not anticipated to be imposed until midway through the 2015-16 fiscal year. The annualized numbers below reflect the revenue impact of operations in FY 2015-16 as though the gambling component was functioning for the full year.

This analysis does not address any state or local losses associated with a shift in consumer expenditures away from other taxable items in order to gamble or participate in the amenities available at the destination resorts. Similarly, it does not address the potential migration of people from existing in-state facilities or locations to the new resorts. To the extent this occurs, the losses would – at least in part – offset the revenue gains anticipated from the proposed legislation. In addition, this analysis does not address any gains from taxable non-gaming activities at the resorts. Likewise, it does not address any overall expansion in tourism or the retention of Florida residents that would have gone elsewhere, but choose to go instead to the resorts. To the extent these events occur, the associated tax collections would add to the expected revenues.

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SECTION 4: PROPOSED FISCAL IMPACT

State Impact: All Funds	FY 2011-12 Cash	FY 2011-12 Annualized	FY 2012-13 Cash	FY 2013-14 Cash	FY 2014-15 Cash
High	0	172.5	10.0	251.3	26.3
Middle	0	133.1	9.0	251.3	26.3
Low	0	116.0	8.0	201.0	21.0

SECTION 5: CONSENSUS ESTIMATE (ADOPTED) Given the many uncertainties associated with the implementation of the proposed bill, the Conference adopted a positive indeterminate. However, it appears likely that at least \$172.5 million will be raised on a recurring basis beginning in FY 2015-16. Of this amount, \$130.3 million would benefit the General Revenue Fund.

	FY 2011-12 Cash	FY 2011-12 Annualized	FY 2012-13 Cash	FY 2013-14 Cash	FY 2014-15 Cash
General Revenue	0	**	**	**	**
State Trust	0	**	**	**	**
Total State Impact	0	**	**	**	**
Total Local Impact	0	**	**	**	**
Total Impact	0	**	**	**	**

DESTINATION RESORT --- CS/SB 2050

Definition ---

(8) “Destination resort” or “resort” means a freestanding, land-based structure in which limited gaming may be conducted. A destination resort is a mixed-use development consisting of a combination of various tourism amenities and facilities, including, but not limited to, hotels, villas, restaurants, limited gaming facilities, convention facilities, attractions, entertainment facilities, service centers, and shopping centers. [Page 12]

Mechanism ---

Detailed applications will be used in conjunction with an Invitation to Negotiate process. There may be multiple releases of the invitation.

Location ---

The commission has the power to authorize limited gaming at five destination resorts. Each of the state’s counties is assigned to one of five districts, excluding Orange, Seminole, Osceola, Polk and Lake. A majority of the electors in a countywide referendum must approve the conduct of limited gaming in their county prior to the award of a resort license authorizing limited gaming. Only one destination resort license may be awarded per district (Lines 1233-1234).

Limited Gaming ---

(20) “Limited gaming,” “game,” or “gaming,” as the context requires, means the games authorized pursuant to the Resort Act in a limited gaming facility, including, but not limited to, those commonly known as baccarat, twenty-one, poker, craps, slot machines, video gaming of chance, roulette wheels, Klondike tables, punch-board, faro layout, numbers ticket, push car, jar ticket, pull tab, or their common variants, or any other game of chance or wagering device that is authorized by the commission. [Pages 15 and 16]

Miscellaneous ---

- Age: 21 to engage in gaming
- Hours: 24 hours per day, every day of the year
- Payout: 85 percent for each slot machine
- Credit Instruments: allowed

Timing ---

Quarters refer to Calendar Years.

- Appointment of Commissioners. First meeting will be no later than October 2011.
- Employment of Staff. [Assume Q1 of 2012]

- Rule-making Process. [Assume Q1 and Q2 of 2012]
- Issuance of Invitation to Negotiate. [Assume begins Q3 of 2012 which is in FY 2012-13]
- Response to Invitation to Negotiate. Invitations to negotiate shall require a response within no less than 6 months of the date after the issuance of the invitation. [Assume receipt begins Q1 of 2013]
- Review and Negotiation Process. The commission shall award or deny a destination resort license within 12 months after the deadline for the submission of a reply. [Assume completion in Q4 of 2013 which is in FY 2013-14]
- Construction Phase. [Assume begins Q1 of 2014 and ends Q1 of 2016 which is in FY 2015-16]

State Revenues ---

- Nonrefundable Application Fee of \$1 million to the Commission to defray costs --- [Assume Q1 of 2013 which is in FY 2012-13; benefit to State Trust; limited participation due to moderate financial barriers to entry]

LOW: 8 x \$1 = \$8 million (2 for 4 districts)
MIDDLE: 9 x \$1 = \$9 million (2 for 4 districts; 1 for 5th)
HIGH: 10 x \$1 = \$10 million (2 for 5 districts)

- One-Time Licensing Fee of \$50 million --- [Assume availability in Q4 of 2013 which is in FY 2013-14; assignment unknown but assume State Trust based on renewal placement]

LOW: 4 x \$50 = \$200 million
MIDDLE: 5 x \$50 = \$250 million (MAX; see below)
HIGH: 5 x \$50 = \$250 million (MAX; see below)

(b) The application for a destination resort license must be submitted with a one-time licensing fee of \$50 million. If the commission denies the application, the commission must refund the licensing fee within 30 days after the denial of the application. If the applicant withdraws the application after the application deadline established by the commission, the commission must refund 80 percent of the licensing fee within 30 days after the application is withdrawn. [Lines 1456-1463]

- Annual Renewal License Fee of \$5 million --- [Assume Q4 of 2014 which is in FY 2014-15; benefit to State Trust (Destination Resort Trust Fund)]

LOW: 4 x \$5 = \$20 million
MIDDLE: 5 x \$5 = \$25 million (MAX; see above)
HIGH: 5 x \$5 = \$25 million (MAX; see above)

- Surety Bond --- [Indeterminate amount prior to the license being delivered; zero impact]
- Gross Receipts Tax --- [Assume construction phase of 24 months which indicates no earlier than Q1 of 2016, placing first receipts in FY 2015-16; construction costs less than \$1 billion causing 20% tax rate; indeterminate number of machines; infrastructure is not defined] NOTE: Only six months of taxes expected in the first year (i.e., one-half of amount shown below.)

LOW: 4 x \$256.0375 = \$1,024.15 million in Total Gross Receipts
 \$1,024.15 million x 20% = \$204.83 million in Total Taxes
 4 x Avg gaming revenue per Indian Gaming Facility in FL 2009

MIDDLE: (4 x \$256.0375) + \$59.2291 = \$1,083.3791 in Total Gross Receipts
 \$1,083.3791 x 20% = \$216.6758 million in Total Taxes
 4 x Avg gaming revenue per Indian Gaming Facility in FL 2009
 1 x Avg gaming revenue per Indian Gaming Facility in US 2009

HIGH: 5 x \$256.0375 = \$1,280.1875 million in Total Gross Receipts
 \$1,280.1875 x 20% = \$256.0375 million in Total Taxes
 5 x Avg gaming revenue per Indian Gaming Facility in FL 2009

(b) Limited gaming may not be conducted by a resort licensee until the resort is completed according to the proposal approved by the commission. [Lines 1666-1668]

(14) “Gross receipts” means the total of cash or cash equivalents received or retained as winnings by a resort licensee and the compensation received for conducting any game in which the resort licensee is not party to a wager, less cash taken in fraudulent acts perpetrated against the resort licensee for which the resort licensee is not reimbursed. [Page 14]

- The term does not include promotional credits or “free play” as provided by the resort licensee as a means of marketing the limited gaming facility.

(2)(a)...Upon completion of the resort and before limited gaming may be conducted, the resort licensee must submit proof, as required by the commission, of **the total investment made in the construction of the resort...** [Pages 60 and 61] NOTE: Language is inconsistent between “total investment made in construction” and “total infrastructure investment”; neither term is defined.

1. If the total infrastructure investment is \$2 billion or more, the tax rate shall be 10 percent of the gross receipts.
2. If the total infrastructure investment is at least \$1 billion but less than \$2 billion, the tax rate shall be 15 percent of the gross receipts.
3. If the total infrastructure investment is less than \$1 billion, the tax rate shall be 20 percent of the gross receipts.

(c) The area in which the conduct of limited gaming is authorized may constitute no more than 10 percent of the resort development's total square footage. The resort development's total square footage is the aggregate of the total square footage of the limited gaming facility, the hotel or hotels, convention space, retail facilities, nongaming entertainment facilities, service centers, and office space or administrative areas. [Lines 1238-1245]

Data was pulled from the *Casino City's Indian Gaming Industry Report ~ 2011 Edition*. They define gaming revenue as follows: "Gaming revenue is defined as all revenue earned from Class II and Class III gaming. It is measured on a calendar-year basis and equals the total amount wagered minus prizes and payouts. It also excludes gaming promotional allowances to the extent possible (if gaming promotional allowances were included in gross gaming revenue yet not identifiable, they could not be subtracted out). Gaming revenue as defined in this report is sometimes also referred to as net win, gross gaming revenue, or adjusted gross gaming revenue."

- Distribution of Gross Receipts Tax ---
 - (a) The gross receipts tax shall be deposited into the Destination Resort Trust Fund and shall be used to fund the operating costs of the commission pursuant to appropriations by the Legislature.
 - (b) On June 30 of each year, all unappropriated funds in excess of \$5 million shall be deposited as follows:
 1. Eighty-seven and 1/2 percent shall be deposited into the General Revenue Fund.
 2. Two and 1/2 percent shall be deposited into the Tourism Promotional Trust Fund for use by the Florida Commission on Tourism.
 3. One and 1/4 percent shall be deposited into the Employment Security Administration Trust Fund for the benefit of the school readiness program.
 4. One and 1/4 percent shall be deposited into the Transportation Disadvantaged Trust Fund for use by the Commission for the Transportation Disadvantaged.
 5. Two and 1/2 percent of the gross receipts tax collected to thoroughbred permitholders who are licensed to conduct slot machines.
 6. Two and 1/2 percent of the gross receipts tax collected shall be paid to the Florida Thoroughbred Breeders and Owners Association, Inc.
 7. Two and 1/2 percent of the gross receipts tax collected shall be provided to the permitholders conducting live greyhound or harness racing or jai alai games who are licensed to conduct slot machines.

NOTE: Highlighted portion inconsistent with rest of section. [Assume (b) prevails.]

- Compact Loss --- The REC has adopted a forecast of expected revenues. FY 2015-16 decrease related to the anticipated loss of table games. [Assume Compact payments continue until the first destination resort begins operations]

FY 2011-12	\$150.0 million	---	\$145.5 GR	---	NO Impact
FY 2012-13	\$226.1 million	---	\$221.2 GR	---	NO Impact
FY 2013-14	\$233.0 million	---	\$226.0 GR	---	NO Impact
FY 2014-15	\$233.9 million	---	\$226.9 GR	---	NO Impact
FY 2015-16	\$ 92.1 million	---	\$ 89.3 GR	---	100% Loss Annualized (1/2 Yr 1)

Page 39 of the Compact states:

A. If, after February 1, 2010, Florida law is amended by action of the Florida Legislature or an amendment to the Florida Constitution to allow (1) the operation of Class III gaming or other casino-style gaming at any location under the jurisdiction of the State that was not in operation as of February 1, 2010, or (2) new forms of Class III gaming or other casino-style gaming that were not in operation as of February 1, 2010, the Payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall cease when the newly authorized gaming begins to be offered for public or private use. The cessation of payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall continue until such gaming is no longer operated, in which event the Payments shall resume. If the expansion of new Class III gaming or other casino-

And, Page 40 states:

For purposes of this provision, Class III gaming or other casino-style gaming includes, but is not limited to, the following: slot machines, electronically-assisted bingo or electronically-assisted pull-tab games, table games, and video lottery terminals (VLTs) or any similar games, whether or not such games are determined through the use of a random number generator.

- Compulsive or Addictive Gambling Prevention Regulatory Fee (annual) --- [Assume availability in Q4 of 2013 which is in FY 2013-14; start date not specified, but use licensure award date]

LOW: 4 x \$250,000= \$1 million
MIDDLE: 5 x \$250,000 = \$1.25 million (MAX; see above)
HIGH: 5 x \$250,000 = \$1.25 million (MAX; see above)

- Supplier's License (annual) --- \$5,000 per year; indeterminate number; could begin FY 2013-14 with construction
- Occupational License (annual) --- may not exceed \$50 per employee; indeterminate number; could begin FY 2013-14 with construction

- Slots at Pari-Mutuel Facilities --- Pari-mutuel facilities operating slots in Broward and Miami-Dade are given “most favored nation” status if a limited gaming license is granted to one of those counties. They would be allowed to offer the same types of games, hours of operation, and wagering limits. However, if they take the election, the facilities “shall pay the same tax on gross receipts as the resort licensee located within Miami-Dade County or Broward County.” The change is effective on the anticipated opening date or the actual opening date of the destination resort, whichever occurs first. [Assume an “inflator” based on the addition of games. For 2010, Nevada Total Win amount was \$10.405 billion. Slots Win was \$6.637 billion. The “inflator” would be $\$10.405/\$6.637=1.5677$, assuming that the slots facilities would have all the games. Impact to the Educational Enhancement Trust Fund would begin Q1 of 2016 which is in FY 2015-16. First year would be 50% of the annualized impact (i.e., one-half of the revenue loss shown below.)]

Adj Slots Forecast for 2015-16	169.7
Gross Slots Revenue – Current	485.0
Game Inflator @ 1.5677%	760.3
Assumed 20% Tax Rate	152.1
Revenue Loss to EETF	-17.7
Percentage Loss	10.4%

- Service charge implications are not mentioned in the bill, but all trust funds benefiting from the implementation of destination resorts are assumed to be exempt to that extent.

DESTINATION RESORTS --- CS/SB 2050

**A. Nonrefundable Application Fee of \$1 million
Benefit: State Trust**

	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13	Q1	10.0	9.0	8.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16		0.0	0.0	0.0

Low: 8 x \$1 = \$8 million (2 for 4 districts)
 Middle: 9 x \$1 = \$9 million (2 for 4 districts; 1 for 5th)
 High: 10 x \$1 = \$10 million (2 for 5 districts)

**B. One-Time Licensing Fee of \$50 million.
Benefit: State Trust**

	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14	Q4	250.0	250.0	200.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16		0.0	0.0	0.0

Low: 4 x \$50 = \$200 million
 Middle: 5 x \$50 = \$250 million (MAX)
 High: 5 x \$50 = \$250 million (MAX)

**C. Annual Renewal License Fee of \$5 million
Benefit: State Trust**

	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15	Q4	25.0	25.0	20.0
FY 2015-16		25.0	25.0	20.0

Low: 4 x \$5 = \$20 million
 Middle: 5 x \$5 = \$25 million (MAX)
 High: 5 x \$5 = \$25 million (MAX)

**D. Gross Receipts Tax
Benefit: Distribution Schedule**

<u>Cash</u>	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q1	128.0	108.3	102.4

NOTE: 50% of Year 1; 20% Tax Rate

Casino City's Indian Gaming Industry Report ~ 2011 Edition

Table 2: Indian Gaming Facilities (2009)

Florida	8
US	446

Table 5: Gaming Revenue at Indian Gaming Facilities

Florida	2048.3
US	26416.2

Calculation: Average per Facility

Florida	256.0375
US	59.22915

Cash: Non Recurring Nature

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		10.0	9.0	8.0
FY 2013-14		250.0	250.0	200.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16		0.0	0.0	0.0

Cash: Recurring Nature

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		1.3	1.3	1.0
FY 2014-15		26.3	26.3	21.0
FY 2015-16		99.4	79.7	68.5

Cash: Total

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		10.0	9.0	8.0
FY 2013-14		251.3	251.3	201.0
FY 2014-15		26.3	26.3	21.0
FY 2015-16		99.4	79.7	68.5

Recurring: Total

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		1.3	1.3	1.0
FY 2014-15		26.3	26.3	21.0
FY 2015-16		172.5	133.1	116.0

Recurring: General Revenue

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16		130.3	95.9	85.5

Distribution:

\$5 million retained in TF	5.0	5.0	5.0
General Revenue @ 87.5%	219.7	185.2	174.9
Tourism Prom TF @ 2.5%	6.3	5.3	5.0
Emp Sec Admin TF @ 1.25%	3.1	2.6	2.5
Trans Disadv TF @ 1.25%	3.1	2.6	2.5
Thoroughbred (TF?) @ 2.5%	6.3	5.3	5.0
Breeders/Owners (TF?) @ 2.5%	6.3	5.3	5.0
Gryhnd/Harn/Jai (TF?) @ 2.5%	6.3	5.3	5.0
	<u>256.0</u>	<u>216.7</u>	<u>204.8</u>

E. Compact Loss

Impact: General Revenue and Local Trust

<u>Cash</u>	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>	<u>Recurring</u>	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>
FY 2011-12		0.0	0.0	0.0	FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0	FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0	FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0	FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q1	-46.1	-46.1	-46.1	FY 2015-16		-92.1	-92.1	-92.1

Distribution:

General Revenue @ 97%	-89.3	-89.3	-89.3
Local Gov't @ 3%	-2.8	-2.8	-2.8
	<u>-92.1</u>	<u>-92.1</u>	<u>-92.1</u>

F. Compulsive or Addictive Gambling Prevention Regulatory Fee (annual)

Benefit: State Trust

	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14	Q4	1.3	1.3	1.0
FY 2014-15		1.3	1.3	1.0
FY 2015-16		1.3	1.3	1.0

G. Supplier's License (annual)

Benefit: State Trust

	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14	Q1	**	**	**
FY 2014-15		**	**	**
FY 2015-16		**	**	**

H. Occupational License (annual)

Benefit: State Trust

	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14	Q1	**	**	**
FY 2014-15		**	**	**
FY 2015-16		**	**	**

I. Slots at Pari-Mutuel Facilities

Impact: Educational Enhancement Trust Fund (EETF)

<u>Cash</u>	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>	<u>Recurring</u>	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>
FY 2011-12		0.0	0.0	0.0	FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0	FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0	FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0	FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q1	-8.8	-8.8	-8.8	FY 2015-16		-17.7	-17.7	-17.7

Adj Slots Forecast for 2015-16	169.7
Gross Slots Revenue - Current	485.0
Game Inflater @ 1.5677%	760.3
Assumed 20% Tax Rate	152.1
Revenue Loss to EETF	-17.7
Percentage Loss	10.4%

Facility Costs	(millions)	Months	Document
1 South Coast Casino and Resort	\$ 374.0	19	Southwest Contractor, 2004 Top Projects Nevada
2 Caesars Palace Augustus Tower	\$ 214.0	24	Southwest Contractor, 2004 Top Projects Nevada
3 Tahiti Village Resort	\$ 135.0	20	Southwest Contractor, 2004 Top Projects Nevada
4 Residences at MGM Grand	\$ 130.0	19	Southwest Contractor, 2004 Top Projects Nevada
5 Cosmopolitan Resort & Casino*	\$ 1,300.0	48	Southwest Contractor, 2005 Top Projects Nevada
6 Trump International Hotel & Tower	\$ 364.0	19	Southwest Contractor, 2005 Top Projects Nevada
7 Residences at MGM Grand - Towers B,C	\$ 246.6	25	Southwest Contractor, 2005 Top Projects Nevada
8 Red Rock Casino, Resort and Spa	\$ 925.0	25	Southwest Contractor, 2006 Top Projects Nevada
9 Echelon**	\$ 4,800.0	36	Southwest Contractor, 2007 Top Projects Nevada
10 Fontainebleau Hotel Casino***	\$ 2,900.0	33	Southwest Contractor, 2007 Top Projects Nevada
11 M Resort	\$ 1,000.0	24	Southwest Contractor, 2007 Top Projects Nevada
12 Planet Hollywood Towers	\$ 750.0	20	Southwest Contractor, 2007 Top Projects Nevada
13 Aliante Station Casino	\$ 675.0	14	Southwest Contractor, 2007 Top Projects Nevada
14 Eastside Cannery Casino & Hotel	\$ 250.0	16	Southwest Contractor, 2007 Top Projects Nevada
15 Cache Creek Casino Resort	\$ 350.0	36	TM Davis & Associates
16 Aulani, a Disney Resort & Spa	\$ 800.0	33	Various
17 Wynn Macau	\$ 1,000.0	27	Various
18 Sands Macau Casino Resort	\$ 265.0	20	Various
19 MGM Grand Macau	\$ 975.0	24	Various
20 Hard Rock Hotel Expansion	\$ 582.2	26	Southwest Contractor, 2008 Top Projects Nevada
Average	\$ 901.8	25	
Without Echelon and Fontainebleau	\$ 574.2	24	

* New resort and casino featuring two hotel and condominium towers with approximately 3,000 rooms, casino, convention and conference space, exclusive and brand name retail boutiques, fine dining restaurants, entertainment facilities, spa, salon, fitness center, nightclubs, 2,000-seat theater, 5-acre pool, and a below-grade parking structure. Plans were subsequently changed due to the recession

** Echelon will contain five distinct hotels with a total of 5,000 rooms: Hotel Echelon, The Enclave, Shangri-La Las Vegas, Mondrian Las Vegas and Delano Las Vegas. Echelon will contain over 140,000 sq ft in casino space, over 30 dining and nightlife choices, two theaters and 750,000 sq ft of meeting space. High Street will feature 300,000 sq ft of retail shopping promenade. Outside areas will contain over 200,000 sq ft of pools and gardens. While the 87-acre property will maintain seven vehicular arrival points, ample parking will be provided through 9,000 spaces.
Boyd Gaming delayed the construction of the Echelon project in June 2008 because of the economic slowdown and difficult market conditions. The project was to restart in late 2009, however, it was postponed for the second time due to Boyd's decrease in profits. The company expects to begin the work in three to five years from 2010.

*** Occupying the former South Strip site of the El Rancho, Fontainebleau is quickly rising to its 63 stories skyward. The destination resort will contain 3,889 rooms, suites, condo-hotel units and penthouses inside the 725-ft tower, along with a 100,000-sq-ft casino, 60,000-sqft spa, retail, a massive rooftop swimming deck and a 3,200-seat theater. The 25-acre site will also be home to a 390,000-sq-ft conference and events center.
6/10/09 Fontainebleau files for bankruptcy while desperately seeking funding to complete the project. In bankruptcy court in Miami on November 23, 2009, corporate raider and financier Carl Icahn offered \$156 M in cash and financing. In October 2010, owner Carl Icahn auctioned off the furnishings intended for the building. All construction work has stopped on the project, which is about 70 percent complete, and there are no specific plans for the building at this time.

Miscellaneous --- Cost Per Room	Per Room	Total	
Luxury Resort Cost Per Room			2003: PKF Consulting, Guide to Cost Allocations for Developers#
<i>Highest</i>	\$ 596,000	235,420,000	Average 395 rooms
<i>Average</i>	\$ 375,500	148,322,500	Average 395 rooms
<i>Lowest</i>	\$ 231,000	91,245,000	Average 395 rooms

NOTE:

"The biggest variance from low to high costs fall in the luxury and resort category due to the extra time it takes for site acquisition regulatory approvals, mitigation and higher quality construction. Development costs for four and five-star properties reflect higher barriers to entry and higher quality improvements."

February REC for Slots at Pari-mutuels

2014-15	Tax	Receipts
Mardi Gras	17.5	50.0
Gulf Stream	22.1	63.1
Pompano	40.9	116.9
Calder	24.6	70.3
Magic City/Flagler	24.1	68.9
Miami Jai-Alai	19.0	54.3
Hialeah	19.0	54.3
	<i>Average</i>	68.2
	<i>Average w/out Pompano</i>	60.1
	<i>Max</i>	116.9
	<i>Min</i>	50.0
TOTAL	167.2	477.7

Indian Gaming Average Per Facility
256.0375 2.2 Times Projected Max