CEDAR CROSSING

CASINO & ENTERTAINMENT CENTER

PRESENTATION TO THE IOWA RACING AND GAMING COMMISSION

OCTOBER 3, 2024

PENINSULA PACIFIC
ENTERTAINMENT®

PRESENTATION TEAM

Brent Stevens, Chairman, P2E

Jonathan Swain, President, CRDG

Natalie Schramm, Board Member, P2E

Aaron Gomes, President, P2E

Dustin Manternach, Chief Financial Officer, P2E

Kim Pang, Vice President of Development, P2E

Anne Parmley, President, Linn County Gaming Association

Tiffany O'Donnell, Mayor, City of Cedar Rapids

Suzanne Leckert, Convergence Strategy Group

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EVENT CENTER

Jonathan Swain
President, CRDG

WHAT'S CHANGED?

Population growth – up 12% vs. state at 4.7% (up 41,000 people)

Industry growth – $1.5 billion in FY2017 to $2.0 billion in FY2024

Competition from Nebraska and Illinois

$80 million in new revenue for the state of Iowa

$100 million increase in project cost focused on non-gaming amenities

Larger contribution to non-profits – $6.3 million annually

GUIDELINES

A. Economic Impact

B. Community Support

C. State Gaming Industry Impact

D. Benefits to Iowa Tourism

E. Employment Opportunities

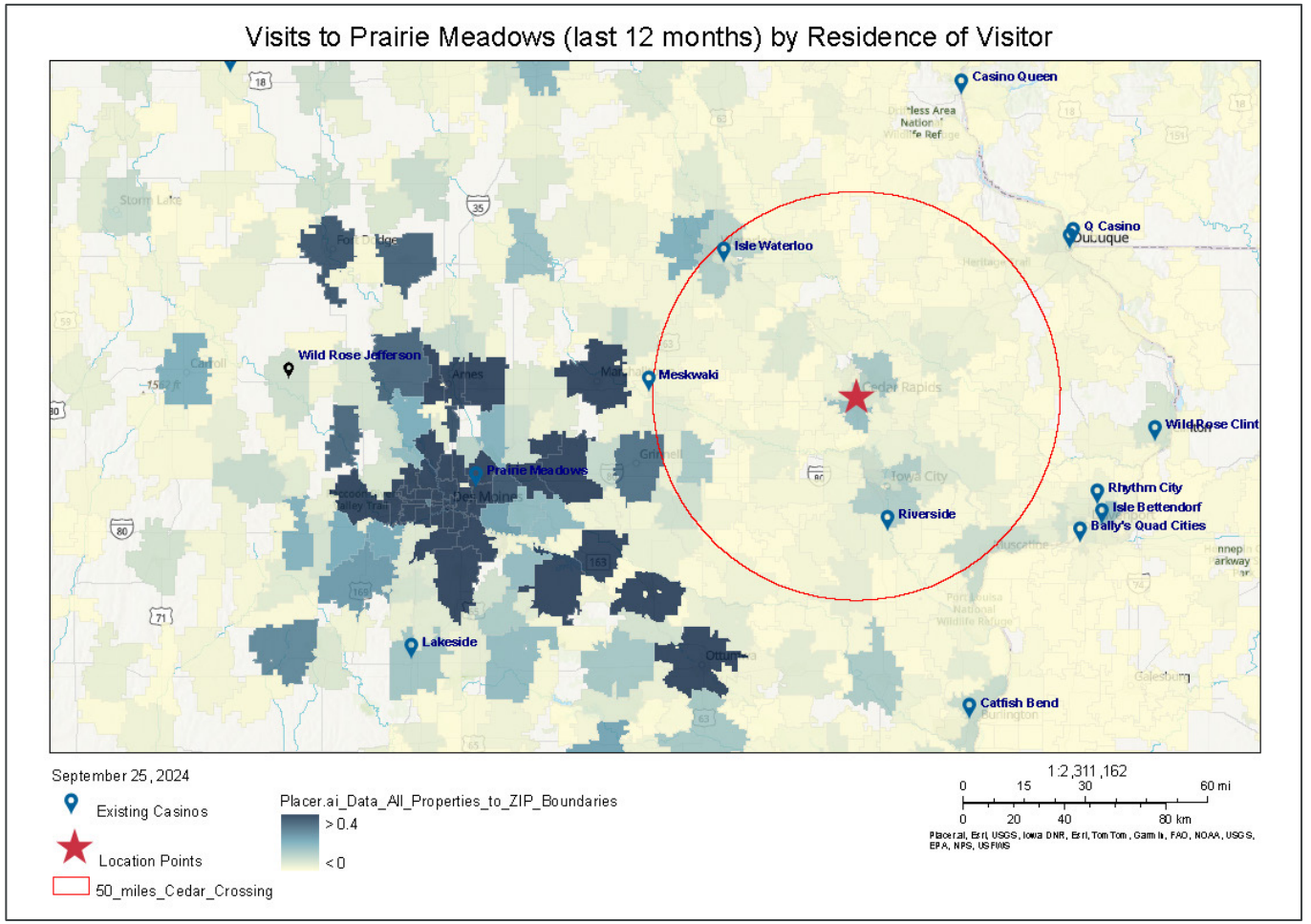
F. Development and Sale of Iowa Products

G. Amenities

Suzanne Leckert
Convergence Strategy Group

ECONOMIC IMPACT

- Methodology
  - Gravity Model
    - Population stats
    - Publicly reported data
  - CSG only - Calibration with Mobile Phone Tracking Data



CONVERGENCE STRATEGY GROUP

ECONOMIC IMPACT

- AGR: $108 Million Annually
  - $80 million (74%) in new gaming revenue to the state
  - $28 million (26%) from other commercial casinos
- Construction Phase
  - 1,100+ construction jobs
  - $300+ million in construction-related spending
  - $6 million in additional sales tax
  - Nearly $102 million in wage earnings
- Annual Operations
  - 524 full-time jobs with $29 million in wage earnings
  - Cedar Crossing: 300 on-site jobs, with payroll of $15.4 million
  - $66 million in spending annually

CONVERGENCE
STRATEGY GROUP

ECONOMIC IMPACT

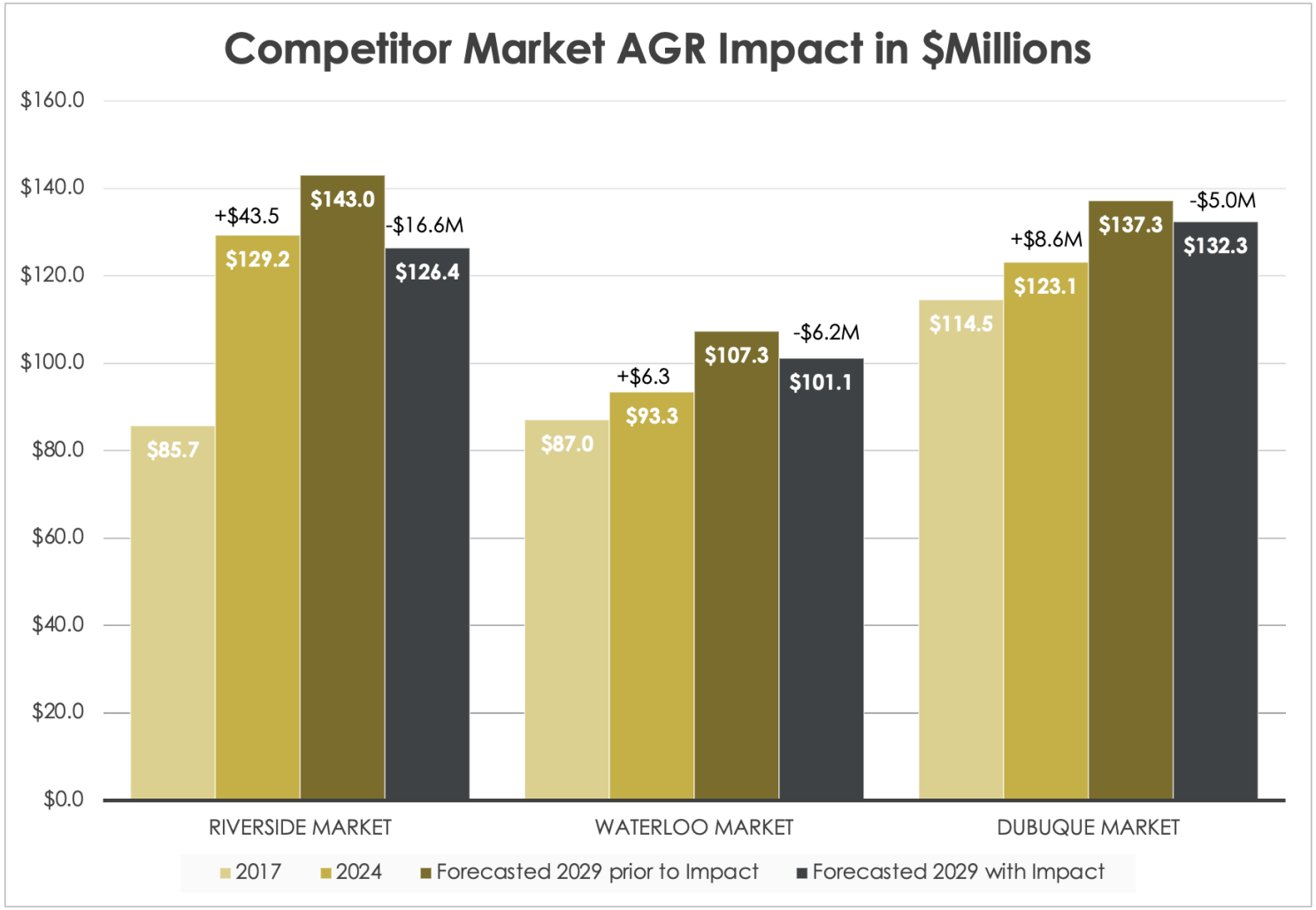
Annual Recurring Payments to City, County, State and Non-Profit Organizations

in $ Millions	Non-Profit Organizations	City	County	State	Total
Statutory Gaming Tax Share		$0.5	$0.5	$21.1	$22.1
Incremental Distribution		$1.8			$1.8
Total from Gaming Taxes		**$2.3**	**$0.5**	**$21.1**	**$23.9**
Sales Tax			$0.3	$1.9	$2.2
Income Taxes				$1.1	$1.1
Non-Profit Payments	$6.3				$6.3
Annual Taxes & Non-Profit Payments	**$6.3**	**$2.3**	**$0.8**	**$24.1**	**$33.5**

ANNUAL TAXES & NON-PROFIT PAYMENTS: $33.5 MILLION

CONVERGENCE STRATEGY GROUP

ADDRESSING IMPACT



CONVERGENCE
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Tiffany O'Donnell
Mayor, City of Cedar Rapids

COMMUNITY SUPPORT

Tiffany O'Donnell, Mayor, City of Cedar Rapids

Cedar Rapids will receive $1.8 million for its Community Betterment Fund

$500,000 in gaming tax revenue

Millions of dollars in proceeds from the sale of city-owned land at fair market value

$50 million minimum assessment on land that has been off the tax rolls since 2008 flood

Spur significant additional development along the riverfront

Anne Parmley
President, Linn County Gaming Association

COMMUNITY SUPPORT

Anne Parmley, President LCGA

LINN COUNTY
GAMING ASSOCIATION

$6.3 million annually (8% of net AGR) to Linn County Gaming Association, the highest qualified sponsoring organization (QSO) contribution in the state

Funds will support key initiatives such as homelessness, affordable housing, veterans' services, and senior care

Jonathan Swain
President, CRDG

INVESTMENT VS. AGR

$275 million investment – $100 million more than our 2017 proposal

$108 million in AGR annually

IMPACT ON EXISTING OPERATORS

Impact on existing operators' AGR vs. existing operators' ratio of AGR to investment

in $Millions	Estimated Property Investment	2024 AGR	Ratio	2024 AGR Adjusted for Impact	Adjusted 2024 Ratio
Impacted Properties					
Riverside	$180	$129	0.72x	$113	0.63x
Isle Waterloo	$275	$93	0.34x	$87	0.32x
Diamond Jo - Dubuque	$200	$79	0.40x	$76	0.38x
Q Casino	$175	$44	0.25x	$42	0.24x

PROPERLY FINANCED

P2E, along with more than 60 local investors, will invest over $110 million in equity into the project, representing 40% of the total project cost

This equity contribution, along with $165 million in committed financing from Banco Santander, will provide the capital needed to develop this incredible project

PERCENTAGE AGR FROM UNDERSERVED MARKETS

AGR from underserved markets – 74.3%

PERCENTAGE AGR FROM EXISTING OPERATORS

AGR from existing Iowa operators – 25.7%

Marquette Advisors projections:
2011 Grand Falls (Lyon County) approved with an expected 26.7% of revenue from existing operators.
2015 Wild Rose Jefferson (Greene County) approved with an expected 62.5% of revenue from existing operators.

RELIABILITY OF OUT-OF-STATE MARKETS

Cedar Rapids enjoys a thriving tourism market, attracting 2.5 million visitors annually

Arts and Cultural Center, and STEM Lab

Three performance stages, including a 1,500-capacity entertainment center

A previous P2E operated venue sold tickets to guests from all 50 states and nine foreign countries

BENEFITS TO IOWA TOURISM

Collaborating with Cedar Rapids Tourism office

Connecting Cedar Rapids: Shuttle service to downtown hotels, local businesses, and key attractions

Group tours, organized events, and event sponsorships

Hosting 125 shows annually in our 1,500-capacity venue

EMPLOYMENT OPPORTUNITIES

Over 1,000 jobs created during construction, partnering with local unions for skilled labor and competitive wages

524 full-time jobs, including 300 direct, with pay starting at $15/hour for non-tipped employees

Great careers with competitive pay, comprehensive benefits, and opportunities for growth

Aaron Gomes
President, P2E

DEVELOPMENT AND SALE OF IOWA PRODUCTS

Committed to "Buy Iowa First" program

Iowa-grown produce, local products, and services will be central to our operations and guest experience

Proven track record with the "Buy Iowa First" program, with past properties boasting a 97% Iowa vendor sourcing rate

Point Partner Program

AMENITIES

Destination dining

Entertainment: Three performance stages, 125 shows annually

Arts and Cultural Center

STEM Lab

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WHY NOW?

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THE TIME IS NOW.
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