

# Proposed Cedar Rapids Casino



*Photo Credit: P2E.*

## Market Feasibility Study and Competitive Impact Analysis

October 2024

Submitted to:  
Meskwaki Bingo  
Casino Hotel



October 17, 2024

Scott Sirois  
General Manager  
Meskwaki Bingo Casino Hotel  
1504 305th Street  
Tama, IA 52339

Dear Mr. Sirois:

In accordance with our engagement, Meister Economic Consulting, LLC is pleased to present a market feasibility and competitive impact study for the commercial casino proposed in Cedar Rapids, Iowa ("Proposed Cedar Rapids Casino"). This report is intended to assist you with decision-making and future strategies related to the Proposed Cedar Rapids Casino.

While the analyses contained in the report utilize audited financials, actual market performance, and players club data for Meskwaki Bingo Casino Hotel, they are also based on estimates, assumptions, and information derived from primary and secondary market research, knowledge of the gaming and hospitality industries, interviews of competitive properties and potential demand generators, and other sources in the market. Information gathered from third parties was not independently audited or verified. Accordingly, while we have depended on sources that are deemed reliable, we cannot guarantee their accuracy. Because the analytical procedures applied to this assessment were limited in their scope, we express no opinion or assurances of any kind on the achievability of any financial and other projections contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may prove material. We have no responsibility under our current engagement to update the analyses presented in this report to account for the influence of events and circumstances that occur after the date of the report. However, if there is interest in updating the report at some later time, this can be arranged.

We have enjoyed serving you on this engagement and look forward to providing you with continued service in the future.

Sincerely,



Alan Meister, Ph.D.



Jonathan Clough

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# 1. Executive Summary

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Meister Economic Consulting, LLC (“MEC”) was engaged by Meskwaki Bingo Casino Hotel to evaluate the potential market feasibility and competitive impact for a casino development in Cedar Rapids, Iowa (“Proposed Cedar Rapids Casino”).

## **Project Background**

Efforts to get a casino licensed in Cedar Rapids, Iowa have spanned over a decade, with significant developments and setbacks along the way. Recent efforts to establish a casino in Cedar Rapids have gained renewed momentum following the expiration of Iowa’s moratorium on new gambling licenses in July 2024. Peninsula Pacific Entertainment (P2E) and the Linn County Gaming Association have submitted a new proposal for the Proposed Cedar Rapids Casino. The Iowa Racing and Gaming Commission (IRGC) is anticipated to vote on the proposal in February 2025, following discussions and considerations on the impact of gaming expansion in the region.

The Proposed Cedar Rapids Casinos is planned to feature 700 slot machines, 22 table games, and a sportsbook. In addition to its gaming options, it plans to offer a variety of food and beverage outlets and a 1,500-person entertainment venue. Plans also call for various other offerings, which are not within the scope of this study and would not directly support or contribute to the gaming operations, including an arts and cultural center along with a STEM lab.

## **Site Analysis**

A site in downtown Cedar Rapids, Iowa, at the former Cooper’s Mill site, is a good location for a casino development due to its strategic positioning near major population centers, convenient access to main transportation routes, and proximity to local amenities.

## **Area Analysis**

Cedar Rapids, Iowa, is located in eastern Iowa within the Cedar Rapids MSA, which encompasses Linn County and portions of surrounding counties. The City is situated along the Cedar River and is one of Iowa's major economic and cultural hubs.

Historically, the population in this area, and in the markets from which the proposed Cedar Rapids Casino is expected to draw visitors, has grown at rates comparable to the national average, and this trend is expected to continue. Linn County’s employment base is relatively diverse, although it is heavily reliant on the services sector, which accounts for nearly half of the total employment.

Tourism is a vital industry to Linn County, as it attracts approximately 2.5 million visitors annually and ranks #3 in visitor spending amongst all 99 counties in Iowa. The area offers a mix of cultural, historical, and outdoor attractions, making it an appealing destination for visitors.

### Competitive Environment

The existing competitive casino environment consists of properties located in Iowa and Illinois. There are currently 17 casinos that would provide varying degrees of competitiveness to the Proposed Cedar Rapids Casino. Of these, 13 are commercial casinos located in Iowa, 1 is a Native American casino in Iowa, and 3 are commercial casinos in Illinois. Table 1 summarizes key characteristics of these casinos including gaming and hotel offerings, along with the proximity of the competitive casinos relative to the Proposed Cedar Rapids Casino.

**Table 1**

Competitive Venues - Property Metrics and Distance/Drive-Time to Proposed Cedar Rapids Casino								
Property	Location	Date Opened	Gaming Sq. Feet	Number of Gaming Devices	Number of Table Games	Number of Hotel Rooms	Distance	Drive-Time
							from Subject (miles)	from Subject
<i>Primary Competition</i>								
Riverside Casino and Golf Resort	Riverside, IA	Aug-06	51,598	892	39	201	38	36 min
Meskwaki Bingo Casino Hotel	Tama, IA	Dec-92	67,553	1,256	23	368	53	55 min
Isle Casino Hotel Waterloo	Waterloo, IA	Jun-07	35,855	853	18	194	55	55 min
<b>Subtotal</b>			<b>155,006</b>	<b>3,001</b>	<b>80</b>	<b>763</b>		
<i>Secondary Competition</i>								
Rhythm City Casino	Davenport, IA	Jun-16	38,022	819	22	106	80	1 hr 15 min
Bally's Quad Cities	Rock Island, IL	Mar-92	42,300	794	16	205	83	1 hr 15 min
Isle Casino Hotel Bettendorf	Bettendorf, IA	Apr-95	38,569	831	24	514	84	1 hr 18 min
Diamond Jo Dubuque	Dubuque, IA	May-94	41,408	719	27	0	73	1 hr 20 min
Q Casino	Dubuque, IA	Nov-95	25,060	528	19	116	74	1 hr 21 min
Wild Rose Clinton	Clinton, IA	Jun-91	19,574	509	9	60	80	1 hr 22 min
Catfish Bend Casino	Burlington, IA	Nov-94	26,815	643	31	40	100	1 hr 31 min
Prairie Meadows Racetrack & Casino	Altoona, IA	Apr-95	81,317	1,203	41	168	107	1 hr 43 min
Casino Queen Marquette	Marquette, IA	Dec-94	16,236	437	14	0	96	1 hr 51 min
<b>Subtotal</b>			<b>329,301</b>	<b>6,483</b>	<b>203</b>	<b>1,209</b>		
<i>Tertiary Competition</i>								
Wild Rose Jefferson	Jefferson, IA	Aug-15	17,162	519	12	74	142	2 hr 20 min
Diamond Jo Worth	Northwood, IA	Apr-06	38,630	822	26	102	167	2 hr 36 min
Lakeside Hotel Casino	Osceola, IA	Jan-00	22,977	580	10	150	164	2 hr 37 min
Par-A-Dice Hotel Casino	East Peoria, IL	Nov-91	26,116	556	18	202	180	2 hr 35 min
Hard Rock Casino Rockford	Rockford, IL	Nov-21	67,000	1,300	44	0	179	2 hr 50 min
<b>Subtotal</b>			<b>171,885</b>	<b>3,777</b>	<b>110</b>	<b>528</b>		
<b>Total</b>			<b>656,192</b>	<b>13,261</b>	<b>393</b>	<b>2,500</b>		

Note: Sorted in ascending order based on drive-time.

Source: Iowa Racing & Gaming Commission, Illinois Gaming Board, property websites, and Google Maps.

There are no new casino properties in the planning stages that would be competitive with the Proposed Cedar Rapids Casino. However, there are some ongoing/planned changes to existing

competitive casinos that would impact their positioning within the market. Further details of these changes can be found in Section 5 of this report.

In recent years, many of the existing competitors have seen moderate to strong growth in revenues, although some have seen decreases as well. Generally speaking, the existing competition has experienced a decline in admissions over recent years, but this has often been offset by an increase in the average win per patron. Many casinos are adapting to changes in customer behavior, focusing on maximizing spending per visitor rather than simply increasing foot traffic. Declining admissions have also led to some reductions in the number of gaming devices and table games being offered at competitive casinos, resulting in a higher win per position and helping to streamline operational expenses.

### Gaming Market Analysis

In estimating the overall potential revenue for the Proposed Cedar Rapids Casino, we utilized a gravity model and associated analyses to establish market sizing and penetration estimates. The estimated potential gaming revenue for the Proposed Cedar Rapids Casinos is approximately \$106.5 million in the first year of operation (2027), as illustrated in Table 2.

**Table 2**

Potential Gaming Revenue for Proposed Cedar Rapids Casino in 2027								
	Estimated 2027 Adult Population Aged 21-85 (1)	Estimated Casino Gaming Propensity	Total Casino Gaming Participants (1)	Estimated Gaming Frequency	Estimated Win per Visit	Total Estimated Market Potential (1)	Estimated Cedar Rapids Penetration	Estimated Cedar Rapids Gaming Revenue (1)
0 to 25 Miles	287,500	36.5%	104,900	11.1	\$114	\$132,469,000	52.9%	\$70,070,000
25 to 50 Miles	264,500	35.3%	93,400	10.6	\$99	\$98,195,000	7.8%	\$7,612,000
50 to 100 Miles	1,312,000	34.6%	454,100	10.2	\$109	\$493,790,000	3.7%	\$18,424,000
Subtotal	1,864,000	35.00%	652,400	10.0	\$111	\$724,454,000	13.3%	\$96,106,000
Out-of-Market/Visitors	2,000,000	15.00%	300,000	1.0	\$115	\$34,500,000	30%	\$10,350,000
<b>Total</b>								<b>\$106,456,000</b>

(1) Reflects rounding to the nearest thousand.

Source: Meister Economic Consulting.

Typically, a period of time is required for a new casino to reach full market absorption and stabilization. In the casino industry, this stabilization period is generally around two to three years. Various factors can influence this timeline, including the maturity of the market, strategies employed by existing casinos to fend off new competition, and the competitive positioning of the new casino, among others. We have estimated that the total gaming revenue for the proposed Cedar Rapids Casino will increase by 5.5% in its second year of operation (2028), followed by a stabilized growth rate of 2.0% in its third year (2029) and beyond. The breakdown of gaming revenue by source was estimated based on the planned gaming offerings for the Proposed Cedar Rapids Casino, its competitive positioning, and historical performance trends of competitive casinos. A summary of estimated gaming revenues for the Proposed Cedar Rapids Casino during its first five years of operations is shown in Table 3. It should be



noted that the % of total gross revenue figures are reflective of gaming and non-gaming revenues.

**Table 3**

Estimated Gross Gaming Revenue Proposed Cedar Rapids Casino					
Year	Gaming Devices	Table Games	Retail Sportsbook	Total	% of Total Gross Revenue
2027	\$95,278,000	\$10,646,000	\$532,000	\$106,456,000	89.3%
2028	\$100,518,000	\$11,232,000	\$561,000	\$112,311,000	89.6%
2029	\$102,528,000	\$11,457,000	\$572,000	\$114,557,000	89.5%
2030	\$104,579,000	\$11,686,000	\$583,000	\$116,848,000	89.5%
2031	\$106,671,000	\$11,920,000	\$595,000	\$119,186,000	89.4%

Source: Meister Economic Consulting.

### Competitive Impact Estimates

Based on our gravity modeling and associated analyses, the introduction of the Proposed Cedar Rapids Casino is expected to have significant competitive impacts within the market. In order to quantify the impact on other competitive casinos in the regional market area, we projected future market growth and revenues for existing casinos, both with and without the introduction of the Proposed Cedar Rapids Casino.

The results of our modeling and associated analyses show that the Proposed Cedar Rapids Casino will likely generate more of its revenue from a redistribution of gaming revenue in the market rather than an expansion of the total market size, leading to significantly intensified competition among regional casinos. We estimate that in a stabilized year of operations (starting in 2029, the third year of operations), the Proposed Cedar Rapids Casino will generate approximately 42% of its gross gaming revenue through market growth attributable to unmet demand and induced gaming activity in the regional market (i.e., higher casino visitation rates and frequency of trips), with the other 58% coming from cannibalization of existing competitive casinos. In 2029, this correlates to approximately \$66.4 million being generated by the Proposed Cedar Rapids Casino coming at the expense of the existing competitive casinos.

As shown in Table 4, the most significant impact is estimated to occur at the Riverside Casino and Golf Resort, for which we estimated a reduction in gross gaming revenue of \$26.6 million, followed by Meskwaki Bingo Casino Hotel (\$16.6 million), and Isle Casino Hotel Waterloo (\$13.3 million). An additional reduction of \$9.9 million is estimated to be spread amongst the other competitive casinos, most of which are located in Iowa.



**Table 4**

<b>Competitive Impact Estimates</b>		
<b>Reduction in Gross Gaming Revenues from the Proposed Cedar Rapids Casino Stabilized Year of Operations (2029)</b>		
<b>Property</b>	<b>Gaming Revenue Impact</b>	<b>% of Proposed Cedar Rapids Casino Revenue</b>
Riverside Casino and Golf Resort	\$26,578,000	23.2%
Meskwaki Bingo Casino Hotel	\$16,632,000	14.5%
Isle Casino Hotel Waterloo	\$13,288,000	11.6%
Other Competitive Casinos	\$9,945,000	8.7%
<b>Total</b>	<b>\$66,443,000</b>	<b>58.0%</b>

Source: Meister Economic Consulting.

**EBITDA**

Projections of EBITDA for the first five years of operation for the Proposed Cedar Rapids Casino prior to debt service are presented in Table 5. For reasons detailed in Section 7 of this report, these estimates do not include any local payments beyond casino gaming taxes that are imposed by the Iowa Department of Revenue or a reserve for replacement.

**Table 5**

<b>Estimated EBITDA</b>			
<b>Proposed Cedar Rapids Casino</b>			
<b>Year</b>	<b>Total Revenue</b>	<b>As a % of Total Revenue</b>	<b>EBITDA</b>
2027	\$119,231,000	30.1%	\$35,837,000
2028	\$125,405,850	31.5%	\$39,475,850
2029	\$127,979,696	32.4%	\$41,413,696
2030	\$130,606,589	32.2%	\$42,104,589
2031	\$133,288,578	32.2%	\$42,942,578

Source: Meister Economic Consulting.

## 2. Project Background

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This section of the report provides available details regarding the planned scope of the Proposed Cedar Rapids Casino development and other pertinent background information.

### 2.1 History

Efforts to get a casino licensed in Cedar Rapids, Iowa, have spanned over a decade, with significant developments and setbacks along the way. The initial push for a casino in Cedar Rapids began in the early 2010s, driven by local business leaders and City officials who saw a casino as a potential economic catalyst. In 2014, a formal application was submitted to the Iowa Racing and Gaming Commission (IRGC) by a group of investors known as Cedar Rapids Development Group, which had partnered with Peninsula Pacific Entertainment (P2E) for the development and operation of the proposed casinos. The proposed casino was seen as an opportunity to boost tourism, create jobs, and generate additional revenue for the city. However, the application was ultimately rejected by the IRGC in a 4-1 vote, citing concerns about market cannibalization and the potential negative impact on existing casinos in eastern Iowa.

Despite the initial rejection, the push for a Cedar Rapids casino did not wane. In 2017, a new proposal was submitted with revisions aimed at addressing the IRGC's previous concerns. This time, the proposed development featured alternatives with a more modest scale and additional alleged community benefits. However, the effort was again thwarted when the IRGC voted 3-2 to deny the application, citing similar concerns about market saturation.

Recent efforts to establish a casino in Cedar Rapids have gained renewed momentum following the expiration of Iowa's moratorium on new gambling licenses in July 2024. P2E and the Linn County Gaming Association have submitted a new proposal for a casino project. The IRGC is anticipated to vote on the proposal in February 2025, following discussions and considerations on the impact of gaming expansion in the region.

### 2.2 P2E

The Proposed Cedar Rapids Casinos is planned to be developed, owned, and operated by P2E, a gaming and entertainment company based in California known for developing and operating casinos and other hospitality-related ventures. P2E's portfolio includes various properties across the country, with a focus on regional gaming markets.

P2E has been a key player in Iowa over the years, particularly through their involvement with past development efforts, ownership, and operation of the Hard Rock Hotel & Casino in Sioux City and the Diamond Jo casinos in Northwood and Dubuque. P2E sold its interest in the Hard

Rock Hotel & Casino Sioux City to Churchill Downs in 2022 and the Diamond Jo casinos to Boyd Gaming in 2012.

### **2.3 Development Scope of Proposed Cedar Rapids Casino**

Plans recently released by P2E for the Proposed Cedar Rapids Casino represent a significant investment, with an estimated project cost of \$275 million, which would make it one of the largest casino developments in Iowa’s history in terms of capital investment. The casino is planned to feature 700 slot machines, 22 table games, and a sportsbook (both retail and online). In addition to its gaming options, it plans to offer a variety of dining venues, such as Zach Johnson’s Clubhouse, River’s Edge Smokehouse and Tap, World’s Fare, Center Court Sportsbar, and Strings Guitar Bar, each offering unique culinary experiences.

The proposed development will also include a versatile entertainment venue with a 1,500-person capacity, designed to host a wide array of events including concerts, sporting events, comedy shows, festivals, and trade shows. The scope of the development is also planned to include various offerings that would not directly support or contribute to the gaming operations, which include an arts and cultural center along with a STEM lab.

If the casino license is approved, the Proposed Cedar Rapids Casinos would likely commence construction in mid-2025 with a projected opening date of 2027. It should be noted that for purposes of this analysis, the estimates herein do not include performance or financial projections for the online sportsbook, arts and cultural center, or the STEM lab.



*Photo Credit: P2E.*

### 3. Site Analysis

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The Proposed Cedar Rapids Casino is planned to be located on First Avenue in downtown and on the west side of the City of Cedar River at the former Cooper's Mill site. Criteria and programming requirements, along with characteristics/observations for the selected site, are discussed in this section of the report.

#### 3.1 Accessibility

Accessibility is critical to the success of any casino – especially one that is primarily serving a local convenience gaming market. Location and accessibility play a major role in shaping the size and nature of a casino's gaming market. Where and how gaming facilities are situated along major roadways and population centers set the parameters for potential visitation levels, revenues, and fundamental viability. Casinos that are not easily accessible to their target gamer populations face a major challenge.

Key components contributing to a casino's overall accessibility include how central it is to a regional population and labor pool, ease of access to regional highways and public transit, and ease of access via an area's present and future infrastructure. These types of accessibility issues are crucial for all casinos but become even more important in local convenience gaming markets where a primary objective is to maximize frequency of visits by regional residents who may stay for shorter periods of time than customers in destination gaming locales.

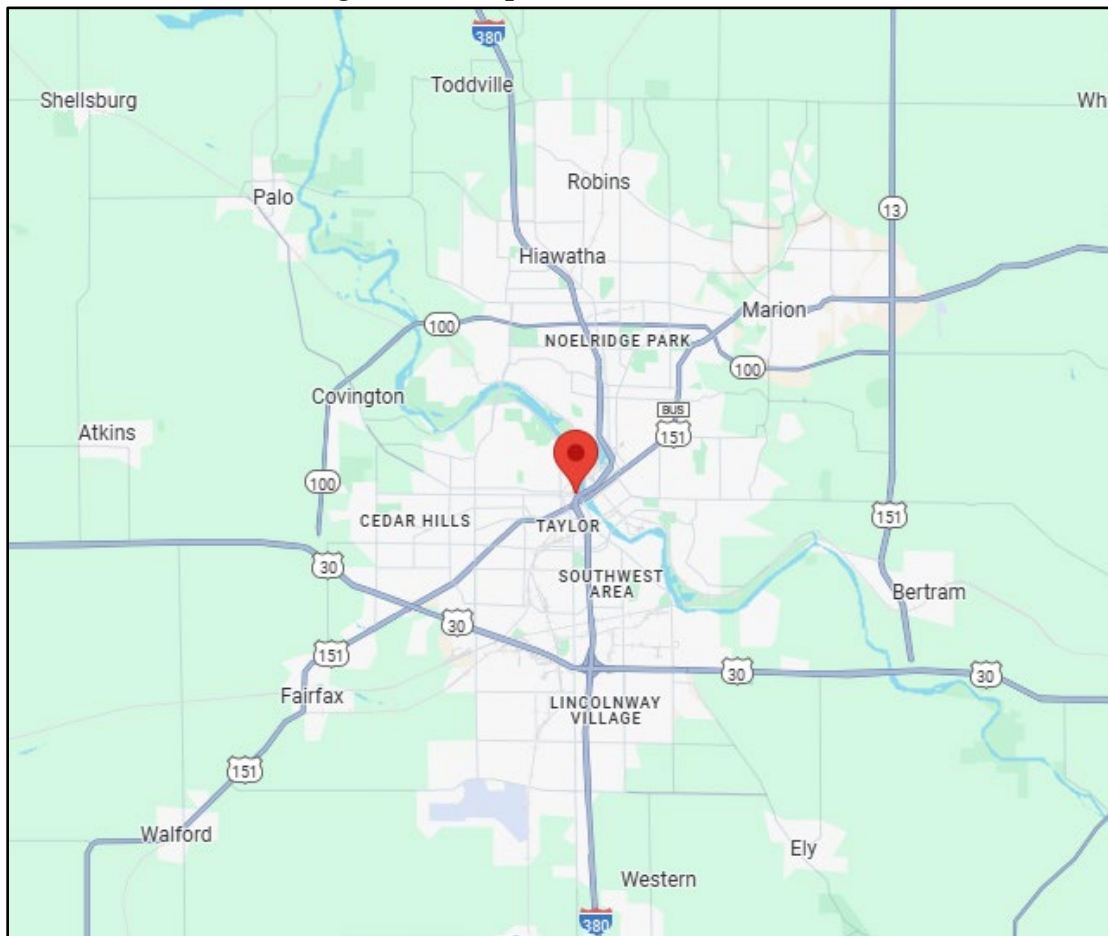
Cedar Rapids is situated along a major interstate and U.S./State highways that make it easily accessible for travelers from neighboring cities, counties, and states. These include:

- **Interstate 380:** One of the main arteries serving Cedar Rapids, I-380 provides a direct connection between Cedar Rapids and Iowa City, which is just 30 minutes to the south. This interstate also extends north to Waterloo and connects to U.S. Route 20, facilitating access from northern Iowa and beyond. Its access points are conveniently located near the City's downtown and other major attractions.
- **U.S. Highway 151:** This highway runs north-south through Cedar Rapids, providing a direct connection to key cities like Dubuque to the northeast and Marion to the north. U.S. 151 is a significant route for regional travel and supports access to Cedar Rapids from nearby areas.
- **U.S. Highway 30:** Running east-west, U.S. Highway 30 is another important roadway that provides access to Cedar Rapids. It links the city with the surrounding areas, including Marshalltown and Ames to the west and Mount Vernon and Clinton to the east.

- **State Highways:** Several state highways, including Iowa State Highway 13 and Iowa State Highway 100, also contribute to the region’s road network.

Figure 1 illustrates the regional transportation infrastructure serving the Proposed Cedar Rapids Casino development.

**Figure 1**  
**Regional Transportation Infrastructure**



Source: Google Maps.

### 3.2 Visibility and Site Appeal

Excellent visibility from major roadways is a high priority for casino operators. Casino operators seek gaming locations that are highly visible from major highways and heavily traveled roads to encourage visitation from potential gamers. Good visibility can also make the casino easier to find for first-time or infrequent visitors who are not familiar with navigating the area. Casino designers commonly try to further boost a location’s visibility with large signage that can be seen from long distances. While conventional box-style casinos can draw attention from area roadways through their sheer bulk and size, these buildings often prove less of an attention-grabber than the bright and colorful branding signs accompanying them.

The proposed Cedar Rapids Casino site is expected to have visibility from nearby highways and interstates. It is located close to Interstate 380, which passes through Cedar Rapids and runs near the downtown area. The site location is near other key roadways, including U.S. Highway 151, which is a major thoroughfare through the city. Given its proximity to these major roads, the casino should be visible to travelers along these routes.

What casino patrons see from the vantage point of the casino also can be particularly important. Gamers seek a safe and secure environment when they visit a casino. The aesthetics surrounding a site can influence their sense of security, as well as their feelings of fun and excitement. Scenic views can add to a visitor's enjoyment and help generate synergies with surrounding uses, but such sightlines are sometimes purposefully blocked or otherwise avoided by casino operators who want gamers to focus their attention on the inside of the casino.

The site of the Proposed Cedar Rapids Casino is near the river, which would likely provide picturesque views of the water and surrounding natural landscape. Its proximity to downtown Cedar Rapids also means it may have views of the city skyline and nearby green spaces, making it a visually appealing site for visitors.

### **3.3 Area Amenities**

The vibrancy of the area immediately surrounding and in close proximity to a casino facility and overall destination appeal to visitors and can impact a facility's overall competitiveness within the broader marketplace. The following paragraphs discuss the Proposed Cedar Rapids Casino's relationship to area amenities.

#### **Lodging**

The Proposed Cedar Rapids Casino's ability to generate overnight stays will be impacted by the availability, affordability, proximity, and range of offerings at area hotels, especially since a hotel is not planned for the new development. The lodging supply in the Cedar Rapids area is a mix of full-service and limited-service hotel properties. According to the Cedar Rapids Tourism Office, the metro area offers approximately 3,000 total hotel rooms, including:

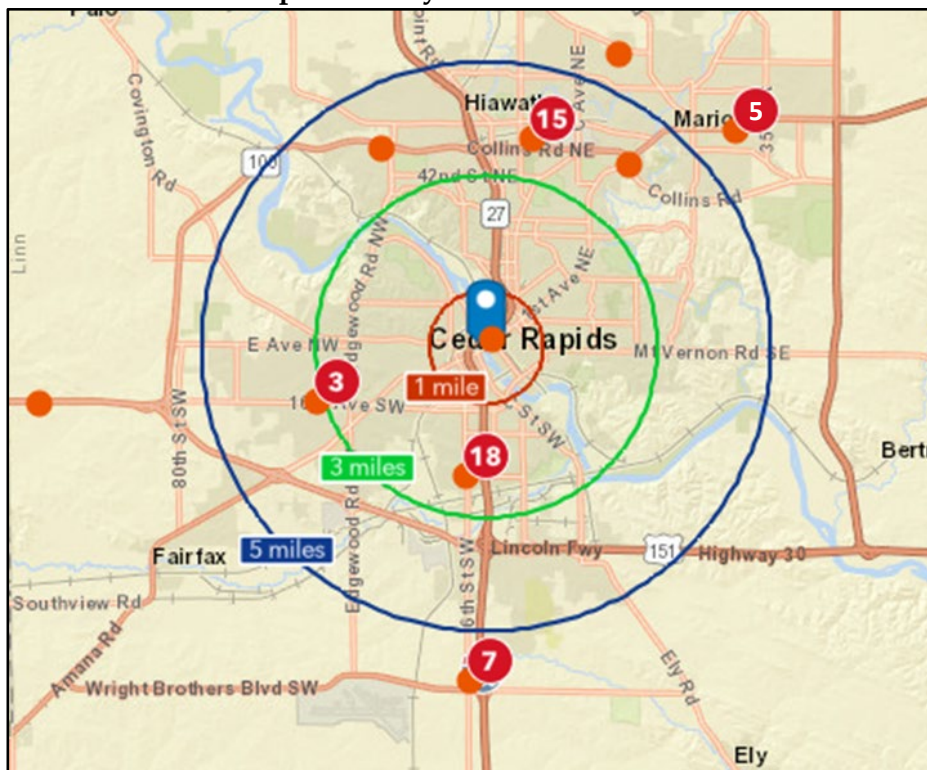
- **Business Hotels:** Cedar Rapids hosts a number of business-class hotels, such as the DoubleTree by Hilton Convention Center, located downtown, which offers 267 rooms and is the largest hotel in the City. Nearby are other well-established hotel chains, including a Courtyard by Marriott and a Residence Inn, both of which cater to business and leisure travelers.
- **Boutique Hotels:** Cedar Rapids has a growing selection of boutique hotels, which offer a more personalized and high-end experience. These include the Hotel at Kirkwood Center and the Avenue of the Saints Motel.



- **Extended Stay and Budget Hotels:** For more cost-conscious travelers, there are budget-friendly and extended-stay options such as a Hampton Inn & Suites, Holiday Inn Express, and Fairfield Inn & Suites, among others.

The DoubleTree by Hilton Convention Center is the closest hotel to the site of the Proposed Cedar Rapids Casino, located about one-half of a mile away. However, numerous other properties are located within a short drive. Figure 2 illustrates hotels nearby the Proposed Cedar Rapids Casino site. In addition to the hotel supply, Cedar Rapids offers a variety of short-term rentals, with over 500 listings, according to AirDNA.

**Figure 2**  
**Map of Nearby Hotel Establishments**



Notes: Orange circles denote a single hotel and red circles reflect the number in the area if more than one.  
Source: Esri.

**Restaurants**

Cedar Rapids has a flourishing dining scene that adds to the City’s attraction as a tourism hub. A wealth of dining options ranging from fine dining to casual eateries and local breweries exist, including:

- **Fine Dining:** The City offers several upscale dining experiences that cater to visitors looking for high-quality meals. Restaurants such as Cobble Hill offer farm-to-table

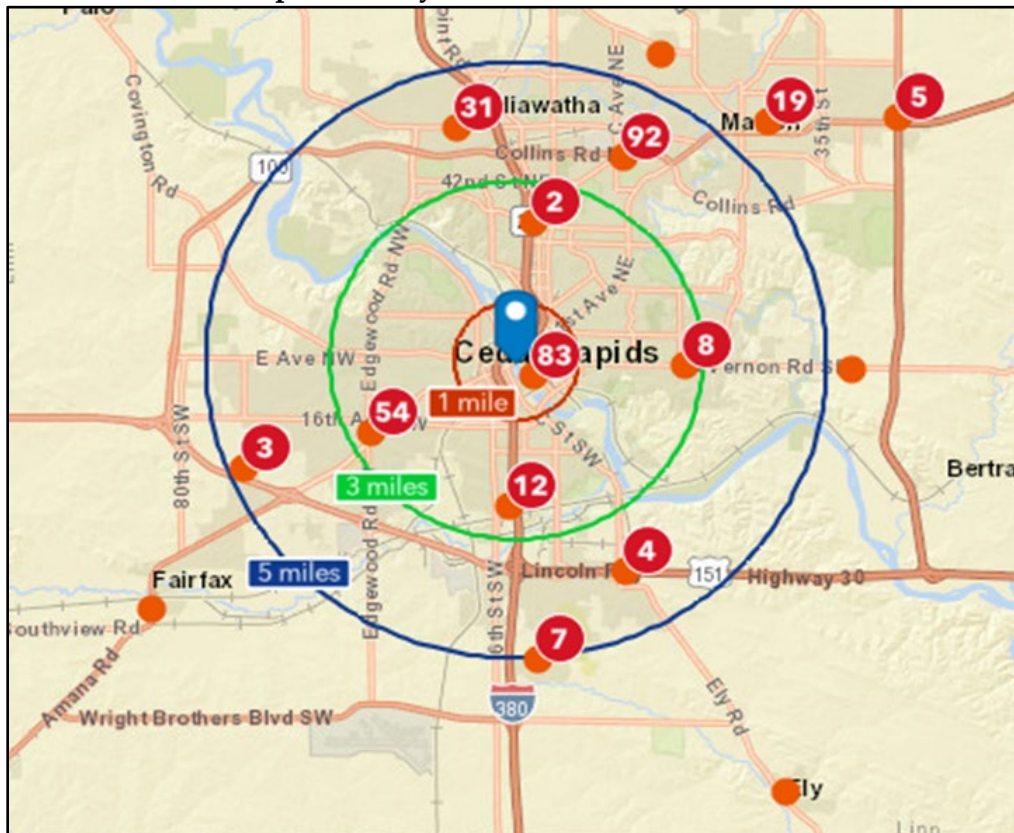


dishes with a focus on local ingredients, while Popoli Ristorante & Sullivan's Bar serves Italian-inspired cuisine in a historic downtown building.

- **Local Breweries & Casual Dining:** The craft beer scene is thriving in Cedar Rapids, with breweries such as Lion Bridge Brewing Company and Clock House Brewing offering local brews alongside pub-style food. These establishments provide an authentic, local experience for visitors. Casual dining options are also abundant, from The Blind Pig, known for its creative cocktails, to White Star Ale House, a staple of downtown Cedar Rapids with a modern American menu.
- **Cultural & Ethnic Dining:** Cedar Rapids also boasts a unique array of ethnic dining options. The Czech Village area is home to traditional Czech restaurants such as Czech Cottage and Sykora Bakery. The city also offers a wealth of other global culinary experiences.

Within the immediate area of the Proposed Cedar Rapids Casino site are a number of limited-service and full-service restaurants within walking distance or a short drive. Figure 3 illustrates restaurants nearby the Proposed Cedar Rapids Casino site.

**Figure 3**  
**Map of Nearby Restaurant Establishments**



Notes: Orange circles denote a single restaurant and red circles reflect the number in the area if more than one.  
Source: Esri.

## Shopping and Tourist Attractions

Cedar Rapids has an array of shopping and tourist attractions, including:

- **Shopping:** Cedar Rapids offers a variety of shopping experiences, from unique local boutiques to larger retail centers. NewBo City Market is a popular destination for artisanal goods, handcrafted items, and local produce, providing a vibrant and community-focused shopping experience. For more traditional retail options, Lindale Mall features a range of national chains and department stores, while areas like Czech Village and the Downtown District are known for their specialty shops, antiques, and locally owned businesses, offering everything from vintage finds to handcrafted jewelry and home décor.
- **Cultural Institutions:** The Cedar Rapids Museum of Art, the National Czech & Slovak Museum & Library, and the African American Museum of Iowa attract visitors interested in art, culture, and history.
- **Nature & Outdoor Activities:** Cedar Rapids and the broader Linn County area feature numerous parks and recreational areas, including Palisades-Kepler State Park and the Cedar River, which are popular for hiking, camping, and fishing. In addition, the Indian Creek Nature Center provides educational programs and outdoor experiences.
- **Event Venues:** The City is home to the Alliant Energy PowerHouse, which is the premier venue for major events in Cedar Rapids including concerts, sporting events, and conventions. Additionally, the Paramount Theatre hosts Broadway shows, concerts, and other live performances.
- **Entertainment & Nightlife:** Cedar Rapids has a strong nightlife and entertainment presence, particularly in downtown areas like NewBo City Market and Czech Village. Popular spots include live music venues like Opus Concert Cafe and the Riverside Theatre, which host live performances, comedy shows, and concerts.

Many of the above shopping and tourist attractions are located in downtown Cedar Rapids and within close proximity of the Proposed Cedar Rapids Casino, and help to improve the overall destination appeal of the market in which the Proposed Cedar Rapids Casino would operate.

## 4. Area Review

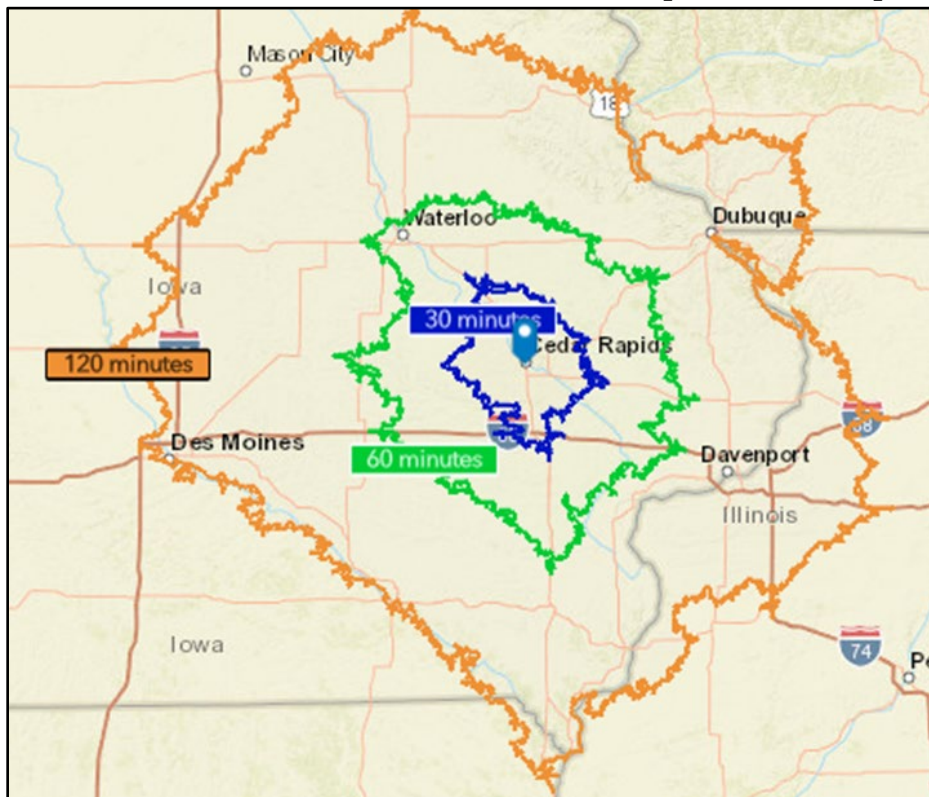
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This section characterizes the prevailing economic and demographic conditions within the Cedar Rapids and broader market area, focusing on those variables most relevant to evaluating the market potential for a casino development. Many of the key demographic and economic statistics shown in this section are based on data obtained from Esri, which is a global market leader in geographic information system (“GIS”) software, location intelligence, and mapping.

### 4.1 Population

Cedar Rapids is located in eastern Iowa within the Cedar Rapids MSA, which encompasses Linn County and portions of surrounding counties. The City is situated along the Cedar River and is one of Iowa's major economic and cultural hubs. The population serves as a base from which the Proposed Cedar Rapids Casino can draw visitation. Based on the anticipated competitive positioning, the Proposed Cedar Rapids Casino is expected to attract both local area residents and regional visitors. This analysis profiles Linn County and 30-, 60- and 120-minute drive times from the site, which are illustrated in Figure 4. These drive-time areas reflect the areas from which the majority of demand for the Proposed Cedar Rapids Casino is expected to emanate. Statistics for Iowa and the U.S. are also provided below as a point of reference.

**Figure 4**  
**Map of 30-, 60-, and 120-Minute Drive Time Around Proposed Cedar Rapids Casino**



Source: Esri.

As shown in Table 6, Esri estimates the 2024 population to be 233,042 in the County and 324,223 in the 30-minute drive time. The 2024 population in the 60-minute drive time is significantly larger at 648,109, which includes Iowa City and Waterloo, and over 2.2 million in the 120-minute drive time, which reaches a much broader area that includes Davenport and portions of both Dubuque and Des Moines. In recent years (2020-2024), these areas have experienced annual population growth rates that are comparable to those of the State and the U.S., and these trends are generally expected to continue.

**Table 6**

Total Population						
Population Summary	Linn County	30 - Minute Drive Time	60 - Minute Drive Time	120 - Minute Drive Time	State of Iowa	U.S.
2010 Total Population	211,230	282,251	595,605	2,114,682	3,046,355	308,745,538
2020 Total Population	230,299	317,089	637,862	2,195,414	3,190,369	331,449,281
2024 Total Population	233,042	324,223	648,109	2,210,540	3,236,114	337,470,185
2029 Projected Total Population	234,705	330,015	656,259	2,221,017	3,275,570	342,640,129
2010-2020 CAGR	0.9%	1.2%	0.7%	0.4%	0.5%	0.7%
2020-2024 CAGR	0.3%	0.6%	0.4%	0.2%	0.4%	0.5%
2024-2029 CAGR (Projected)	0.1%	0.4%	0.3%	0.1%	0.2%	0.3%

Source: Esri.

As shown in Table 7, the median ages of the 2024 population for the profiled areas range from 37.1 to 38.7, which are moderately lower than State and National figures.

**Table 7**

Age Distribution						
2024 Population by Age	Linn County	30 - Minute Drive Time	60 - Minute Drive Time	120 - Minute Drive Time	State of Iowa	U.S.
Under 14	19.2%	19.3%	18.7%	18.6%	19.3%	18.1%
Age 15 - 24	13.5%	13.9%	14.8%	14.5%	13.7%	12.8%
Age 25 - 34	13.2%	14.3%	13.5%	12.6%	12.5%	13.7%
Age 35 - 44	13.0%	13.3%	12.5%	12.1%	12.2%	13.1%
Age 45 - 54	11.9%	11.6%	11.2%	11.2%	11.3%	11.9%
Age 55 - 64	12.7%	12.1%	12.5%	13.1%	13.2%	12.7%
Age 65 - 74	9.5%	9.0%	9.7%	10.3%	10.3%	10.6%
Age 75 - 84	4.9%	4.5%	4.8%	5.3%	5.3%	5.3%
Age 85+	2.2%	1.9%	2.1%	2.3%	2.4%	1.9%
2024 Median Age	38.5	37.1	37.5	38.7	38.9	39.1

Source: Esri.

## 4.2 Household Income Levels

Income provides a broad measure of gambling potential for a specific population, as it reflects the general ability of individuals or households to spend on discretionary activities, including gaming at casinos. Higher income levels typically suggest greater disposable income, which can translate into a higher likelihood of spending on casino games and related entertainment. As shown in Table 8, Esri estimates that the 2024 median household income is \$77,828 in the

County and \$80,714 in the 30-minute drive time. In 2024, the median household income for the 30-minute drive time was slightly higher than that for the U.S., while all other profiled areas were moderately lower. However, it is important to note that as it relates to household income distribution, the percentage of households falling into the lower income levels (i.e., less than \$35,000 annually) is significantly lower than the U.S. for all of the profiled areas. The profiled areas are forecasted to experience annual growth rates in median household income levels of 2.2% to 2.6% over the next five years, which are comparable to State and U.S. forecasts.

**Table 8**

Household Income Distribution and Median Household Income						
2024 Household Income Distribution	Linn County	30 - Minute Drive Time	60 - Minute Drive Time	120 - Minute Drive Time	State of Iowa	U.S.
Less than \$15,000	5.7%	5.3%	6.5%	6.9%	6.4%	9.5%
\$15,000 to \$24,999	6.3%	5.0%	6.0%	5.7%	5.6%	7.1%
\$25,000 to \$34,999	7.3%	5.9%	6.0%	6.0%	5.7%	7.4%
\$35,000 to \$49,999	11.0%	8.6%	9.4%	10.4%	10.0%	10.8%
\$50,000 to \$74,999	17.6%	15.3%	16.4%	16.6%	16.6%	16.5%
\$75,000 to \$99,999	14.4%	13.6%	13.8%	13.8%	13.8%	12.8%
\$100,000 to \$149,999	17.8%	20.1%	19.4%	20.0%	20.0%	16.9%
\$150,000 to \$199,999	10.7%	14.2%	12.3%	11.6%	12.0%	8.6%
\$200,000+	9.2%	12.0%	10.1%	9.0%	10.0%	10.6%
2024 Median Household Income	\$77,828	\$80,714	\$74,873	\$72,147	\$74,738	\$79,100
2029 Median Household Income (Projected)	\$87,674	\$91,662	\$83,600	\$81,510	\$83,750	\$89,816
2024-2029 CAGR (Projected)	2.4%	2.6%	2.2%	2.5%	2.3%	2.6%

Source: Esri.

### 4.3 Ethnicity and Educational Attainment

Population and income variables are among the most important demographic and economic factors that would impact visitation and spending at the Proposed Cedar Rapids Casino, but there are various other demographic and socioeconomic factors that can impact casino gaming participation rates and spending patterns, including ethnicity and educational attainment.

Ethnicity can influence gambling behavior, as cultural norms, beliefs, and socioeconomic factors associated with different ethnic groups may shape attitudes toward gambling. Studies have shown that certain ethnic groups may have different levels of participation in gambling, preferred types of gambling activities, and varying levels of risk for developing gambling-related problems.

As shown in Table 9, Esri estimates that over 80% of the population in all of the profiled areas in 2024 is white alone, which is significantly higher than that for the U.S., which is 60.6%.

Generally, white Americans are more accepting of gambling as an entertainment option than many other ethnicities, and this group tends to participate widely in most forms of gambling, including casinos, lotteries, and sports betting. Overall, the diversity index scores for the



profiled areas are significantly lower than for the U.S. The higher the diversity index score, the more diverse the population.

**Table 9**

Race/Ethnicity						
2024 Population by Race/Ethnicity	Linn County	30 - Minute Drive Time	60 - Minute Drive Time	120 - Minute Drive Time	State of Iowa	U.S.
White Alone	81.7%	80.2%	81.2%	82.0%	83.3%	60.6%
Black/African American Alone	7.6%	8.1%	7.1%	5.7%	4.4%	12.5%
American Indian Alone	0.3%	0.2%	0.4%	0.4%	0.5%	1.1%
Asian Alone	2.4%	3.3%	2.8%	2.6%	2.5%	6.2%
Pacific Islander Alone	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%
Single Other Race	1.4%	1.6%	2.2%	2.8%	3.0%	8.7%
Two or More Races	6.4%	6.4%	6.0%	6.2%	6.0%	10.6%
Hispanic Origin	4.2%	4.6%	5.6%	7.0%	7.4%	19.4%
Non-Hispanic Origin	95.8%	95.4%	94.4%	93.0%	92.6%	80.6%
Diversity Index (Out of 100)	37.7	40.3	40.2	40.8	39.5	72.1

Source: Esri.

Educational attainment can also correlate with casino gambling participation and spending patterns, though the relationship is complex and influenced by other factors such as income, cultural attitudes, and type of gambling. Research suggests that the correlation between education and gambling behavior often varies depending on the form of gambling. Higher education levels tend to correlate with more moderate participation and a preference for strategic games, such as table games or sports wagering, while lower education levels are associated with more frequent participation and a greater inclination toward slot machines. As shown in Table 10, among those aged 25 and older in 2024, the total percentage of residents in all of the profiled areas that had obtained some type of college degree was measurably higher than the U.S. overall.

**Table 10**

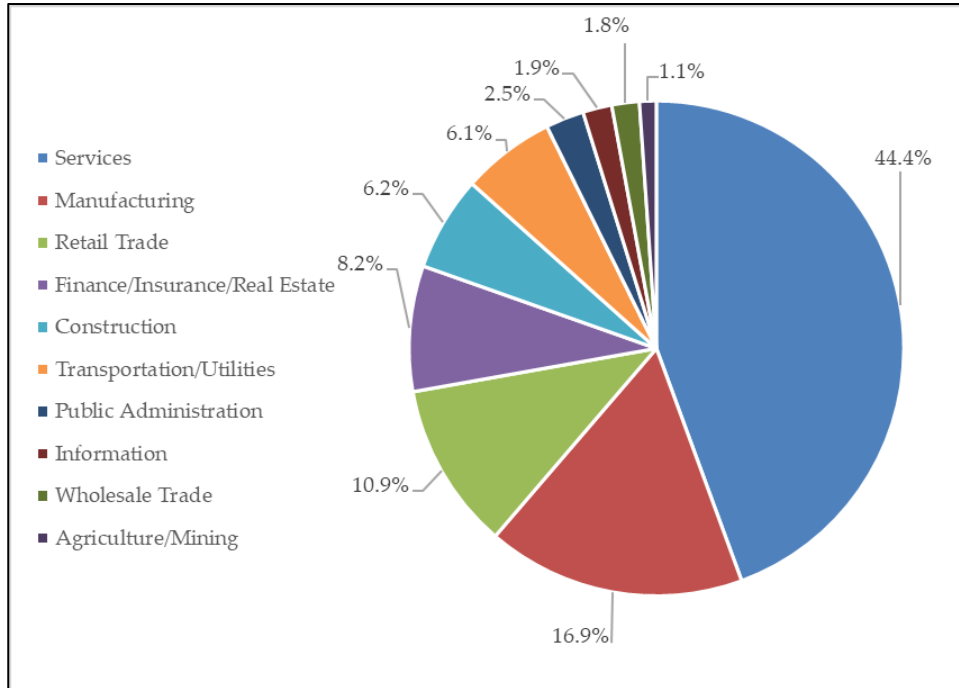
Educational Attainment						
2024 Population 25+ by Educational Attainment	Linn County	30 - Minute Drive Time	60 - Minute Drive Time	120 - Minute Drive Time	State of Iowa	U.S.
Less than 9th Grade	1.0%	1.0%	1.5%	2.0%	2.1%	4.1%
9th - 12th Grade, No Diploma	3.2%	2.8%	3.3%	3.9%	3.8%	5.5%
High School Graduate	21.5%	18.8%	22.7%	25.3%	25.5%	22.9%
GED/Alternative Credential	3.7%	3.4%	3.7%	4.4%	4.1%	4.1%
Some College, No Degree	18.3%	17.5%	17.8%	18.1%	18.0%	17.7%
Associate Degree	14.2%	13.1%	13.0%	12.5%	12.8%	9.5%
Bachelor's Degree	25.9%	27.2%	24.0%	21.9%	22.4%	22.3%
Graduate/Professional Degree	12.2%	16.1%	14.0%	11.9%	11.3%	13.9%

Source: Esri.

#### 4.4 Employment

Linn County’s employment base is relatively diverse, although it is heavily reliant on the services sector, which accounts for over 44% of the total employment, followed by manufacturing (16.9%), and retail trade (10.9%). Figure 5 presents the industry employment stratification for the County.

**Figure 5**  
**2024 Industry Employment in Linn County**



Source: Esri.

A recent list of major employers located in Linn County is provided in Table 11.

**Table 11**  
**Major Employers - Linn County**

Company	Industry	Employment
Raytheon	Manufacturing	9,000
Unity Point Health - St. Lukes Hospital	Health Care	3,000
Cedar Rapids Community Schools	Education	2,602
Transamerica Life Insurance Company	Insurance	2,550
Hy-Vee Food Stores	Retail Trade	2,130
Nordstrom Direct	Retail Trade	1,919
Kirkwood Community College	Education	1,623
Mercy Medical Center	Health Care	1,300
City of Cedar Rapids	Public Administration	1,267
Linn-Mar Community School District	Education	1,135

Source: Linn County FY 2023 Annual Comprehensive Financial Report.



## 4.5 Unemployment and the Labor Market

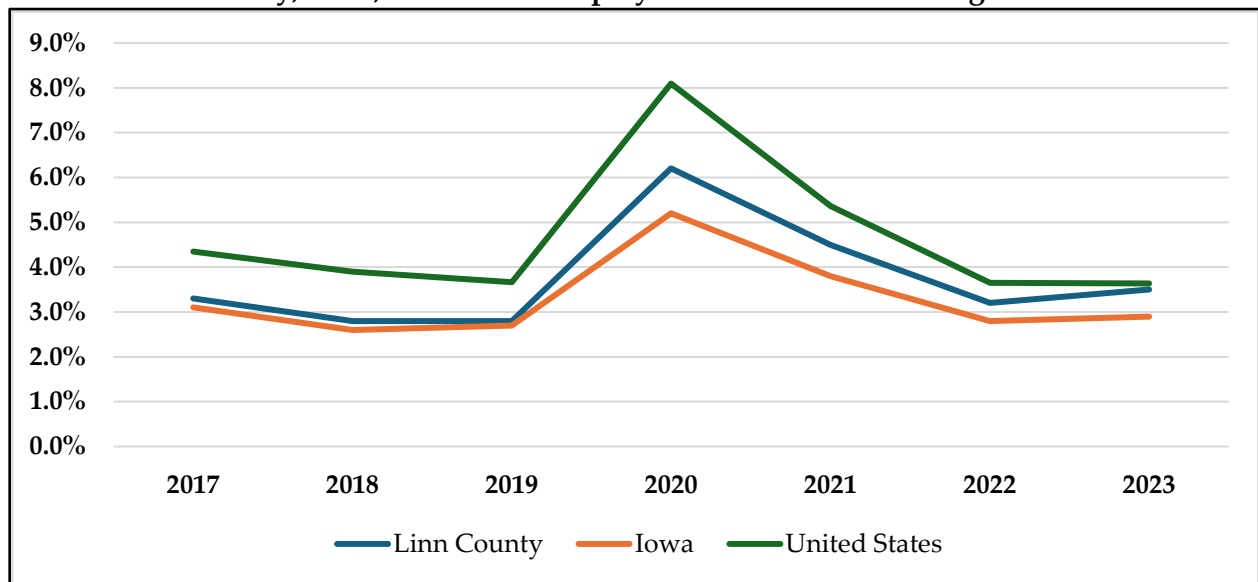
As shown in Table 12, the unemployment rate in Linn County was 3.5% in 2023. Since 2017, unemployment rates for the County have been moderately lower than national averages, but higher than the State’s unemployment rates. These trends are also graphically illustrated in Figure 6.

**Table 12**

Unemployment Rate							
Area	2017	2018	2019	2020	2021	2022	2023
Linn County	3.3%	2.8%	2.8%	6.2%	4.5%	3.2%	3.5%
Iowa	3.1%	2.6%	2.7%	5.2%	3.8%	2.8%	2.9%
United States	4.4%	3.9%	3.7%	8.1%	5.4%	3.7%	3.6%

Source: U.S. Bureau of Labor Statistics.

**Figure 6**  
County, State, and U.S. Unemployment Rates – 2017 through 2023



Source: U.S. Bureau of Labor Statistics.

## 4.6 Air Transportation

Cedar Rapids is primarily served by Eastern Iowa Airport (CID), located just 8 miles south of downtown Cedar Rapids and the site of the Proposed Cedar Rapids Casino. Other area airports though significantly farther away, include:

- Des Moines International Airport (DSM): Located approximately 130 miles southwest of Cedar Rapids.

- Quad City International Airport (MLI): Located in Moline, Illinois, approximately 90 miles southwest of Cedar Rapids.

### **Eastern Iowa Airport (CID)**

CID is currently serviced by American Airlines, Delta, United, Frontier, and Allegiant Air. The airport connects travelers to several key hubs across the United States, including direct flights to/from Chicago O'Hare International Airport (ORD), Denver International Airport (DEN), Minneapolis-Saint Paul International Airport (MSP), Dallas/Fort Worth International Airport (DFW), Charlotte Douglas International Airport (CLT), Atlanta Hartsfield-Jackson International Airport (ATL), and Phoenix Sky Harbor International Airport (PHX).

The airport is undergoing significant expansion and renovation as part of its multi-phase terminal modernization project. This project began several years ago, and the fourth and final phase is currently underway, with completion expected by 2026. The goal is to enhance the airport's capacity, improve passenger amenities, and accommodate larger aircraft to better serve residents and visitors to the region.

On average, CID handles approximately 25 to 30 daily flights (both arrivals and departures). CID serviced nearly 1.4 million passengers in 2023, and has seen significant growth over the past decade with total passenger traffic increasing by 21.9%. The airport, like most throughout the country, was severely impacted during the COVID-19 pandemic, but has shown strong recovery. These trends are shown in Table 13.

**Table 13**

<b>Eastern Iowa Airport Number of Passengers</b>		
	<b>Total</b>	
<b>Year</b>	<b>Passengers</b>	<b>% Change</b>
2014	1,132,991	-
2015	1,105,625	-2.4%
2016	1,087,182	-1.7%
2017	1,143,816	5.2%
2018	1,205,624	5.4%
2019	1,342,859	11.4%
2020	615,935	-54.1%
2021	1,058,884	71.9%
2022	1,217,368	15.0%
2023	1,381,362	13.5%

*Source: Eastern Iowa Airport.*

## 4.7 Tourism Impact

Tourism is a vital industry to Linn County, as it attracts approximately 2.5 million visitors annually and ranks #3 in visitor spending amongst all 99 counties in Iowa, according to Tourism Economics. The area offers a mix of cultural, historical, and outdoor attractions, making it an appealing destination for visitors.

### 4.7.1 Visitor Spending

In 2022 (the most recent data available), tourism generated \$456.8 million in travel spending in Linn County and \$6.9 billion overall in Iowa, according to reports on Iowa tourism prepared by Tourism Economics. Since 2016, visitor spending in Linn County increased moderately at a compound annual growth rate of 1.5%, compared to a stronger growth rate of 3.4% overall for the State. The area’s tourism industry, like most destinations throughout the country, was severely impacted by the COVID-19 pandemic, but has shown strong recovery. These trends are shown in Table 14.

**Table 14**

Visitor Spending (in millions)				
Year	Linn County		Iowa	
	County	% Change		% Change
2016	\$418.5	-	\$5,664.6	-
2017	\$422.1	0.9%	\$5,828.5	2.9%
2018	\$454.1	7.6%	\$6,250.5	7.2%
2019	\$466.9	2.8%	\$6,449.1	3.2%
2020	\$333.2	-28.6%	\$4,565.2	-29.2%
2021	\$398.6	19.6%	\$6,147.5	34.7%
2022	\$456.8	14.6%	\$6,938.7	12.9%
<b>CAGR</b>		<b>1.5%</b>		<b>3.4%</b>

Source: Tourism Economics.

### 4.7.2 Southeast Iowa Visitation, Seasonality, and Other Trip Trends

The Iowa Tourism Office recently began reporting on visitation data for five different travel areas throughout the State. The reporting is based on data provided by Arrivalist, a data analytics company that uses mobile location data. The Southeast area of the State, which includes Linn County welcomed nearly 7.7 million visitors in 2023, as shown in Table 15. Visitation from May through November represents the strongest months of the year.

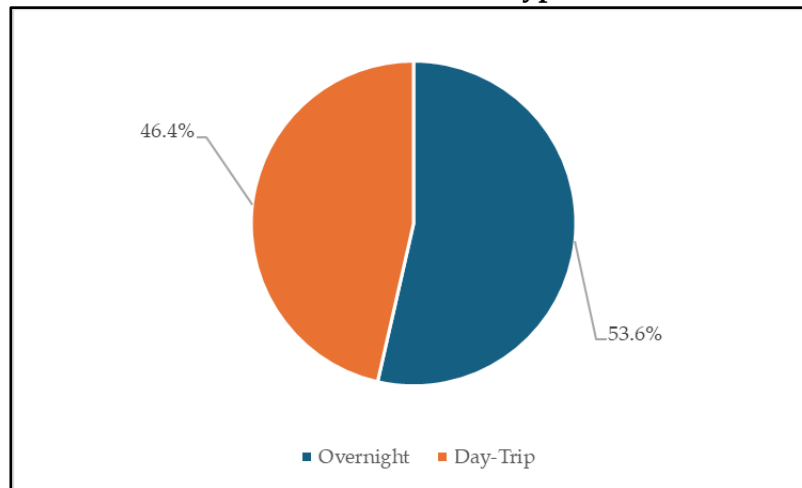
**Table 15**

Southeast Iowa Area Visitors - 2023	
Month	Visitors
January	530,000
February	500,000
March	540,000
April	590,000
May	750,000
June	770,000
July	730,000
August	620,000
September	800,000
October	690,000
November	700,000
December	470,000
<b>Total</b>	<b>7,690,000</b>

Source: Iowa Tourism Office and Arrivalist.

Among these visitors, nearly 54% were overnight visitors, as illustrated in Figure 7.

**Figure 7**  
**Southeast Iowa Visitor Type – 2023**



Source: Iowa Tourism Office and Arrivalist.

As it relates to out-of-state visitors, residents from the nearby states of Illinois, Minnesota, Wisconsin, and Missouri rank amongst the top points of origin. Table 16 provides a list of the top designated market area (DMA) origins for out-of-state visitors to the Southeast Iowa area in 2023.

**Table 16**

Southeast Iowa Out-of-State Top Origin DMA - 2023	
DMA	Visitors
Chicago (IL)	590,000
Davenport/Rock Island/Moline (IL Only)	340,000
Minneapolis/St. Paul (MN)	200,000
Peoria/Bloomington (IL)	150,000
Quincy/Hannibal/Keokuk (IL and MO Only)	130,000
Madison (WI)	110,000
St. Louis (MO)	110,000
Kansas City (MO and KS)	110,000
Rockford (IL)	100,000
Milwaukee (WI)	87,000
<b>Total</b>	<b>1,927,000</b>

*Source: Iowa Tourism Office and Arrivalist.*

### 4.7.3 Tourist Attractions

Tourism in Linn County revolves around its cultural heritage, historical landmarks, outdoor recreation, and events that showcase the local arts and food scene.

#### Cultural Institutions

Linn County is known for its vibrant cultural offerings, making it an attractive destination for tourists seeking a blend of entertainment, history, and arts.

- **Cedar Rapids Museum of Art:** Home to the largest collection of works by Iowa native Grant Wood, the Cedar Rapids Museum of Art draws art enthusiasts from across the country. In addition to its collection of regional and national art, the museum hosts rotating exhibits and special events.
- **National Czech & Slovak Museum & Library:** Located in the Czech Village, this museum celebrates the history and culture of Czech and Slovak immigrants in the U.S. The museum offers guided tours, historical exhibits, and cultural events that attract thousands of visitors each year.
- **African American Museum of Iowa:** This museum focuses on preserving and showcasing the history and contributions of African Americans in Iowa. With educational programs and community outreach, the museum is a key cultural asset.

### **Nature & Outdoor Activities:**

Linn County's natural beauty and outdoor recreation opportunities offer an additional draw for tourists. The area's parks, trails, and riverside attractions provide a diverse range of activities for visitors, making it a desirable destination for nature enthusiasts and families.

- **Palisades-Kepler State Park:** Just a short drive from Cedar Rapids, this park along the Cedar River is popular for hiking, camping, and picnicking. The scenic bluffs and river views offer a peaceful escape for tourists.
- **Cedar River & Outdoor Sports:** The Cedar River itself is a hub for fishing, kayaking, and boating.
- **Indian Creek Nature Center:** This nature center offers educational programs and outdoor experiences that focus on conservation and sustainability. It is a great draw for families, eco-tourists, and school groups.

### **Event Venues:**

Cedar Rapids has a thriving events scene, with venues that draw large crowds for concerts, conventions, and sporting events.

- **Alliant Energy PowerHouse:** The premier venue for major events in Cedar Rapids, the PowerHouse hosts concerts, sporting events, and conventions, attracting thousands of attendees throughout the year.
- **Paramount Theatre:** A historic theatre that hosts Broadway shows, concerts, and other live performances, the Paramount Theatre is a key cultural entertainment hub in the city.
- **Local Festivals:** The area also hosts annual festivals such as the Czech Village Blues Festival and the NewBo Arts Festival, which bring in tourists from across the Midwest.

## 5. Competitive Casino Environment

This section reviews the supply characteristics and performance of the existing casino market for the Proposed Cedar Rapids Casino.

### 5.1 Existing Competitive Supply

The existing competitive casino environment consists of casinos located in Iowa and Illinois. There are currently 17 casinos that would provide varying degrees of competitiveness to the Proposed Cedar Rapids Casino. Of these, 13 are commercial casinos located in Iowa, 1 is a Native American casino in Iowa, and 3 are commercial casinos in Illinois. Table 17 summarizes key characteristics of these casinos including gaming and hotel offerings, along with the proximity of the competitive casinos relative to the Proposed Cedar Rapids Casino. Figure 8 illustrates the locations of the properties.

**Table 17**

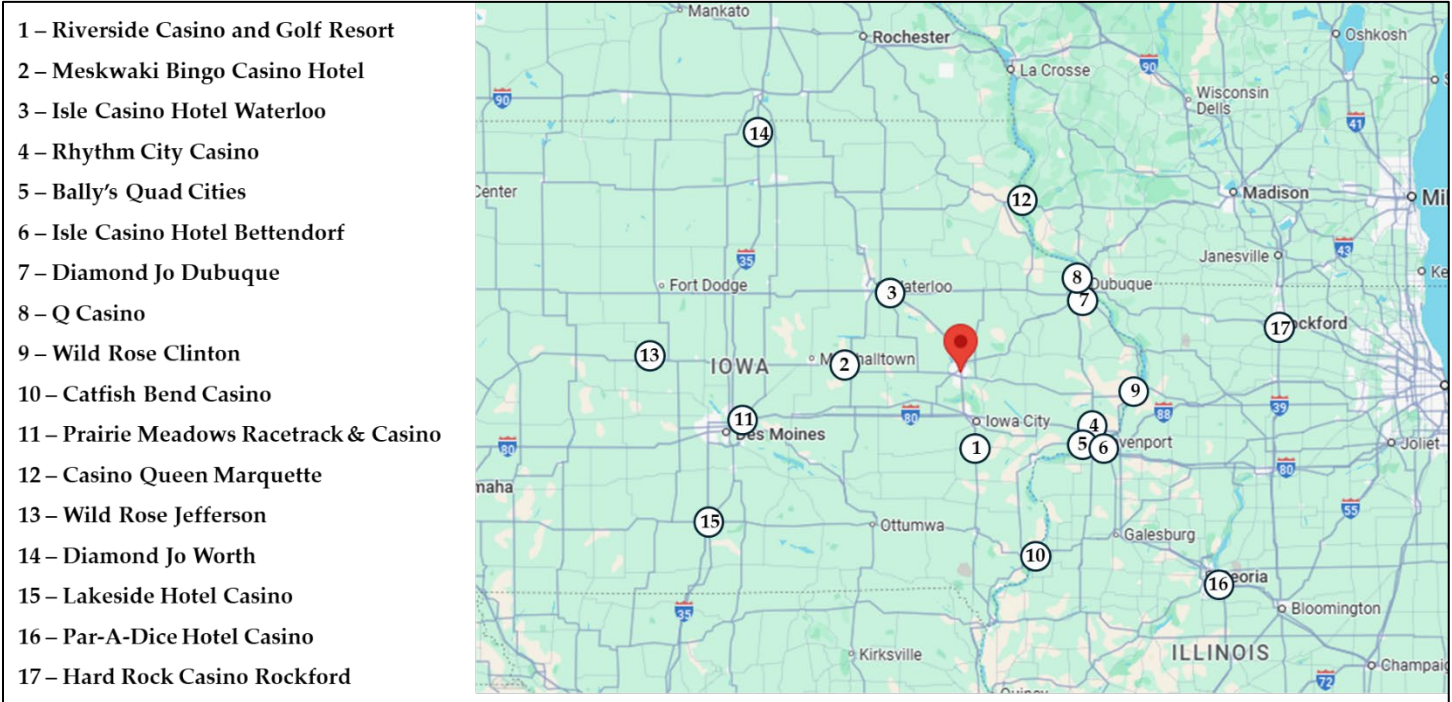
Competitive Venues - Property Metrics and Distance/Drive-Time to Proposed Cedar Rapids Casino								
Property	Location	Date Opened	Gaming Sq. Feet	Number of Gaming Devices	Number of Table Games	Number of Hotel Rooms	Distance	Drive-Time from Subject
							from Subject (miles)	
<i>Primary Competition</i>								
Riverside Casino and Golf Resort	Riverside, IA	Aug-06	51,598	892	39	201	38	36 min
Meskwaki Bingo Casino Hotel	Tama, IA	Dec-92	67,553	1,256	23	368	53	55 min
Isle Casino Hotel Waterloo	Waterloo, IA	Jun-07	35,855	853	18	194	55	55 min
<b>Subtotal</b>			<b>155,006</b>	<b>3,001</b>	<b>80</b>	<b>763</b>		
<i>Secondary Competition</i>								
Rhythm City Casino	Davenport, IA	Jun-16	38,022	819	22	106	80	1 hr 15 min
Bally's Quad Cities	Rock Island, IL	Mar-92	42,300	794	16	205	83	1 hr 15 min
Isle Casino Hotel Bettendorf	Bettendorf, IA	Apr-95	38,569	831	24	514	84	1 hr 18 min
Diamond Jo Dubuque	Dubuque, IA	May-94	41,408	719	27	0	73	1 hr 20 min
Q Casino	Dubuque, IA	Nov-95	25,060	528	19	116	74	1 hr 21 min
Wild Rose Clinton	Clinton, IA	Jun-91	19,574	509	9	60	80	1 hr 22 min
Catfish Bend Casino	Burlington, IA	Nov-94	26,815	643	31	40	100	1 hr 31 min
Prairie Meadows Racetrack & Casino	Altoona, IA	Apr-95	81,317	1,203	41	168	107	1 hr 43 min
Casino Queen Marquette	Marquette, IA	Dec-94	16,236	437	14	0	96	1 hr 51 min
<b>Subtotal</b>			<b>329,301</b>	<b>6,483</b>	<b>203</b>	<b>1,209</b>		
<i>Tertiary Competition</i>								
Wild Rose Jefferson	Jefferson, IA	Aug-15	17,162	519	12	74	142	2 hr 20 min
Diamond Jo Worth	Northwood, IA	Apr-06	38,630	822	26	102	167	2 hr 36 min
Lakeside Hotel Casino	Osceola, IA	Jan-00	22,977	580	10	150	164	2 hr 37 min
Par-A-Dice Hotel Casino	East Peoria, IL	Nov-91	26,116	556	18	202	180	2 hr 35 min
Hard Rock Casino Rockford	Rockford, IL	Nov-21	67,000	1,300	44	0	179	2 hr 50 min
<b>Subtotal</b>			<b>171,885</b>	<b>3,777</b>	<b>110</b>	<b>528</b>		
<b>Total</b>			<b>656,192</b>	<b>13,261</b>	<b>393</b>	<b>2,500</b>		

Note: Sorted in ascending order based on drive-time.

Source: Iowa Racing & Gaming Commission, Illinois Gaming Board, property websites, and Google Maps.



**Figure 8**  
**Competitive Casino Map**



Source: Google Maps and Meister Economic Consulting.

- 1 – Riverside Casino and Golf Resort
- 2 – Meskwaki Bingo Casino Hotel
- 3 – Isle Casino Hotel Waterloo
- 4 – Rhythm City Casino
- 5 – Bally’s Quad Cities
- 6 – Isle Casino Hotel Bettendorf
- 7 – Diamond Jo Dubuque
- 8 – Q Casino
- 9 – Wild Rose Clinton
- 10 – Catfish Bend Casino
- 11 – Prairie Meadows Racetrack & Casino
- 12 – Casino Queen Marquette
- 13 – Wild Rose Jefferson
- 14 – Diamond Jo Worth
- 15 – Lakeside Hotel Casino
- 16 – Par-A-Dice Hotel Casino
- 17 – Hard Rock Casino Rockford

A description of the facilities and their amenities follows.

**Riverside Casino & Golf Resort**



The Riverside Casino & Golf Resort, operated by Elite Casino Resorts, is located in Riverside, Iowa, approximately 38 miles south of the proposed casino. It features 892 gaming devices, 39 table games, and 4 restaurants. Additional amenities include a 201-room hotel, indoor and outdoor pools, a 12,000-square-foot event center, and an 18-hole championship golf course.

**Meskwaki Bingo Casino Hotel**



Meskwaki Bingo Casino Hotel, operated by the Meskwaki Nation, is located in Tama, Iowa, approximately 53 miles west of the proposed casino. It features 1,256 gaming devices, 23 table games, a 550-seat bingo parlor, 3 restaurants, a food hall, and bingo concessions. Additional amenities include a 368-room hotel, and 14,000 square feet of meeting and event space.

**Isle Casino Hotel Waterloo**



Isle Casino Hotel Waterloo, operated by Caesars, is located in Waterloo, Iowa, approximately 55 miles northwest of the proposed casino. It features 853 gaming devices, 18 table games, and 3 restaurants. Additional amenities include a 194-room hotel, an indoor resort-style pool, an all-ages arcade, and 5,000 square feet of meeting and event space. The property recently underwent a major hotel room renovation.

**Rhythm City Casino**



Rhythm City Casino, operated by Elite Casino Resorts, is located in Davenport, Iowa, approximately 80 miles southeast of the proposed casino. It features 819 gaming devices, 22 table games, and 3 restaurants. Additional amenities include a 106-room hotel, an indoor pool, a full-service spa, a 1,500-seat event center, and a smaller multi-purpose entertainment venue.

**Bally's Quad Cities**



Bally's Quad Cities, operated by Bally's Corporation, is located in Rock Island, Illinois, approximately 83 miles southeast of the proposed casino. It features 794 gaming devices, 16 table games, and 4 restaurants. Additional amenities include a 205-room hotel, an indoor pool, a nightclub, a 7,400-square-foot event center, and a golf driving range.

**Isle Casino Hotel Bettendorf**



Isle Casino Hotel Bettendorf, operated by Caesars, is located in Bettendorf, Iowa, approximately 84 miles southeast of the proposed casino. It features 831 gaming devices, 24 table games, and 2 restaurants. Additional amenities include a 514-room hotel, an indoor pool, and 40,000 square feet of meeting and event space (including the Quad Cities Waterfront convention center connected via a skywalk), and a 54-slip marina.



### **Diamond Jo Dubuque**



The Diamond Jo Dubuque, operated by Boyd Gaming, is located in Dubuque, Iowa, approximately 73 miles northeast of the proposed casino. It features 719 gaming devices, 27 table games, and 4 restaurants. Additional amenities include a bar/club-oriented entertainment venue with seating for up to 900. It does not have a hotel but has partnered with area properties.

### **Q Casino**



Q Casino, operated by the Dubuque Racing Association, is located in Dubuque, Iowa, approximately 74 miles northeast of the proposed casino. It features 528 gaming devices, 19 table games, and 2 restaurants. Additional amenities include a 116-room hotel, an indoor pool, a 175-seat indoor showroom, and an outdoor concert stage with standing room/temporary seating for up to approximately 7,000 people.

### **Wild Rose Clinton**



Wild Rose Clinton, operated by Wild Rose Entertainment (an Iowa-based company), is located in Clinton, Iowa, approximately 80 miles east of the proposed casino. It features 509 gaming devices, 9 table games, and 2 restaurants. Additional amenities include a 60-room hotel and approximately 10,000 square feet of meeting and event space.

### **Catfish Bend Casino**



Catfish Bend Casino, operated by Great River Entertainment, is located in Burlington, Iowa, about 100 miles south of the proposed casino. It features 643 gaming devices, 31 table games, 2 restaurants (plus additional quick-service outlets), a 40-room hotel, and 18,000 square feet of meeting and event space. The casino is part of the Fun City recreation and leisure complex, which includes two additional hotels, an indoor/outdoor waterpark, go-karts, laser tag, an arcade, bowling, and indoor sports courts.

**Prairie Meadows Racetrack & Casino**



Prairie Meadows Racetrack & Casino, which operates as a public non-profit, is located in Altoona, Iowa, approximately 107 miles west of the proposed casino. It features 1,203 gaming devices, 41 table games, and 3 restaurants (plus additional quick-service outlets). Additional amenities include a 168-room hotel, an indoor saltwater pool, a 34,000-square-foot event center, and a horse racing track.

**Casino Queen Marquette**



Casino Queen Marquette, operated by The Queen Casino & Entertainment, is located in Marquette, Iowa, approximately 96 miles north of the proposed casino. It features 437 gaming devices, 14 table games, and 1 small quick-service restaurant. It does not have a hotel but has partnered with area properties.

**Wild Rose Jefferson**



Wild Rose Jefferson, operated by Wild Rose Entertainment (an Iowa-based company), is located in Jefferson, Iowa, approximately 142 miles west of the proposed casino. It features 519 gaming devices, 12 table games, a 550-seat bingo parlor, and 1 restaurant. Additional amenities include a 74-room hotel.

**Diamond Jo Worth**



The Diamond Jo Worth, operated by Boyd Gaming, is located in Northwood, Iowa, approximately 167 miles northwest of the proposed casino. It features 822 gaming devices, 26 table games, and 4 restaurants. Additional amenities include a 102-room hotel, an indoor pool, and a 5,000-square-foot event center.

**Lakeside Hotel Casino**



Lakeside Hotel Casino, operated by Affinity Gaming, is located in Osceola, Iowa, approximately 164 miles southwest of the proposed casino. It features 580 gaming devices, 10 table games, and 2 restaurants. Additional amenities include a 150-room hotel, an indoor pool, approximately 10,000 square feet of meeting and event space, and a 47-site RV Park.

**Par-A-Dice Hotel Casino**



The Par-A-Dice Hotel Casino, operated by Boyd Gaming, is located in East Peoria, Illinois, approximately 180 miles southeast of the proposed casino. It features 556 gaming devices, 18 table games, and 3 restaurants. Additional amenities include a 202-room hotel, an indoor pool, and approximately 20,000 square feet of meeting and event space.

**Hard Rock Casino Rockford**



The Hard Rock Casino Rockford, operated by Hard Rock International, is located in Rockford, Illinois, approximately 179 miles east of the proposed casino. It features 1,300 gaming devices, 44 table games, and 6 restaurants. Additional amenities include a Hard Rock retail store, several rock music memorabilia displays, and a 23,000-square-foot multi-use/entertainment venue.

**5.2 Regional Non-Competitive Supply**

In addition to the previously identified 13 commercial casinos and 1 Native American casino in Iowa that would provide varying degrees of competition to the Proposed Cedar Rapids Casinos, there are an additional 9 commercial casinos and 2 Native American casinos in Iowa that were deemed to be non-competitive. These other non-competitive casinos are all located more than 200 miles from the Proposed Cedar Rapids Casino, with drive times from the subject ranging from approximately 3 ½ to 5 ½ hours. As such, these casinos have virtually no overlap with the feeder markets from which demand will emanate for the Proposed Cedar Rapids Casinos. The same holds true for other commercial casinos in Illinois beyond the 3 properties



previously identified as providing some level of competition to the Proposed Cedar Rapids Casino.

Among existing casinos in Wisconsin, the two closest are owned and operated by the Ho-Chunk Nation, which are located in Wisconsin Dells and Madison, both of which are slightly less than 200 miles northeast of the Proposed Cedar Rapids Casinos. Additionally, the Ho-Chunk Nation will soon be breaking ground on another casino property located in Beloit, Wisconsin, which is approximately 170 miles from Cedar Rapids. However, all of these casinos were deemed non-competitive based on market positioning, drive times from the proposed Cedar Rapids Casino, and the existence of several other more proximate casinos to those destinations in Iowa, Illinois, and Wisconsin.

The Nebraska casino industry is relatively new, having been significantly reshaped by the legalization of expanded gambling in recent years with the passage of numerous legislative acts in 2020 to pave the way for commercial casinos. There are currently now three temporary racetrack casinos operating within Nebraska, with plans for permanent facilities and two additional commercial casinos. These are in addition to five Native American casinos in Nebraska that have been operating for several years, all of which however are relatively small properties offering Class II gaming (including electronic bingo games). While Nebraska's casino industry is expanding and poised for growth, none of these properties are deemed to be competitive with the Proposed Cedar Rapids Casinos as they are all located in excess of 250 miles away, with drive times beyond 4 hours. Nebraska's casinos, particularly those in Omaha and Lincoln, cater to residents from western Iowa and parts of Nebraska.

### **5.3 Potential Additions and Changes to Supply**

There are no new casino properties in the planning stages that would be competitive with the Proposed Cedar Rapids Casino. However, there are some ongoing/planned changes to existing competitive casinos that would impact their positioning within the market. A summary of these changes is provided below.

- **Q Casino:** The property is undertaking a major multi-phase renovation project expected to be completed in 2025. This \$75–\$80 million project includes remodeling the casino's main gaming areas, adding a state-of-the-art center bar, and building a new family entertainment zone. Additionally, a new hotel with a rooftop restaurant will be constructed, alongside exterior upgrades like improved signage and parking.
- **Casino Queen Marquette:** As one of the last two remaining riverboat casinos in Iowa, it is transitioning from a riverboat casino to a land-based facility. The 17,000-square-foot gaming floor will be moved ashore, and an additional 12,000 square feet will be added to the dockside building. The renovation will feature a single-level gaming floor,

improved dining options, and a dedicated sports bar. This move marks a significant modernization of the property, positioning it for enhanced guest experiences. The project broke ground in September 2024 and current plans target a completion date by the end of 2025.

- **Hard Rock Casino Rockford:** Originally operating as a temporary facility, which opened in November 2021, the Hard Rock Casino Rockford moved to its permanent facility in August 2024. The property had initially planned for a 200 to 250 room hotel to coincide with the casino's development, but that component faced delays due to challenges in the post-pandemic construction market, including supply chain issues and financing difficulties. Despite these setbacks, the Hard Rock Casino Rockford remains committed to building the hotel and management has indicated that it expects to begin development of the hotel in 2025 with a completion date in 2026.

The aforementioned changes have been included in the analyses to arrive at the future gaming market potential for the Proposed Cedar Rapids Casino.

## 5.4 Competitive Performance Metrics

This section provides a detailed analysis of performance trends of the competitive commercial casinos. In recent years, many of the competitors have seen moderate to strong growth in revenues, although some have seen decreases as well. Generally speaking, the competition has experienced a decline in admissions over recent years, but this has often been offset by an increase in the average win per patron. Many casinos are adapting to changes in customer behavior, focusing on maximizing spending per visitor rather than simply increasing foot traffic. Declining admissions have also led to some reductions in the number of gaming devices and table games being offered at competitive casinos, resulting in a higher win per position and helping to streamline operational expenses.

### 5.4.1 Adjusted Gross Receipts

The IRGC reports annual performance data for the State's commercial casinos on a fiscal year basis, which runs from July 1 through June 30. The total aggregate adjusted gross receipts (AGR) of the competitive Iowa commercial casinos has shown relatively steady growth in recent years, excluding the timeframe during which the industry was dealing with the COVID-19 pandemic. During the timeframe of FY 2018 through FY 2024, total aggregate AGR for the competitive Iowa commercial casinos increased at a moderate compound annual growth rate (CAGR) of 3.1% from approximately \$878 million to nearly \$1.1 billion. Rhythm City Casino and Riverside Casino and Golf Resort showed the strongest growth rates during this period at 8.9% and 7.1%, respectively, while Isle Casino Hotel Waterloo experienced the most significant decrease. These trends and other data points are shown in Table 18.



**Table 18**

Competitive Iowa Commercial Casinos - Total AGR (in millions)								
Property	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	CAGR
<i>Primary Competition</i>								
Riverside Casino and Golf Resort	\$85.8	\$90.1	\$76.7	\$116.3	\$128.4	\$130.0	\$129.2	7.1%
Isle Casino Hotel Waterloo	\$85.3	\$83.7	\$65.6	\$88.4	\$72.4	\$73.4	\$66.7	-4.0%
<b>Subtotal</b>	<b>\$171.0</b>	<b>\$173.8</b>	<b>\$142.3</b>	<b>\$204.7</b>	<b>\$200.8</b>	<b>\$203.5</b>	<b>\$195.9</b>	<b>2.3%</b>
<i>Secondary Competition</i>								
Rhythm City Casino	\$67.0	\$71.2	\$64.1	\$110.3	\$118.4	\$115.2	\$111.9	8.9%
Isle Casino Hotel Bettendorf	\$69.8	\$66.0	\$51.2	\$68.5	\$101.0	\$97.8	\$93.3	5.0%
Diamond Jo Dubuque	\$69.1	\$69.1	\$56.3	\$68.1	\$76.4	\$74.7	\$79.1	2.3%
Q Casino	\$47.8	\$50.5	\$39.7	\$50.3	\$52.2	\$50.5	\$44.0	-1.4%
Wild Rose Clinton	\$30.2	\$29.3	\$24.0	\$32.9	\$33.6	\$33.3	\$32.9	1.5%
Catfish Bend Casino	\$39.3	\$39.6	\$32.1	\$43.3	\$45.5	\$44.9	\$43.6	1.7%
Prairie Meadows Racetrack & Casino	\$201.2	\$206.5	\$157.2	\$206.7	\$228.3	\$240.9	\$240.3	3.0%
Casino Queen Marquette	\$23.8	\$21.6	\$16.8	\$18.1	\$21.2	\$21.4	\$20.7	-2.2%
<b>Subtotal</b>	<b>\$548.2</b>	<b>\$553.9</b>	<b>\$441.3</b>	<b>\$598.1</b>	<b>\$676.6</b>	<b>\$678.8</b>	<b>\$665.9</b>	<b>3.3%</b>
<i>Tertiary Competition</i>								
Wild Rose Jefferson	\$28.2	\$29.1	\$22.5	\$32.3	\$36.4	\$36.5	\$36.7	4.5%
Diamond Jo Worth	\$84.8	\$84.5	\$66.2	\$95.9	\$104.5	\$103.0	\$107.2	4.0%
Lakeside Hotel Casino	\$46.1	\$47.2	\$40.1	\$47.6	\$53.1	\$50.8	\$48.7	0.9%
<b>Subtotal</b>	<b>\$159.1</b>	<b>\$160.8</b>	<b>\$128.8</b>	<b>\$175.8</b>	<b>\$194.1</b>	<b>\$190.3</b>	<b>\$192.6</b>	<b>3.2%</b>
<b>Total</b>	<b>\$878.3</b>	<b>\$888.5</b>	<b>\$712.4</b>	<b>\$978.7</b>	<b>\$1,071.5</b>	<b>\$1,072.5</b>	<b>\$1,054.3</b>	<b>3.1%</b>

Source: Iowa Racing & Gaming Commission.

Unlike Iowa, the Illinois Gaming Board reports annual performance data for the State's commercial casinos on a calendar year basis. While the total aggregate AGR for the competitive Illinois casinos has shown growth, this is skewed due to the opening of the Hard Rock Casino Rockford in late 2021. Both Bally's Quad Cities and the Par-A-Dice Hotel Casino experienced generally declining AGR levels from 2017 to 2019. These properties have shown some recovery in AGR since the COVID-19 pandemic, but have yet to reach pre-pandemic levels. These trends are shown in Table 19.

**Table 19**

Competitive Illinois Commercial Casinos - Total AGR (in millions)								
Property	2017	2018	2019	2020	2021	2022	2023	CAGR
<i>Secondary Competition</i>								
Bally's Quad Cities	\$70.5	\$68.2	\$66.3	\$27.7	\$41.6	\$54.6	\$61.6	-2.2%
<b>Subtotal</b>	<b>\$70.5</b>	<b>\$68.2</b>	<b>\$66.3</b>	<b>\$27.7</b>	<b>\$41.6</b>	<b>\$54.6</b>	<b>\$61.6</b>	<b>-2.2%</b>
<i>Tertiary Competition</i>								
Par-A-Dice Hotel Casino	\$78.8	\$76.1	\$72.7	\$33.9	\$61.0	\$60.7	\$63.5	-3.5%
Hard Rock Casino Rockford	N/A	N/A	N/A	N/A	\$8.5	\$54.7	\$69.1	N/A
<b>Subtotal</b>	<b>\$78.8</b>	<b>\$76.1</b>	<b>\$72.7</b>	<b>\$33.9</b>	<b>\$69.5</b>	<b>\$115.5</b>	<b>\$132.6</b>	<b>9.1%</b>
<b>Total</b>	<b>\$149.3</b>	<b>\$144.3</b>	<b>\$139.0</b>	<b>\$61.6</b>	<b>\$111.0</b>	<b>\$170.0</b>	<b>\$194.1</b>	<b>4.5%</b>

Source: Illinois Gaming Board.

The contribution to total AGR for both the competitive commercial casinos in Iowa and Illinois is relatively comparable, with gaming devices accounting for roughly 90% of the total aggregate AGR in any given year and table games accounting for 10%. These figures have fluctuated slightly in recent years without any real trend emerging.

#### 5.4.2 Admissions

The total aggregate admissions of the competitive Iowa commercial casinos were down measurably in FY 2024 vs. FY 2018. Over this time period, these casinos saw admissions decrease by approximately 1.3 million, or over 18%. Catfish Bend Casino, Rhythm City Casino, and Riverside Casino and Golf Resort were the only competitive Iowa commercial casinos that experienced increases in the number of admissions during this timeframe.

The impact of declining admissions at many of the competitive Iowa commercial casinos was at least partially offset by strong growth in the gaming win per admission. The overall win per admission for the competitive Iowa commercial casinos increased from \$69 in FY 2018 to \$101 in FY 2024, representing a CAGR of 6.6%. These trends are shown in Table 20 and 21.

**Table 20**

Competitive Iowa Commercial Casinos - Total Admissions (in millions)								
Property	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	CAGR
<i>Primary Competition</i>								
Riverside Casino and Golf Resort	1.5	1.6	1.3	1.4	1.5	1.5	1.5	0.6%
Isle Casino Hotel Waterloo	1.0	0.9	0.7	0.8	0.7	0.7	0.7	-6.8%
<b>Subtotal</b>	<b>2.5</b>	<b>2.5</b>	<b>2.0</b>	<b>2.2</b>	<b>2.2</b>	<b>2.3</b>	<b>2.2</b>	<b>-2.1%</b>
<i>Secondary Competition</i>								
Rhythm City Casino	1.2	1.2	1.0	1.3	1.4	1.3	1.3	1.5%
Isle Casino Hotel Bettendorf	0.9	0.8	0.6	0.7	0.8	0.8	0.7	-4.1%
Diamond Jo Dubuque	0.9	0.9	0.7	0.6	0.7	0.7	0.7	-4.0%
Q Casino	0.8	0.8	0.6	0.6	0.6	0.6	0.6	-6.6%
Wild Rose Clinton	0.5	0.5	0.4	0.4	0.4	0.4	0.4	-4.4%
Catfish Bend Casino	0.5	0.6	0.6	0.6	0.7	0.7	0.7	5.2%
Prairie Meadows Racetrack & Casino	3.1	3.0	2.1	2.0	2.1	2.1	2.1	-6.4%
Casino Queen Marquette	0.2	0.2	0.2	0.1	0.2	0.2	0.2	-6.1%
<b>Subtotal</b>	<b>8.2</b>	<b>8.1</b>	<b>6.2</b>	<b>6.3</b>	<b>6.8</b>	<b>6.7</b>	<b>6.6</b>	<b>-3.6%</b>
<i>Tertiary Competition</i>								
Wild Rose Jefferson	0.4	0.4	0.3	0.4	0.4	0.4	0.4	-2.2%
Diamond Jo Worth	1.1	1.0	0.8	1.0	0.9	0.9	0.9	-3.4%
Lakeside Hotel Casino	0.5	0.5	0.4	0.4	0.4	0.4	0.3	-5.7%
<b>Subtotal</b>	<b>2.0</b>	<b>1.9</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>	<b>-3.7%</b>
<b>Total</b>	<b>12.7</b>	<b>12.6</b>	<b>9.8</b>	<b>10.2</b>	<b>10.7</b>	<b>10.6</b>	<b>10.4</b>	<b>3.3%</b>

Source: Iowa Racing & Gaming Commission.

**Table 21**

Competitive Iowa Commercial Casinos - Win per Admission								
Property	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	CAGR
<i>Primary Competition</i>								
Riverside Casino and Golf Resort	\$59	\$56	\$59	\$84	\$86	\$85	\$86	6.5%
Isle Casino Hotel Waterloo	\$84	\$90	\$89	\$113	\$101	\$102	\$100	3.0%
<b>Subtotal</b>	<b>\$69</b>	<b>\$68</b>	<b>\$70</b>	<b>\$94</b>	<b>\$91</b>	<b>\$90</b>	<b>\$90</b>	<b>4.5%</b>
<i>Secondary Competition</i>								
Rhythm City Casino	\$56	\$61	\$65	\$84	\$86	\$86	\$86	7.4%
Isle Casino Hotel Bettendorf	\$77	\$80	\$82	\$105	\$123	\$128	\$132	9.5%
Diamond Jo Dubuque	\$77	\$75	\$78	\$113	\$110	\$109	\$112	6.5%
Q Casino	\$58	\$63	\$62	\$88	\$82	\$83	\$80	5.5%
Wild Rose Clinton	\$55	\$55	\$65	\$85	\$84	\$83	\$79	6.2%
Catfish Bend Casino	\$79	\$65	\$53	\$70	\$68	\$66	\$64	-3.3%
Prairie Meadows Racetrack & Casino	\$64	\$68	\$74	\$102	\$110	\$115	\$114	10.0%
Casino Queen Marquette	\$105	\$105	\$109	\$136	\$136	\$138	\$134	4.1%
<b>Subtotal</b>	<b>\$67</b>	<b>\$68</b>	<b>\$71</b>	<b>\$95</b>	<b>\$99</b>	<b>\$101</b>	<b>\$101</b>	<b>7.1%</b>
<i>Tertiary Competition</i>								
Wild Rose Jefferson	\$65	\$67	\$67	\$88	\$88	\$95	\$97	6.9%
Diamond Jo Worth	\$78	\$85	\$84	\$100	\$118	\$120	\$122	7.6%
Lakeside Hotel Casino	\$94	\$92	\$99	\$130	\$139	\$141	\$141	7.1%
<b>Subtotal</b>	<b>\$79</b>	<b>\$83</b>	<b>\$84</b>	<b>\$104</b>	<b>\$115</b>	<b>\$118</b>	<b>\$120</b>	<b>7.2%</b>
<b>Total Competitive</b>	<b>\$69</b>	<b>\$71</b>	<b>\$73</b>	<b>\$96</b>	<b>\$100</b>	<b>\$101</b>	<b>\$101</b>	<b>6.6%</b>

Source: Iowa Racing & Gaming Commission.

Competitive properties in Illinois exhibited similar trends in recent years as shown in Tables 22 and 23, although much more modest growth in the win per admission. The total aggregate admissions of the competitive Illinois commercial casinos were up slightly in 2024 vs. 2018, but this was due to the addition of the Hard Rock Casino Rockford in late 2021. The other two competitive Illinois properties saw admissions steadily decrease from 2017 to 2019, with mixed performance after the COVID-19 pandemic. Bally’s Quad Cities has shown some recovery in admissions since the pandemic, but has yet to reach pre-pandemic levels, while admissions at the Par-A-Dice Hotel Casinos in 2023 were still down by approximately 36% compared to 2019. The overall win per admission for the competitive Iowa commercial casinos increased from \$87 in 2018 to \$109 in 2023, representing a CAGR of 3.9%.

**Table 22**

Competitive Illinois Commercial Casinos - Total Admissions (in millions)								
Property	2017	2018	2019	2020	2021	2022	2023	CAGR
<i>Secondary Competition</i>								
Bally's Quad Cities	0.95	0.90	0.85	0.29	0.46	0.66	0.73	-4.3%
<b>Subtotal</b>	<b>0.95</b>	<b>0.90</b>	<b>0.85</b>	<b>0.29</b>	<b>0.46</b>	<b>0.66</b>	<b>0.73</b>	<b>-4.3%</b>
<i>Tertiary Competition</i>								
Par-A-Dice Hotel Casino	0.78	0.74	0.70	0.27	0.45	0.43	0.44	-9.0%
Hard Rock Casino Rockford	0.00	0.00	0.00	0.00	0.08	0.46	0.61	N/A
<b>Subtotal</b>	<b>0.78</b>	<b>0.74</b>	<b>0.70</b>	<b>0.27</b>	<b>0.53</b>	<b>0.90</b>	<b>1.06</b>	<b>5.3%</b>
<b>Total</b>	<b>1.73</b>	<b>1.64</b>	<b>1.55</b>	<b>0.56</b>	<b>0.99</b>	<b>1.55</b>	<b>1.78</b>	<b>0.6%</b>

Source: Illinois Gaming Board.

**Table 23**

Competitive Illinois Commercial Casinos - Win per Admission								
Property	2017	2018	2019	2020	2021	2022	2023	CAGR
<i>Secondary Competition</i>								
Bally's Quad Cities	\$74	\$76	\$78	\$94	\$90	\$83	\$84	2.2%
<b>Subtotal</b>	<b>\$74</b>	<b>\$76</b>	<b>\$78</b>	<b>\$94</b>	<b>\$90</b>	<b>\$83</b>	<b>\$84</b>	<b>2.2%</b>
<i>Tertiary Competition</i>								
Par-A-Dice Hotel Casino	\$102	\$103	\$104	\$125	\$136	\$140	\$144	6.0%
Hard Rock Casino Rockford	N/A	N/A	N/A	N/A	\$105	\$118	\$113	N/A
<b>Subtotal</b>	<b>\$102</b>	<b>\$103</b>	<b>\$104</b>	<b>\$125</b>	<b>\$131</b>	<b>\$129</b>	<b>\$126</b>	<b>3.6%</b>
<b>Total</b>	<b>\$87</b>	<b>\$88</b>	<b>\$90</b>	<b>\$109</b>	<b>\$112</b>	<b>\$109</b>	<b>\$109</b>	<b>3.9%</b>

Source: Illinois Gaming Board.

### 5.4.3 Gaming Devices

The average daily win per gaming device at the competitive Iowa commercial casinos exhibited a wide range in FY 2024, from a low of \$127 at Casino Queen Marquette to a high of \$499 at Prairie Meadows Racetrack & Casino. The Riverside Casino and Golf Resort and the Isle Casino Hotel Waterloo, which are the two closest commercial casinos to the Proposed Cedar Rapids Casino, had an average daily win per gaming device of \$357 and \$200, respectively, in FY 2024. The overall average daily win per gaming device for the competitive Iowa commercial casinos increased from \$201 in FY 2018 to \$284 in FY 2024, representing a CAGR of 5.9%, as shown in Table 24.

**Table 24**

Competitive Iowa Commercial Casinos - Average Daily Win per Gaming Device								
Property	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	CAGR
<i>Primary Competition</i>								
Riverside Casino and Golf Resort	\$230	\$248	\$209	\$322	\$353	\$359	\$357	7.6%
Isle Casino Hotel Waterloo	\$222	\$219	\$178	\$246	\$206	\$211	\$200	-1.7%
<b>Subtotal</b>	<b>\$226</b>	<b>\$234</b>	<b>\$194</b>	<b>\$284</b>	<b>\$280</b>	<b>\$285</b>	<b>\$281</b>	<b>3.7%</b>
<i>Secondary Competition</i>								
Rhythm City Casino	\$209	\$218	\$190	\$325	\$352	\$340	\$340	8.4%
Isle Casino Hotel Bettendorf	\$181	\$172	\$143	\$194	\$290	\$292	\$279	7.5%
Diamond Jo Dubuque	\$193	\$192	\$162	\$217	\$259	\$251	\$281	6.5%
Q Casino	\$148	\$153	\$122	\$159	\$170	\$184	\$203	5.4%
Wild Rose Clinton	\$142	\$137	\$113	\$159	\$164	\$167	\$169	2.9%
Catfish Bend Casino	\$161	\$163	\$125	\$170	\$177	\$175	\$169	0.8%
Prairie Meadows Racetrack & Casino	\$275	\$295	\$226	\$354	\$428	\$459	\$499	10.4%
Casino Queen Marquette	\$123	\$116	\$99	\$116	\$139	\$135	\$127	0.6%
<b>Subtotal</b>	<b>\$197</b>	<b>\$200</b>	<b>\$163</b>	<b>\$236</b>	<b>\$277</b>	<b>\$283</b>	<b>\$294</b>	<b>6.9%</b>
<i>Tertiary Competition</i>								
Wild Rose Jefferson	\$140	\$142	\$112	\$162	\$183	\$185	\$184	4.7%
Diamond Jo Worth	\$231	\$235	\$191	\$278	\$316	\$312	\$322	5.7%
Lakeside Hotel Casino	\$186	\$194	\$158	\$187	\$216	\$211	\$219	2.8%
<b>Subtotal</b>	<b>\$194</b>	<b>\$199</b>	<b>\$161</b>	<b>\$220</b>	<b>\$249</b>	<b>\$246</b>	<b>\$254</b>	<b>4.6%</b>
<b>Total</b>	<b>\$201</b>	<b>\$206</b>	<b>\$168</b>	<b>\$241</b>	<b>\$272</b>	<b>\$276</b>	<b>\$284</b>	<b>5.9%</b>

Source: Iowa Racing & Gaming Commission.

This strong growth in the average daily win per gaming device rate was attributable in part to a measurable reduction in the number of gaming devices at these competitive casinos that took place, as the overall supply of gaming devices was reduced by nearly 14% over this period. As shown in Table 25, the total supply of gaming devices for the competitive Iowa commercial casinos decreased from nearly 10,900 in FY 2018 to just under 9,400 in FY 2024, representing a CAGR of -2.5%.

**Table 25**

Competitive Iowa Commercial Casinos - Number of Gaming Devices								
Property	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	CAGR
<i>Primary Competition</i>								
Riverside Casino and Golf Resort	914	890	905	896	899	898	892	-0.4%
Isle Casino Hotel Waterloo	937	929	893	883	896	885	853	-1.6%
<b>Subtotal</b>	<b>1,851</b>	<b>1,819</b>	<b>1,798</b>	<b>1,779</b>	<b>1,795</b>	<b>1,783</b>	<b>1,745</b>	<b>-1.0%</b>
<i>Secondary Competition</i>								
Rhythm City Casino	803	815	848	850	843	847	819	0.3%
Isle Casino Hotel Bettendorf	979	972	914	902	865	831	831	-2.7%
Diamond Jo Dubuque	915	913	870	787	746	753	719	-3.9%
Q Casino	821	831	809	777	759	677	528	-7.1%
Wild Rose Clinton	552	553	545	534	529	517	509	-1.3%
Catfish Bend Casino	607	607	642	643	643	643	643	1.0%
Prairie Meadows Racetrack & Casino	1,766	1,687	1,686	1,461	1,330	1,314	1,203	-6.2%
Casino Queen Marquette	514	499	454	422	410	426	437	-2.7%
<b>Subtotal</b>	<b>6,957</b>	<b>6,877</b>	<b>6,768</b>	<b>6,376</b>	<b>6,125</b>	<b>6,008</b>	<b>5,689</b>	<b>-3.3%</b>
<i>Tertiary Competition</i>								
Wild Rose Jefferson	512	511	514	514	518	514	519	0.2%
Diamond Jo Worth	920	901	874	869	828	821	822	-1.9%
Lakeside Hotel Casino	636	628	660	664	650	634	580	-1.5%
<b>Subtotal</b>	<b>2,068</b>	<b>2,040</b>	<b>2,048</b>	<b>2,047</b>	<b>1,996</b>	<b>1,969</b>	<b>1,921</b>	<b>-1.2%</b>
<b>Total Competitive</b>	<b>10,876</b>	<b>10,736</b>	<b>10,614</b>	<b>10,202</b>	<b>9,916</b>	<b>9,760</b>	<b>9,355</b>	<b>2.5%</b>

Source: Iowa Racing & Gaming Commission.

The overall average daily win per gaming device for the competitive Illinois commercial casinos increased from \$186 in 2017 to \$247 in 2024, representing a CAGR of 4.9%, as shown in Table 26.

**Table 26**

Competitive Illinois Commercial Casinos - Average Daily Win per Gaming Device								
Property	2017	2018	2019	2020	2021	2022	2023	CAGR
<i>Secondary Competition</i>								
Bally's Quad Cities	\$180	\$175	\$189	\$181	\$148	\$168	\$201	1.8%
<b>Subtotal</b>	<b>\$180</b>	<b>\$175</b>	<b>\$189</b>	<b>\$108</b>	<b>\$148</b>	<b>\$168</b>	<b>\$201</b>	<b>1.8%</b>
<i>Tertiary Competition</i>								
Par-A-Dice Hotel Casino	\$192	\$193	\$188	\$207	\$264	\$245	\$255	4.9%
Hard Rock Casino Rockford	N/A	N/A	N/A	N/A	\$252	\$237	\$301	N/A
<b>Subtotal</b>	<b>\$192</b>	<b>\$193</b>	<b>\$188</b>	<b>\$207</b>	<b>\$262</b>	<b>\$241</b>	<b>\$279</b>	<b>6.5%</b>
<b>Total</b>	<b>\$186</b>	<b>\$184</b>	<b>\$188</b>	<b>\$115</b>	<b>\$188</b>	<b>\$210</b>	<b>\$247</b>	<b>4.9%</b>

Source: Illinois Gaming Board.

This strong growth in the average daily win per gaming device was attributable in part to the introduction of the Hard Rock Casino Rockford in late 2021, which achieved a significantly higher average daily win per gaming device in 2023 than the other competitive Illinois properties, thus bringing up the total average for 2023. Additionally, like Iowa, there have been significant reductions in the number of gaming devices at the competitive Illinois commercial casinos, excluding the addition of the Hard Rock Casino Rockford. As shown in Table 27, the

number of gaming devices offered in 2023 at both Bally’s Quad Cities and the Par-A-Dice Hotel Casino was significantly lower than what those properties featured in 2017.

**Table 27**

Competitive Illinois Commercial Casinos - Number of Gaming Devices								
Property	2017	2018	2019	2020	2021	2022	2023	CAGR
<i>Secondary Competition</i>								
Bally's Quad Cities	993	985	886	660	756	839	794	-3.7%
<b>Subtotal</b>	<b>993</b>	<b>985</b>	<b>886</b>	<b>660</b>	<b>756</b>	<b>839</b>	<b>794</b>	<b>-3.7%</b>
<i>Tertiary Competition</i>								
Par-A-Dice Hotel Casino	916	887	873	613	530	552	556	-8.0%
Hard Rock Casino Rockford	N/A	N/A	N/A	N/A	635	634	594	N/A
<b>Subtotal</b>	<b>916</b>	<b>887</b>	<b>873</b>	<b>613</b>	<b>1,165</b>	<b>1,186</b>	<b>1,150</b>	<b>3.9%</b>
<b>Total</b>	<b>1,909</b>	<b>1,872</b>	<b>1,759</b>	<b>1,273</b>	<b>1,921</b>	<b>2,025</b>	<b>1,944</b>	<b>0.3%</b>

#### 5.4.4 Table Games

The average daily win per table game at the competitive Iowa commercial casinos exhibited a wide range in FY 2024, from a low of \$81 at Casino Queen Marquette to a high of \$1,378 at Prairie Meadows Racetrack & Casino. The Riverside Casino and Golf Resort and the Isle Casino Hotel Waterloo, which are the two commercial casinos closest to the Proposed Cedar Rapids Casino, had an average daily win per table game of \$896 and \$630, respectively, in FY 2024. The overall average daily win per table game for the competitive Iowa commercial casinos increased from \$638 in FY 2018 to \$805 in FY 2024, representing a CAGR of 3.9%, as shown in Table 28.

**Table 28**

Competitive Iowa Commercial Casinos Average Daily Win per Table Game								
Property	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	CAGR
<i>Primary Competition</i>								
Riverside Casino and Golf Resort	\$519	\$614	\$472	\$698	\$859	\$895	\$896	9.5%
Isle Casino Hotel Waterloo	\$830	\$656	\$661	\$956	\$810	\$735	\$630	-4.5%
<b>Subtotal</b>	<b>\$643</b>	<b>\$634</b>	<b>\$552</b>	<b>\$795</b>	<b>\$844</b>	<b>\$840</b>	<b>\$814</b>	<b>4.0%</b>
<i>Secondary Competition</i>								
Rhythm City Casino	\$464	\$586	\$554	\$1,070	\$1,309	\$1,330	\$1,256	18.1%
Isle Casino Hotel Bettendorf	\$636	\$672	\$583	\$699	\$1,128	\$1,108	\$954	7.0%
Diamond Jo Dubuque	\$593	\$660	\$588	\$694	\$809	\$545	\$512	-2.4%
Q Casino	\$424	\$490	\$410	\$712	\$719	\$731	\$683	8.2%
Wild Rose Clinton	\$314	\$378	\$352	\$595	\$584	\$522	\$456	6.4%
Catfish Bend Casino	\$393	\$388	\$312	\$377	\$369	\$338	\$331	-2.8%
Prairie Meadows Racetrack & Casino	\$1,285	\$1,326	\$972	\$1,115	\$1,162	\$1,201	\$1,378	1.2%
Casino Queen Marquette	\$194	\$165	\$122	\$112	\$112	\$65	\$81	-13.6%
<b>Subtotal</b>	<b>\$672</b>	<b>\$734</b>	<b>\$592</b>	<b>\$787</b>	<b>\$877</b>	<b>\$801</b>	<b>\$801</b>	<b>3.0%</b>
<i>Tertiary Competition</i>								
Wild Rose Jefferson	\$356	\$425	\$269	\$391	\$419	\$415	\$374	0.9%
Diamond Jo Worth	\$586	\$558	\$417	\$754	\$882	\$997	\$1,094	11.0%
Lakeside Hotel Casino	\$583	\$566	\$435	\$502	\$443	\$473	\$575	-0.2%
<b>Subtotal</b>	<b>\$528</b>	<b>\$526</b>	<b>\$385</b>	<b>\$608</b>	<b>\$674</b>	<b>\$737</b>	<b>\$808</b>	<b>7.4%</b>
<b>Total</b>	<b>\$638</b>	<b>\$669</b>	<b>\$543</b>	<b>\$756</b>	<b>\$834</b>	<b>\$798</b>	<b>\$805</b>	<b>3.9%</b>

Source: Iowa Racing & Gaming Commission.

This relatively strong growth in the average daily win per table game was attributable in part to a reduction in the number of table games at these competitive casinos that took place, as the overall supply of table games was reduced by approximately 14% from FY 2018 to FY 2024. As shown in Table 29, the total supply of table games for the competitive Iowa commercial casinos decreased from 340 in FY 2018 to 292 in FY 2024, representing a CAGR of -2.5%.



**Table 29**

Competitive Iowa Commercial Casinos Number of Table Games								
Property	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	CAGR
<i>Primary Competition</i>								
Riverside Casino and Golf Resort	47	42	43	43	40	38	39	-3.1%
Isle Casino Hotel Waterloo	31	39	31	26	17	20	18	-8.7%
<b>Subtotal</b>	<b>78</b>	<b>81</b>	<b>74</b>	<b>69</b>	<b>57</b>	<b>58</b>	<b>57</b>	<b>-5.1%</b>
<i>Secondary Competition</i>								
Rhythm City Casino	33	29	25	24	21	21	22	-6.5%
Isle Casino Hotel Bettendorf	22	20	16	18	23	23	24	1.5%
Diamond Jo Dubuque	22	21	22	23	20	29	27	3.5%
Q Casino	22	23	23	20	20	19	19	-2.4%
Wild Rose Clinton	13	12	11	9	9	9	9	-5.9%
Catfish Bend Casino	25	25	25	25	30	31	31	3.7%
Prairie Meadows Racetrack & Casino	51	52	50	44	48	48	41	-3.6%
Casino Queen Marquette	10	9	9	6	8	16	14	5.8%
<b>Subtotal</b>	<b>198</b>	<b>191</b>	<b>181</b>	<b>169</b>	<b>179</b>	<b>196</b>	<b>187</b>	<b>-0.9%</b>
<i>Tertiary Competition</i>								
Wild Rose Jefferson	16	17	15	13	12	12	12	-4.7%
Diamond Jo Worth	34	36	34	28	28	26	26	-4.4%
Lakeside Hotel Casino	14	13	12	12	12	11	10	-5.5%
<b>Subtotal</b>	<b>64</b>	<b>66</b>	<b>61</b>	<b>53</b>	<b>52</b>	<b>49</b>	<b>48</b>	<b>-4.7%</b>
<b>Total Competitive</b>	<b>340</b>	<b>338</b>	<b>316</b>	<b>291</b>	<b>288</b>	<b>303</b>	<b>292</b>	<b>2.5%</b>

Source: Iowa Racing & Gaming Commission.

The overall average daily win per table game for the competitive Illinois commercial casinos increased from \$922 in 2017 to \$1,162 in 2023, representing a CAGR of 3.9%, as shown in Table 30. It should be noted that despite opening in late 2021, the Hard Rock Casino Rockford did not begin offering table games until 2023.

**Table 30**

Competitive Illinois Commercial Casinos - Average Daily Win per Table Game								
Property	2017	2018	2019	2020	2021	2022	2023	CAGR
<i>Secondary Competition</i>								
Bally's Quad Cities	\$502	\$540	\$568	\$320	\$381	\$635	\$568	2.1%
<b>Subtotal</b>	<b>\$502</b>	<b>\$540</b>	<b>\$568</b>	<b>\$190</b>	<b>\$365</b>	<b>\$634</b>	<b>\$568</b>	<b>2.1%</b>
<i>Tertiary Competition</i>								
Par-A-Dice Hotel Casino	\$1,302	\$1,273	\$1,199	\$1,036	\$1,623	\$1,723	\$1,773	5.3%
Hard Rock Casino Rockford	N/A	N/A	N/A	N/A	\$0	\$0	\$1,013	N/A
<b>Subtotal</b>	<b>\$1,302</b>	<b>\$1,273</b>	<b>\$1,199</b>	<b>\$1,036</b>	<b>\$1,623</b>	<b>\$1,723</b>	<b>\$1,501</b>	<b>2.4%</b>
<b>Total</b>	<b>\$922</b>	<b>\$926</b>	<b>\$904</b>	<b>\$415</b>	<b>\$1,006</b>	<b>\$1,246</b>	<b>\$1,162</b>	<b>3.9%</b>

Source: Illinois Gaming Board.

Similar to Iowa, the competitive Illinois properties have reduced their supply of table games in recent years, which has helped to drive up the average daily win per table game. As shown in Table 31, the total supply of table games for the competitive Illinois commercial casinos

decreased from 59 in 2017 to 44 in 2023, and this was even with the addition of the new Hard Rock Casino Rockford.

**Table 31**

Competitive Illinois Commercial Casinos - Number of Table Games								
Property	2017	2018	2019	2020	2021	2022	2023	CAGR
<i>Secondary Competition</i>								
Isle Casino Hotel Waterloo	28	26	25	25	18	14	16	-8.9%
<b>Subtotal</b>	<b>28</b>	<b>26</b>	<b>25</b>	<b>25</b>	<b>18</b>	<b>14</b>	<b>16</b>	<b>-8.9%</b>
<i>Tertiary Competition</i>								
Par-A-Dice Hotel Casino	31	29	29	28	21	18	18	-8.7%
Hard Rock Casino Rockford	N/A	N/A	N/A	N/A	0	0	10	N/A
<b>Subtotal</b>	<b>31</b>	<b>29</b>	<b>29</b>	<b>28</b>	<b>21</b>	<b>18</b>	<b>28</b>	<b>-1.7%</b>
<b>Total</b>	<b>59</b>	<b>55</b>	<b>54</b>	<b>53</b>	<b>39</b>	<b>32</b>	<b>44</b>	<b>4.8%</b>

Source: Illinois Gaming Board.

### 5.4.5 Sports Betting

Sports betting was legalized in Iowa in May 2019 with legislation allowing both retail and online sports wagering. The first legal bets were placed in Iowa in August 2019, making it one of the earlier states to capitalize on the Supreme Court’s 2018 decision to lift the federal ban on sports betting. Illinois followed shortly after, with a gaming expansion bill into law in June 2019. Illinois retail and online sportsbooks launched their first legal bets in March 2020. Since then, both states have seen significant adoption and growth in their sports betting markets, with Illinois quickly becoming one of the largest markets in the U.S. due to its large population and major sports franchises. All of the competitive casinos have sportsbooks. In 2023, based on data from the IRGC and the Illinois Gaming Board, the net revenues for the majority of the competitive commercial retail sportsbooks (9 out of 16) ranged from approximately \$300,000 to \$800,000. These revenues are significantly lower than those generated through online wagering but are still viewed as a positive addition to brick-and-mortar casinos, enhancing the overall experience and contributing to other types of casino gambling.

## 6. Gaming Market Analysis

### 6.1 Market Area

Generally speaking, for mature gaming markets that are well-established with multiple area and regional casinos like the one in which the Proposed Cedar Rapids Casino would operate, the primary market for a gaming facility is defined as those who live within 100 miles of a casino. Therefore, based on our analysis, the Proposed Cedar Rapids Casino's market area is defined as a 100-mile radius, which encompasses a drive time of up to a roughly 2½ hours. The market area is further segmented to those who live within 25 miles of the Proposed Cedar Rapids Casino, 25 to 50 miles, and 50 to 100 miles. The defined market is illustrated in Figure 9.

**Figure 9**  
**Proposed Cedar Rapids Casino Market Area**



Source: Google Maps and Meister Economic Consulting.

### 6.2 Gravity Model

Our gaming revenue and competitive impact forecasts are based on our proprietary gravity model, which not only helps assess the strength of competing casinos but also provides valuable insights into how the market may respond to changes in competitive dynamics. The

model we have developed allows us to analyze changes that could involve the introduction of new casinos, expansions of gaming capacity or other changes at existing casinos, regulatory adjustments that permit new games or alter wagering limits, or enhancements made to an existing casino to improve its attractiveness to patrons.

At the core of our model is the relationship between an individual's proximity to a casino and their expected spending. Generally, the closer the distance, the higher the anticipated total gaming expenditure. This spatial relationship forms the foundation of gravity modeling, a widely accepted standard for analyzing local and regional casino markets.

Our gravity model also integrates a range of other important variables to refine the analysis. These factors include the size of the casinos, measured by the number of gaming positions and square footage, and attraction elements such as the presence of hotels, food and beverage (F&B) options, and other recreational amenities. The quality of management and the overall condition of the property are also critical considerations in our model, as these elements can significantly influence a casino's ability to draw and retain customers.

With our extensive experience in producing gaming market studies, revenue forecasts, and competitive impacts, we have amassed a comprehensive proprietary data set on casino customers. This data includes key information such as the number of patrons enrolled in a casino's loyalty program by zip code and the gaming revenue contributions from each. Other data provide further detail, such as the frequency of customer visits, enabling us to calculate average gaming spend per trip. Through a detailed study of these data sets over time, we have developed a deep understanding of how the distance between individuals and casinos affects their likelihood of gambling, the number of visits they will make, and their expenditure during each trip, and how each of these metrics may be impacted by other property-specific variables. By analyzing gaming spend as a percentage of income, we account for variations in disposable income across different zip codes, further refining our revenue and competitive impact forecasts.

The outcome of our detailed analysis is a generalized relationship between distance and gaming revenue, divided into three key metrics: distance versus participation, distance versus number of trips, and distance versus revenue per trip. Our proprietary gravity model synthesizes these relationships to project gaming revenue for any given casino at the zip code level, with gaming spending calculated as a percentage of income. Additionally, by working with zip code data, we incorporate demographic and economic factors that may influence gaming revenue and competitive impact projections. To ensure the accuracy of our forecasts, the gravity model incorporates projections for future economic and demographic trends. By integrating these forward-looking variables, such as population growth, income levels, and regional economic

conditions, the model delivers more precise and reliable revenue predictions that reflect both current and anticipated market dynamics.

Moreover, the model factors in drive times between casino sites and population centers—represented by zip code tabulation areas. This approach, combined with the analysis of key attraction factors such as the size and offerings of each property, allows us to provide more precise forecasts, taking into account not just proximity but the full spectrum of variables that impact customer decisions and gaming revenue.

In conducting this assessment, the performance of the competitive commercial casinos in both Illinois and Iowa has been analyzed extensively and incorporated into the model. Furthermore, we have the benefit of having reviewed and incorporated historical financial performance and players club data for Meskwaki Bingo Casino Hotel, one of the largest and most well-established casinos in the region, to provide critical insights into the local market dynamics.

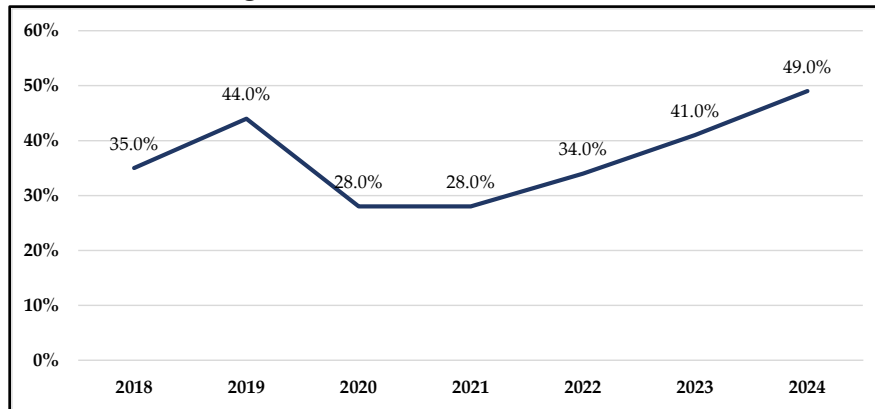
### **6.3 Key Model Assumptions**

The use of the gravity model requires key estimates and assumptions regarding the propensity to gamble, frequency of visitation, and win per patron. These variables, which inherently vary by zip code based on a variety of factors, then allow us to determine estimated capture rates and revenues for any given casino. Discussions of these variables are provided in the following paragraphs.

#### **6.3.1 Propensity to Gamble**

The propensity to gamble represents the percentage of individuals within an area that will visit the casino at least one time in a 12-month period. Traditionally, the closer a patron is to a casino, the higher the propensity to gamble. Conversely, the further away from the casino, the lower the propensity to gamble. Based on annual surveys conducted by the American Gaming Association (AGA) that provide insights to American's attitudes on casino gaming, the percentage of adults who visit casinos in the United States has showed an upward trend in recent years, as shown in Figure 10.

**Figure 10**  
**Percentage of U.S. Adults That Visited a Casino**



Source: American Gaming Association.

It is important to note that while a significant percentage of U.S. adults visit casinos—whether for gambling or other activities—most do engage in gambling during their visits. However, the actual propensity to gamble is somewhat lower than the visitation rates reported by the AGA since some of those visitors are not gambling.

For the purposes of this analysis, based on the research conducted and data analyzed, we have estimated the gambling propensity within the market area to range from 22% to 44%, depending on the characteristics of each zip code. These propensity rates are assigned to individual zip codes based on both economic and demographic factors, as well as the relationship to and specific attributes of the casino gaming options available in each area.

### 6.3.2 Gaming Frequency

The frequency of gaming visitation represents the average number of trips that individuals within the market area will make to gamble at a casino on an annual basis. Traditionally, the closer a patron is to the casino, the higher the gaming frequency of the patron. Conversely, the further away from the casino, the lower the number of visits per patron. According to the most current available data from the American Gaming Association, the average number of annual casino visits nationwide was 8.9.

For the purposes of this analysis, based on the research conducted and data analyzed, we have estimated gaming frequency rates within the market area to range from 5 to 14 trips, depending on the characteristics of each zip code. These gaming frequency rates are assigned to individual zip codes based on both economic and demographic factors, as well as the relationship to and specific attributes of the casino gaming options available in each area.

### 6.3.3 Win Per Visit

Win per visit represents the average win to the casino from each patron visit. We analyzed a variety of sources to derive this number. These included the performance and growth trends of

the win per visit at competitive Iowa and Illinois casinos, especially Meskwaki Bingo, Casino Hotel, for which we had players club data, as well as comparable markets nationally. For purposes of this analysis, based on the research conducted and data analyzed, we have estimated an overall win per visit for the market area to be \$111 during 2027, the first year of operation for the Proposed Cedar Rapids Casino. The win per visit applied to individuals within any given zip code was estimated to range from approximately \$68 to \$170, depending on the characteristics of each zip code. These win per visit estimates are assigned to individual zip codes based primarily on income levels.

### 6.3.4 Out-of-Area Visitors

In addition to the defined market area, the Proposed Cedar Rapids Casino will generate visitation and revenues from out-of-area visitors, which includes those patrons travelling from outside of a 100-mile radius for the sole purposes of coming to the new casino and other visitors to the Cedar Rapids area who visit and gamble at the Proposed Cedar Rapids Casino as an added trip experience. These estimates, which are detailed in Table 32, are based on previously presented tourism data for the area and the performance of casinos in comparable markets.

### 6.4 Gaming Revenue Estimate

Based on the previous assumptions and gravity methodology set forth above, it is estimated that the Proposed Cedar Rapids Casino will generate approximately \$106.5 million in gross gaming revenue during 2027, the first year of operation. This estimate is detailed in Table 32.

**Table 32**

Potential Gaming Revenue for Proposed Cedar Rapids Casino in 2027								
	Estimated 2027 Adult Population Aged 21-85 (1)	Estimated Casino Gaming Propensity	Total Casino Gaming Participants (1)	Estimated Gaming Frequency	Estimated Win per Visit	Total Estimated Market Potential (1)	Estimated Cedar Rapids Penetration	Estimated Cedar Rapids Gaming Revenue (1)
0 to 25 Miles	287,500	36.5%	104,900	11.1	\$114	\$132,469,000	52.9%	\$70,070,000
25 to 50 Miles	264,500	35.3%	93,400	10.6	\$99	\$98,195,000	7.8%	\$7,612,000
50 to 100 Miles	1,312,000	34.6%	454,100	10.2	\$109	\$493,790,000	3.7%	\$18,424,000
Subtotal	1,864,000	35.00%	652,400	10.0	\$111	\$724,454,000	13.3%	\$96,106,000
Out-of-Market/Visitors	2,000,000	15.00%	300,000	1.0	\$115	\$34,500,000	30%	\$10,350,000
<b>Total</b>								<b>\$106,456,000</b>

(1) - Reflects rounding to the nearest thousand.

Source: Meister Economic Consulting.

Typically, there is a period of time required for a new casino to reach full market absorption and stabilization. In the casino industry, a typical stabilization period is around two to three years. Various factors can influence this timeline, including the maturity of the market, strategies employed by existing casinos to fend off new competition, and the competitive positioning of the new casino, among others. We have estimated that the total gaming revenue



for the proposed Cedar Rapids Casino will increase by 5.5% in its second year of operation (2028), followed by a stabilized growth rate of 2.0% in its third year (2029) and beyond.

## **6.5 Competitive Impact Estimates**

Based on our gravity modeling and associated analyses, the introduction of the Proposed Cedar Rapids Casino is expected to have significant competitive impacts within the market, as detailed in this section.

### **6.5.1 Scope of Impacts**

In assessing the potential impact of the Proposed Cedar Rapids Casino, it is reasonable to assume that its influence will almost exclusively affect gaming revenues at other casinos in the region, rather than their non-gaming revenue streams or the revenue streams of local area businesses. The Proposed Cedar Rapids Casino will be positioned as a gaming-focused establishment without hotel accommodations, which suggests that its primary draw will be customers interested in gambling rather than those seeking a comprehensive resort experience.

The Proposed Cedar Rapids Casino is planned to include multiple restaurants. However, the dining experience at a casino is often closely tied to the primary purpose of the visit, which is gaming, and is typically more convenient for patrons already onsite. This dynamic suggests that demand for the restaurants at the Proposed Cedar Rapids Casino is largely induced by the casino's gaming activities rather than drawing from local dining demand. In other words, patrons who choose to eat at a casino restaurant likely would not have visited a local restaurant had they not already been planning a trip to the casino. Moreover, the Proposed Cedar Rapids Casino will draw more visitors to the area, which can serve to increase demand for area restaurants in some instances. Lastly, the redistribution of gaming patrons from other regional competitive casinos to the Proposed Cedar Rapids Casino would have a negligible impact to the bottom line of food and beverage at competitive casinos, given the food and beverage operations of the types of casinos in this market typically operate with low profit margins. This induced demand concept can also be applied to other ancillary draws, such as entertainment and event spaces.

### **6.5.2 Overview and Approach**

In order to quantify the impact on other competitive casinos in the regional market area, we projected future market growth and revenues for existing casinos, both with and without the introduction of the Proposed Cedar Rapids Casino. These analyses also incorporated the limited potential additions and changes to supply as previously set forth in Section 5 of this report.

Based on experience in comparable markets, the new casino would grow market revenues by increasing both the propensity to gamble and frequency of casino visits within the market area it would serve, especially amongst population bases for which the Proposed Cedar Rapids Casino provides a much more proximate gaming destination than the existing competitive casinos. However, the Iowa gaming market is mature and well-established, so the extent to which new demand may be induced is limited in comparison to markets that are less saturated. The gaming market potential for the area is not infinite, and the Proposed Cedar Rapids Casino would generate a significant portion of its revenues at the expense of other existing casinos. In fact, our estimates show that this cannibalization would contribute to over half of the gaming revenues forecasted to be generated by the Proposed Cedar Rapids Casino.

For this analysis, we evaluated the anticipated impact assuming that the Proposed Cedar Rapids Casino will commence operations in 2027. During its first one to two years, the casino is expected to experience a ramp-up period, during which time it will gradually build market presence and work to fully penetrate the local gaming market. As a new entrant in a region with numerous established casinos, the Proposed Cedar Rapids Casino will need time to develop a player database and drive awareness through targeted marketing and promotional efforts. This period will be essential for cultivating customer loyalty and positioning itself as a compelling alternative to existing gaming options.

Additionally, a portion of the initial demand during this ramp-up period is expected to come from patrons who are curious to explore the new property. While these visitors may make an initial trip or two to experience the new casino, many are likely to revert to their usual casino of choice once they have satisfied their curiosity. Therefore, the competitive impact estimates presented later in this section are based on projected performance in 2029, the third year of operation, by which time the casino's market share and customer behavior are expected to reach a point of stabilization, offering a clearer picture of its long-term impact on the regional market.

### **6.5.3 Competitive Positioning**

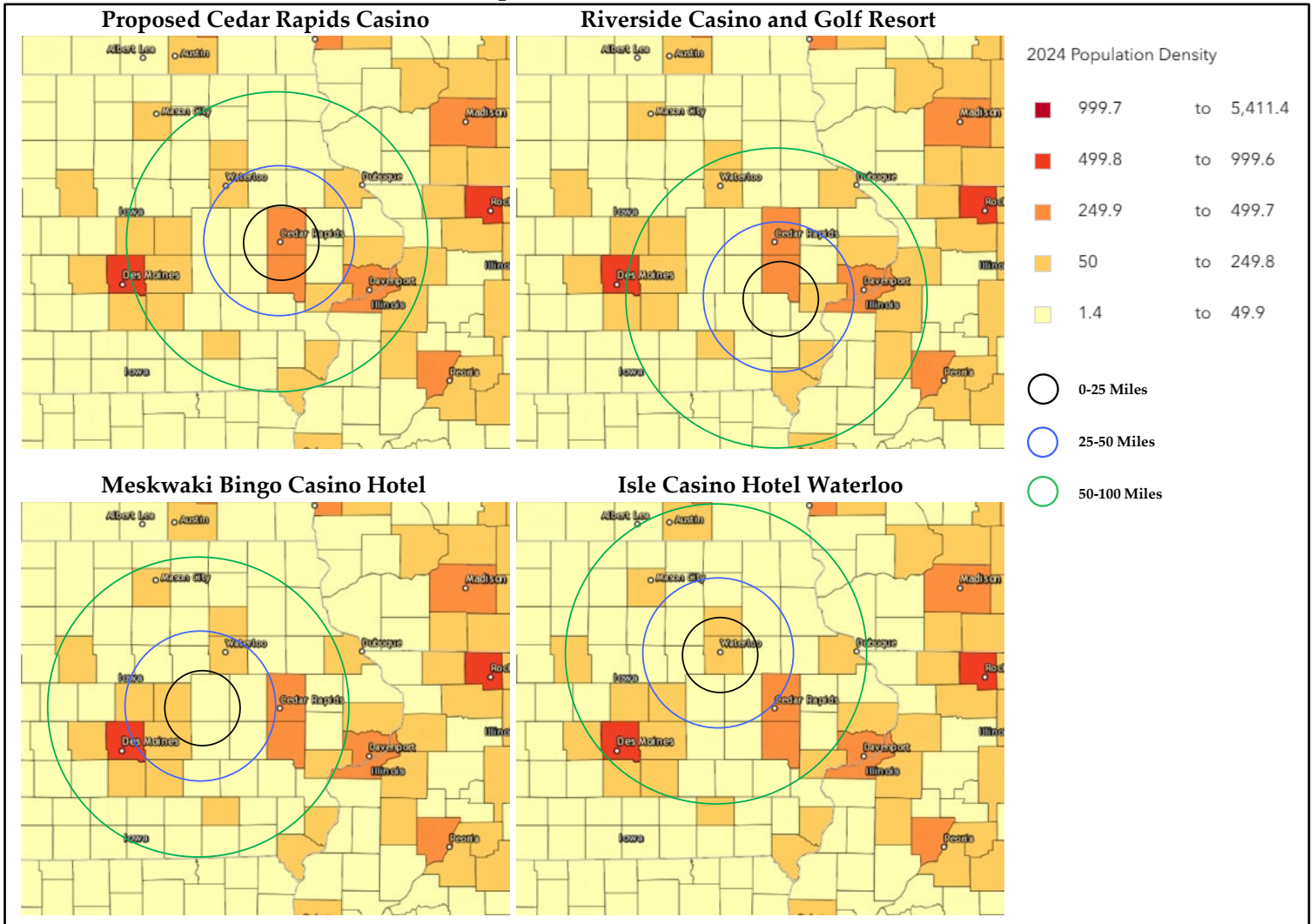
The introduction of a new casino in Cedar Rapids is expected to have a considerable impact on the revenue of nearby casinos, with the Riverside Casino and Golf Resort in Riverside, Meskwaki Bingo Casino Hotel in Tama, and Isle Casino Hotel in Waterloo being the most affected. These three properties are within a manageable driving distance from Cedar Rapids and will likely experience significant customer migration due to the convenience factor. Other area casinos are likely to be impacted but to a far lesser extent.

The Proposed Cedar Rapids Casino will have several geographic and demographic advantages over its competitors, making it well-positioned to capture demand within the market. Specifically, it is centrally located in a relatively populous region with significant urban and suburban communities. Its location provides easy access to the following key markets:

- **Linn County and Cedar Rapids Residents:** Cedar Rapids, being the second-largest city in Iowa, has a population of nearly 140,000, with Linn County as a whole exceeding 230,000. Currently, these residents have to travel to Riverside, Tama, Waterloo, or even further to access a casino. By positioning a casino in Cedar Rapids, the new property will serve as the most convenient option for residents who are seeking local entertainment options. The proximity advantage is likely to attract casual gamers and residents looking for a shorter and more accessible casino experience.
- **Johnson County and Iowa City:** Johnson County, home to the University of Iowa and the City of Iowa City, is a significant demographic with over 150,000 residents. Although Riverside is relatively close, Cedar Rapids is a larger metropolitan area and could appeal to those seeking more extensive entertainment options beyond gaming. As such, the Proposed Cedar Rapids Casino may become a preferred option for younger patrons and those interested in a broader range of activities that can be paired with a casino visit, such as shopping, dining, and nightlife.
- **Surrounding Rural Areas:** The Proposed Cedar Rapids Casino would also provide a more proximate alternative to several neighboring counties, such as Benton, Jones, and Delaware. A casino in Cedar Rapids would effectively expand the gaming radius, providing a more accessible option for residents of these rural areas. These regions are less densely populated, but a portion of residents may be willing to make the shorter commute, and more frequently, to Cedar Rapids rather than traveling farther afield, potentially increasing visitation from these areas.
- **Tourist and Visitor Capture:** Cedar Rapids is a commercial hub in eastern Iowa and frequently attracts visitors for business and events. A local casino could capture incremental revenue from tourists and business travelers who otherwise may not make a specific trip to a more distant casino. At the same time, some of the tourists or business travelers to the Cedar Rapids area would have visited a more distant casino but would choose the more proximate alternative in the Proposed Cedar Rapids Casino.

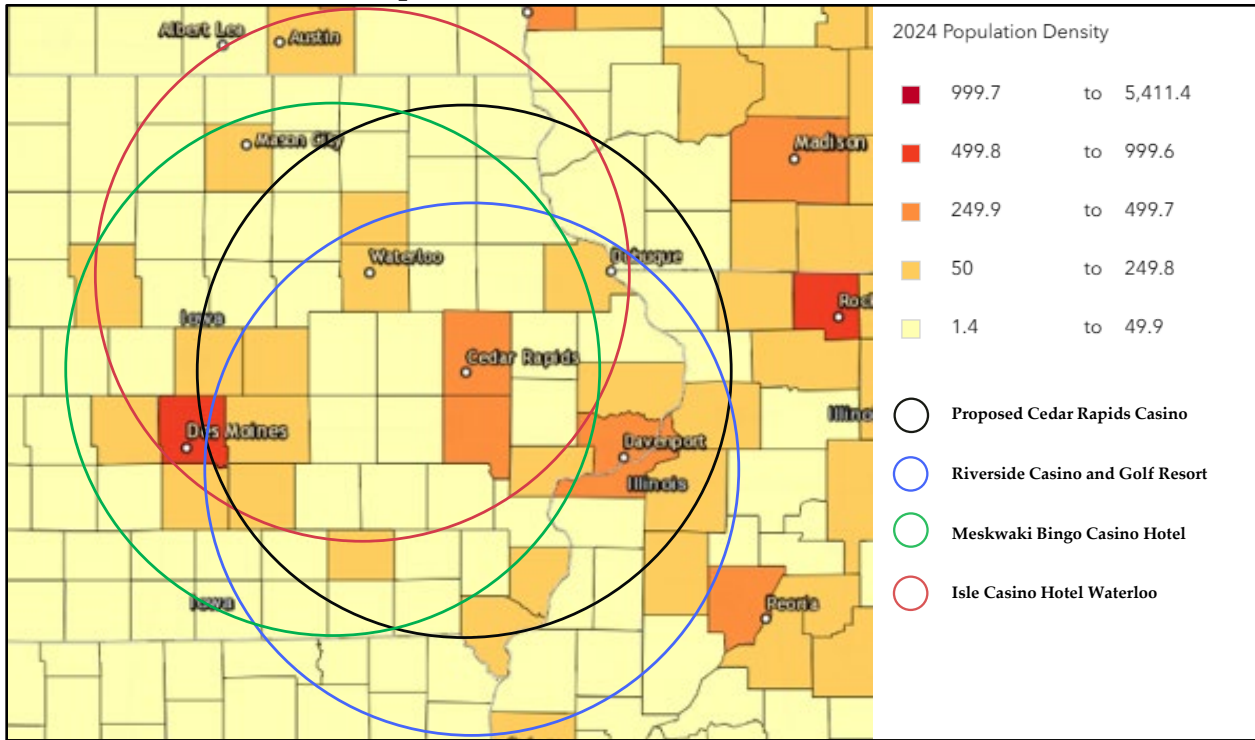
The series of maps included in Figure 11 illustrate the market areas for the Proposed Cedar Rapids Casino, along with those for its three nearest competitors that would be the most impacted. Additionally, the map included in Figure 12 shows the overlap of the market areas (100-mile radius) for each of these casinos. As can be seen, there is significant market overlap.

**Figure 11**  
**Comparison of Casino Market Areas**



Source: Esri and Meister Economic Consulting.

**Figure 12**  
**Overlap of Casino Market Areas (100-Mile Radii)**



Source: Esri and Meister Economic Consulting.

### 6.5.4 Gross Gaming Revenue Impacts

The results of our modeling and associated analyses show that the Proposed Cedar Rapids Casino will likely generate more of its revenue from a redistribution of gaming revenue in the market rather than an expansion of the total market size, leading to significantly intensified competition among regional casinos. We estimate that in a stabilized year of operations (starting in 2029, the third year of operations), the Proposed Cedar Rapids Casino will generate approximately 42% of its gross gaming revenue through market growth attributable to unmet demand and induced gaming activity in the regional market (i.e., higher casino visitation rates and frequency of trips), with the other 58% coming from cannibalization of business from existing competitive casinos. In 2029, this correlates to approximately \$66.4 million being generated by the Proposed Cedar Rapids Casino coming at the expense of existing competitive casinos.

As shown in Table 33, the most significant impact is estimated to occur at the Riverside Casino and Golf Resort, for which we estimated a reduction in gross gaming revenue of \$26.6 million, followed by Meskwaki Bingo Casino Hotel (\$16.6 million), and Isle Casino Hotel Waterloo (\$13.3 million). An additional reduction of \$9.9 million is estimated to be spread amongst the other competitive casinos as previously defined, most of which are located in Iowa.

**Table 33**

<b>Competitive Impact Estimates</b>		
<b>Reduction in Gross Gaming Revenues from the Proposed Cedar Rapids Casino</b>		
<b>Stabilized Year of Operations (2029)</b>		
<b>Property</b>	<b>Gaming Revenue Impact</b>	<b>% of Proposed Cedar Rapids Casino Revenue</b>
Riverside Casino and Golf Resort	\$26,578,000	23.2%
Meskwaki Bingo Casino Hotel	\$16,632,000	14.5%
Isle Casino Hotel Waterloo	\$13,288,000	11.6%
Other Competitive Casinos	\$9,945,000	8.7%
<b>Total</b>	<b>\$66,443,000</b>	<b>58.0%</b>

*Source: Meister Economic Consulting.*

These gaming revenue impacts, especially those at Riverside Casino and Golf Resort, Meskwaki Bingo Casino Hotel, and Isle Casino Hotel Waterloo will have other corresponding impacts as well. While not quantified as part of this study, reductions in gaming revenues of these magnitudes will result in a variety of negative economic impacts spanning direct and indirect and induced spending in local economies, along with job creation, fiscal impacts, and reductions in funding available for reinvestment and other programs supported by the profits of these casinos.



## 7. Projections for Proposed Cedar Rapids Casino

This section provides financial projections for the operating performance of the Proposed Cedar Rapids Casino, assuming commencement of operations on January 1, 2027, and includes the programming depicted in Table 34.

**Table 34**

Programming for Proposed Cedar Rapids Casino	
▪	700 gaming devices
▪	22 table games
▪	Retail sportsbook
▪	1,500-capacity entertainment venue
▪	5 food and beverage outlets

Source: P2E.

### 7.1 Departmental Revenues

The following paragraphs summarize departmental revenues and key underlying assumptions.

#### 7.1.1 Gaming Revenue

The estimated annual gaming revenue for the Proposed Cedar Rapids Casino is set forth in Table 35. Note that gaming revenue is the aggregate amount wagered by patrons minus aggregate payouts and prizes. Additionally, it should be noted that the % of total gross revenue figures are reflective of gaming and non-gaming revenues. These estimates are based on the analysis set forth in Section 6 of this report. The breakdown of gaming revenue by source was estimated based on the planned gaming offerings for the Proposed Cedar Rapids Casino, its competitive positioning, and historical performance trends of competitive casinos. Gaming revenue is estimated to increase by 5.5% during the second year of operation and increase at an annual rate of 2% thereafter. Total gaming revenue is estimated to be approximately \$106.5 million during the first year of operation (2027), increasing to nearly \$119.2 million in the fifth year of operation (2031).

**Table 35**

Estimated Gross Gaming Revenue Proposed Cedar Rapids Casino					
Year	Gaming Devices	Table Games	Retail Sportsbook	Total	% of Total Gross Revenue
2027	\$95,278,000	\$10,646,000	\$532,000	\$106,456,000	89.3%
2028	\$100,518,000	\$11,232,000	\$561,000	\$112,311,000	89.6%
2029	\$102,528,000	\$11,457,000	\$572,000	\$114,557,000	89.5%
2030	\$104,579,000	\$11,686,000	\$583,000	\$116,848,000	89.5%
2031	\$106,671,000	\$11,920,000	\$595,000	\$119,186,000	89.4%

Source: Meister Economic Consulting.



### 7.1.2 Food and Beverage Revenue

Food and beverage revenue estimates are based upon the development scope set forth in Section 2 of this report. The food and beverage estimates were also developed based on anticipated visitation levels to the Proposed Cedar Rapids Casino and incorporated a bottom-up approach whereby we estimated the number of covers and average check. In preparing these estimates, we relied upon our industry experience in food and beverage development/operations and the actual performance of similarly sized casinos, both regionally and nationally.

As shown in Table 36, food and beverage revenue is estimated to be approximately \$9.6 million in the first year of operation (2027), increasing to \$10.6 million in the fifth year of operation (2031). These estimates assume inflationary increases in the average check of 2.5% annually.

**Table 36**

Estimated Food and Beverage Revenue Proposed Cedar Rapids Casino		
Year	Food and Beverage Revenue	% of Total Gross Revenue
2027	\$9,581,000	8.0%
2028	\$9,821,000	7.8%
2029	\$10,067,000	7.9%
2030	\$10,319,000	7.9%
2031	\$10,577,000	7.9%

*Source: Meister Economic Consulting.*

### 7.1.3 Other Revenue

Other revenue includes net revenues from events and entertainment, fees collected from ATM machines, rental revenue, and other miscellaneous revenue. These estimates are based on the expected level of visitation to the Proposed Cedar Rapids Casino and the performance of comparable properties. As illustrated in Table 37, other revenue is estimated to be \$3.2 million during the first year of operation (2027), increasing to over \$3.5 million in the fifth year of operation (2031).

**Table 37**

Estimated Other Revenue Proposed Cedar Rapids Casino		
Year	Other Revenue	% of Total Gross Revenue
2027	\$3,194,000	2.7%
2028	\$3,273,850	2.6%
2029	\$3,355,696	2.6%
2030	\$3,439,589	2.6%
2031	\$3,525,578	2.6%

*Source: Meister Economic Consulting.*

## 7.2 Departmental Expenses

The following paragraphs summarize departmental expenses and key underlying assumptions.

### 7.2.1 Promotional Allowances

Promotional allowances consist of various expenses associated with the issuance of free play, goods, and services to gaming patrons. The primary factor impacting the issuance of promotional allowances is typically the level of play by gaming patrons. Promotional allowances may also be issued in efforts to resolve complaints or service issues with gaming patrons. Specific promotional allowances typically fall into the following basic categories:

- Coupon redemption and free play programs;
- Promotions and tournaments;
- Complimentary food; and
- Other complimentary property services and amenities, as well as comped room nights at area hotels.

Based on the operating performance of comparable venues and competitive casinos in the defined gaming market, promotional allowances typically range from 5.0% to 12.0% of total gaming revenue. It is anticipated that promotional allowances at the Proposed Cedar Rapids Casino will be towards the higher end of the aforementioned range given the fact that it will operate in a well-established and highly competitive market. It is anticipated that promotional allowances will be 10.5% of total gaming revenue throughout the projection period. Based on the assumptions, Table 38 shows promotional allowances estimated to be approximately \$11.2 million during the first year of operation (2027), increasing to over \$12.5 million during the fifth year of operation (2031).

**Table 38**

Estimated Promotional Allowances Proposed Cedar Rapids Casino			
Year	Gaming Revenue	As a % of Gaming Revenue	Promotional Allowances
2027	\$106,456,000	10.5%	\$11,178,000
2028	\$112,311,000	10.5%	\$11,793,000
2029	\$114,557,000	10.5%	\$12,028,000
2030	\$116,848,000	10.5%	\$12,269,000
2031	\$119,186,000	10.5%	\$12,515,000

Source: Meister Economic Consulting.

### 7.2.2 Gaming Expenses

Gaming expenses include payroll, benefits and related expenses, fees and licenses, operating supplies, and other gaming department expenses. Based on the operating performance of comparable venues, departmental gaming expenses at the Proposed Cedar Rapids Casino are estimated to be 31.5% of gaming revenue throughout the projection period. The estimates assume that gaming devices will be purchased rather than leased, and the labor costs reflect that all table games are staffed, rather than electronic table games (ETGs). Table 39 estimates gaming expenses to be approximately \$33.5 million during the first year of operation (2027), increasing to roughly \$37.5 million in the fifth year of operation (2031).

**Table 39**

Estimated Gaming Expenses Proposed Cedar Rapids Casino			
Year	Gaming Revenue	As a % of Gaming Revenue	Gaming Expenses
2027	\$106,456,000	31.5%	\$33,534,000
2028	\$112,311,000	31.5%	\$35,378,000
2029	\$114,557,000	31.5%	\$36,085,000
2030	\$116,848,000	31.5%	\$36,807,000
2031	\$119,186,000	31.5%	\$37,544,000

Source: Meister Economic Consulting.

### 7.2.3 Food and Beverage Expenses

Food and beverage expenses include cost of sales, payroll and related expenses, china, glassware, silver, linens, contracted cleaning, operating supplies, and other expenses related to the operation of the food and beverage department.

Based on the operating performance of comparable venues, it is anticipated that food and beverage expenses at the Proposed Cedar Rapids Casino will be 95% of food and beverage

revenue in the first year of operation, decreasing to and stabilizing at 90% in the second year of operation for the remainder of the projection period. Based on the assumptions, Table 40 estimates food and beverage expenses to be approximately \$9.1 million during the first year of operation, increasing to over \$9.5 million in the fifth year of operation. It is important to note that while these estimates are conservative in nature, it is common for casino food and beverage operations to operate with low margins as many operators see these offerings primarily as a way to enhance the overall guest experience and encourage longer stays, rather than as a primary profit center.

**Table 40**

Estimated Food and Beverage Expenses Proposed Cedar Rapids Casino			
Year	Food and Beverage Revenue	As a % of Food and Beverage Revenue	Food and Beverage Expenses
2027	\$9,581,000	95.0%	\$9,102,000
2028	\$9,821,000	90.0%	\$8,839,000
2029	\$10,067,000	90.0%	\$9,060,000
2030	\$10,319,000	90.0%	\$9,287,000
2031	\$10,577,000	90.0%	\$9,519,000

Source: Meister Economic Consulting.

#### 7.2.4 Other Expenses

Other expenses include event and entertainment expenses, miscellaneous payroll expenses and operating supplies, cost of merchandise, administration fees associated with ATM and vending machines, and other miscellaneous expenses.

Based on the operating performance of comparable venues, other expenses at the Proposed Cedar Rapids Casino are estimated to be 75.0% of other revenue throughout the estimation period. Based on the assumptions, Table 41 estimates other expenses to be \$2.4 million during the first year of operation (2027), increasing to \$2.6 million in the fifth year of operation (2031).

**Table 41**

Estimated Other Expenses Proposed Cedar Rapids Casino			
Year	Other Revenue	As a % of Other Revenue	Other Expenses
2027	\$3,194,000	75.0%	\$2,396,000
2028	\$3,273,850	75.0%	\$2,455,000
2029	\$3,355,696	75.0%	\$2,517,000
2030	\$3,439,589	75.0%	\$2,580,000
2031	\$3,525,578	75.0%	\$2,644,000

Source: Meister Economic Consulting.

### 7.3 Undistributed Operating Expenses

As discussed below, undistributed operating expenses include administrative and general expenses, marketing expenses, and property operations and maintenance expenses. As the property matures and achieves operational efficiencies, various undistributed operating expenses will decline, while others will remain stable or even increase.

#### 7.3.1 Administrative and General Expenses

Administrative and general expenses include administrative, general payroll and related expenses, credit card commissions, bad debt expenses, employee benefits, operating supplies, professional fees, liability insurance, and other expenses.

Based on the operating performance of comparable venues, administrative and general expenses at the Proposed Cedar Rapids Casino are estimated to be 11.0% of total revenue throughout the projection period. Table 42 estimates administrative and general expenses to be approximately \$13.1 million in the first year of operation (2027), increasing to nearly \$14.7 million in the fifth year of operation (2031).

**Table 42**

Estimated Administrative and General Expenses Proposed Cedar Rapids Casino			
Year	Total Revenue	As a % of Total Revenue	Administrative and General Expenses
2027	\$119,231,000	11.0%	\$13,115,000
2028	\$125,405,850	11.0%	\$13,795,000
2029	\$127,979,696	11.0%	\$14,078,000
2030	\$130,606,589	11.0%	\$14,367,000
2031	\$133,288,578	11.0%	\$14,662,000

Source: Meister Economic Consulting.



### 7.3.2 Marketing Expenses

Marketing expenses include marketing payroll and related expenses, contracted marketing services, fees and commissions, and other marketing related expenses.

Marketing expenses at the Proposed Cedar Rapids Casino are based upon the gaming market dynamics and the competitive operations that have well-established patron bases. It is estimated that marketing expenses will represent 10.0% of total revenue in the first year of operation, 9.0% during the second year, and decrease to a stabilized level of 8.0% in the third year for the remainder of the projection period. Based on these assumptions, Table 43 estimates marketing expenses to be approximately \$11.9 million during the first year of operation (2027) and nearly \$10.7 million in the fifth year of operation (2031).

**Table 43**

Estimated Marketing Expenses Proposed Cedar Rapids Casino			
Year	Total Revenue	As a % of Total Revenue	Marketing Expenses
2027	\$119,231,000	10.0%	\$11,923,000
2028	\$125,405,850	9.0%	\$11,287,000
2029	\$127,979,696	8.0%	\$10,238,000
2030	\$130,606,589	8.0%	\$10,449,000
2031	\$133,288,578	8.0%	\$10,663,000

*Source: Meister Economic Consulting.*

### 7.3.3 Property Operations and Maintenance Expenses

Property operations and maintenance expenses include payroll and related expenses, building supplies, engineering supplies, grounds and landscaping, preventative maintenance programs, and other related expenses.

During the initial years of operation, property operations and maintenance expenses are moderately lower than in later years as the equipment is generally covered by manufacturer's warranties and maintenance expenses are relatively minor. Based on the performance of comparable venues, it is estimated that property operations and maintenance expenses at the Proposed Cedar Rapids Casino will represent 1.8% of total revenue during the first year of operation before increasing to 2.1% of total revenue later in the projection period. As shown in Table 44, property operations and maintenance expenses are estimated to be approximately \$2.1 million during the first year of operation (2027), increasing to \$2.8 million in the fifth year of operation (2031).

**Table 44**

Estimated Property Operations and Maintenance Expenses Proposed Cedar Rapids Casino			
Year	Total Revenue	As a % of Total Revenue	Property Operations and Maintenance Expenses
2027	\$119,231,000	1.8%	\$2,146,000
2028	\$125,405,850	1.9%	\$2,383,000
2029	\$127,979,696	2.0%	\$2,560,000
2030	\$130,606,589	2.1%	\$2,743,000
2031	\$133,288,578	2.1%	\$2,799,000

Source: Meister Economic Consulting.

## 7.4 Fixed Expenses

As discussed below, fixed expenses includes utilities, property insurance, and gaming taxes.

### 7.4.1 Utilities Expenses

Utilities expenses, which are estimated to be 1.7% of total revenue throughout the projection period, include the cost of electricity, gas, water, and trash collection for the property. Based on the operating performance of comparable venues and regional dynamics for the market in which the Proposed Cedar Rapids Casino will operate, utilities expenses are estimated to be approximately \$2.0 million during the first year of operation (2027), increasing to nearly \$2.3 million in the fifth year of operation (2031). These estimates are shown in Table 45.

**Table 45**

Estimated Utilities Expenses Proposed Cedar Rapids Casino			
Year	Total Revenue	As a % of Total Revenue	Utilities Expenses
2027	\$119,231,000	1.7%	\$2,027,000
2028	\$125,405,850	1.7%	\$2,132,000
2029	\$127,979,696	1.7%	\$2,176,000
2030	\$130,606,589	1.7%	\$2,220,000
2031	\$133,288,578	1.7%	\$2,266,000

Source: Meister Economic Consulting.

### 7.4.2 Property Insurance

Property insurance, which is based on the performance of comparable casinos, regional trends, and the planned development scope and costs of the Proposed Cedar Rapids Casino, is estimated to be 0.7% of total revenue throughout the projection period. This includes the cost of

insuring the buildings and contents of the Proposed Cedar Rapids Casino against damage or destruction by fire, weather, sprinkler leakage, or other causes. Property insurance does not include liability coverage, which is included in the administrative and general expenses. Based on these assumptions, as shown in Table 46, property insurance expenses are estimated to be \$835,000 during the first year of operation (2027), increasing to \$933,000 during the fifth year of operation (2031).

**Table 46**

Estimated Property Insurance Expenses Proposed Cedar Rapids Casino			
Year	Estimated Total Revenue	As a % of Total Revenue	Estimated Property Insurance Expenses
2027	\$119,231,000	0.7%	\$835,000
2028	\$125,405,850	0.7%	\$878,000
2029	\$127,979,696	0.7%	\$896,000
2030	\$130,606,589	0.7%	\$914,000
2031	\$133,288,578	0.7%	\$933,000

*Source: Meister Economic Consulting.*

### 7.4.3 Gaming Taxes

In Iowa, casino gaming taxes are imposed by the Iowa Department of Revenue, which administers state taxes on gaming revenue from licensed commercial casinos. Iowa’s gaming tax structure involves multiple tiers. Under current law, the first \$1.0 million in AGR, which excludes sportsbook revenue, is taxed at a rate of 5.0%, and the next \$2.0 million in AGR is taxed at a rate of 10.0%. For commercial casinos without a racetrack enclosure, AGR over \$3.0 million is taxed at a rate of 22.0%. At present, the AGR utilized for tax assessments is inclusive of promotional play receipts. However, Iowa Senate Bill 169 amended legislation to provide for a complete phase out of taxes on promotional play receipts in FY 2025. Retail sportsbook revenue is taxed at a flat rate of 6.75%. It should be noted that recently proposed legislation aims to gradually decrease the top tax rate for casinos from 22% to 19% over the next few years, but given the uncertainty as to whether or not this legislation will be enacted, we have applied the current tax rates to the estimated gaming revenues for the Proposed Cedar Rapids Casino, but have adjusted for deductions of estimates of promotional play receipts.

As shown in Table 47, and based upon the aforementioned assumptions, gaming taxes at the Proposed Cedar Rapids Casino are estimated to be approximately \$21.1 million during the first year of operation (2027) and \$23.7 million during the fifth year of operation (2031). In addition to these statutory taxes, the Proposed Cedar Rapids Casino plans to allocate 8.0% of its AGR, less promotional play receipts, to support a wide array of local initiatives and non-profit

organizations. However, given the non-statutory nature of this planned allocation and the components that are typically prepared in this type of pro forma, we have not included it.

**Table 47**

<b>Estimated Gaming Taxes Proposed Cedar Rapids Casino</b>			
<b>Year</b>	<b>Estimated Taxable Gaming Revenue</b>	<b>As a % of Total Gaming Revenue</b>	<b>Estimated Gaming Taxes</b>
2027	\$97,558,000	21.6%	\$21,089,000
2028	\$102,924,000	21.6%	\$22,271,000
2029	\$104,982,000	21.6%	\$22,725,000
2030	\$107,082,000	21.7%	\$23,187,000
2031	\$109,224,000	21.7%	\$23,659,000

Source: Meister Economic Consulting.

## 7.5 EBITDA

Based on all the foregoing estimated revenue and expenses and performance at other comparable casinos, earnings before interest, taxes, depreciation, and amortization (EBITDA) at the Proposed Cedar Rapids Casino is estimated to be 30.1% of total revenue in the first year of operation, adjusting to 32.2% in the fifth year. As shown in Table 48, EBITDA is estimated to be approximately \$35.8 million during the first year of operation (2027), increasing to over \$42.9 million during the fifth of operation. As previously noted, these estimates do not include any local payments beyond casino gaming taxes that are imposed by the Iowa Department of Revenue. Additionally, a reserve for replacement, while typically advisable for casino developments, has not been included. Decisions regarding this type of account are typically driven by ownership's strategic intentions and discretionary asset management practices, which are not available to us at this time.

**Table 48**

<b>Estimated EBITDA Proposed Cedar Rapids Casino</b>			
<b>Year</b>	<b>Total Revenue</b>	<b>As a % of Total Revenue</b>	<b>EBITDA</b>
2027	\$119,231,000	30.1%	\$35,837,000
2028	\$125,405,850	31.5%	\$39,475,850
2029	\$127,979,696	32.4%	\$41,413,696
2030	\$130,606,589	32.2%	\$42,104,589
2031	\$133,288,578	32.2%	\$42,942,578

Source: Meister Economic Consulting.

Set forth in Table 49 is a full financial pro forma for the Proposed Cedar Rapids Casino for its first five years of operation, 2027 through 2031.

**Table 49**

Proposed Cedar Rapids Casino Financial Pro Forma Estimate										
Period Ending	2027	%	2028	%	2029	%	2030	%	2031	%
<b>Assumptions</b>										
Number of Gaming Devices	700		700		700		700		700	
Average Daily Win per Gaming Device	\$373		\$392		\$401		\$409		\$417	
Number of Table Games	22		22		22		22		22	
Average Daily Win per Table Game	\$1,326		\$1,395		\$1,427		\$1,455		\$1,484	
<b>Gaming Revenue</b>										
Gaming Device Revenue	95,278,000	89.5%	100,518,000	89.5%	102,528,000	89.5%	104,579,000	89.5%	106,671,000	89.5%
Table Game Revenue	10,646,000	10.0%	11,232,000	10.0%	11,457,000	10.0%	11,686,000	10.0%	11,920,000	10.0%
Retail Sportsbook	532,000	0.5%	561,000	0.5%	572,000	0.5%	583,000	0.5%	595,000	0.5%
<b>Gross Gaming Revenue</b>	<b>\$106,456,000</b>	<b>100.0%</b>	<b>\$112,311,000</b>	<b>100.0%</b>	<b>\$114,557,000</b>	<b>100.0%</b>	<b>\$116,848,000</b>	<b>100.0%</b>	<b>\$119,186,000</b>	<b>100.0%</b>
<b>Gaming Departmental Expenses</b>										
Promotional Allowances	11,178,000	10.5%	11,793,000	10.5%	12,028,000	10.5%	12,269,000	10.5%	12,515,000	10.5%
Gaming Expenses	33,534,000	31.5%	35,378,000	31.5%	36,085,000	31.5%	36,807,000	31.5%	37,544,000	31.5%
<b>Total Gaming Expenses</b>	<b>\$44,712,000</b>	<b>42.0%</b>	<b>\$47,171,000</b>	<b>42.0%</b>	<b>\$48,113,000</b>	<b>42.0%</b>	<b>\$49,076,000</b>	<b>42.0%</b>	<b>\$50,059,000</b>	<b>42.0%</b>
<b>Total Gaming Profit</b>	<b>\$61,744,000</b>	<b>58.0%</b>	<b>\$65,140,000</b>	<b>58.0%</b>	<b>\$66,444,000</b>	<b>58.0%</b>	<b>\$67,772,000</b>	<b>58.0%</b>	<b>\$69,127,000</b>	<b>58.0%</b>
<b>Ancillary Revenue</b>										
Food and Beverage	9,581,000	75.0%	9,821,000	75.0%	10,067,000	75.0%	10,319,000	75.0%	10,577,000	75.0%
Other Operating Departments	3,194,000	25.0%	3,273,850	25.0%	3,355,696	25.0%	3,439,589	25.0%	3,525,578	25.0%
<b>Total Ancillary Revenue</b>	<b>\$12,775,000</b>	<b>100.0%</b>	<b>\$13,094,850</b>	<b>100.0%</b>	<b>\$13,422,696</b>	<b>100.0%</b>	<b>\$13,758,589</b>	<b>100.0%</b>	<b>\$14,102,578</b>	<b>100.0%</b>
<b>Ancillary Departmental Expenses</b>										
Food and Beverage	9,102,000	95.0%	8,839,000	90.0%	9,060,000	90.0%	9,287,000	90.0%	9,519,000	90.0%
Other Departments	2,396,000	75.0%	2,455,000	75.0%	2,517,000	75.0%	2,580,000	75.0%	2,644,000	75.0%
<b>Total Departmental Expenses</b>	<b>\$11,498,000</b>	<b>90.0%</b>	<b>\$11,294,000</b>	<b>86.2%</b>	<b>\$11,577,000</b>	<b>86.2%</b>	<b>\$11,867,000</b>	<b>86.3%</b>	<b>\$12,163,000</b>	<b>86.2%</b>
<b>Undistributed Expenses</b>										
Administrative & General	13,115,000	11.0%	13,795,000	11.0%	14,078,000	11.0%	14,367,000	11.0%	14,662,000	11.0%
Marketing	11,923,000	10.0%	11,287,000	9.0%	10,238,000	8.0%	10,449,000	8.0%	10,663,000	8.0%
Property Operations & Maintenance	2,146,000	1.8%	2,383,000	1.9%	2,560,000	2.0%	2,743,000	2.1%	2,799,000	2.1%
<b>Total Undistributed Expense</b>	<b>\$27,184,000</b>	<b>22.8%</b>	<b>\$27,465,000</b>	<b>21.9%</b>	<b>\$26,876,000</b>	<b>21.0%</b>	<b>\$27,559,000</b>	<b>21.1%</b>	<b>\$28,124,000</b>	<b>21.1%</b>
<b>Fixed Expenses</b>										
Utilities	\$2,027,000	1.7%	\$2,132,000	1.7%	\$2,176,000	1.7%	\$2,220,000	1.7%	\$2,266,000	1.7%
Property Insurance	\$835,000	0.7%	\$878,000	0.7%	\$896,000	0.7%	\$914,000	0.7%	\$933,000	0.7%
Gaming Taxes	\$21,089,000	17.7%	\$22,271,000	17.8%	\$22,725,000	17.8%	\$23,187,000	17.8%	\$23,659,000	17.8%
<b>Total Fixed Expense</b>	<b>23,951,000</b>	<b>20.1%</b>	<b>25,281,000</b>	<b>20.2%</b>	<b>25,797,000</b>	<b>20.2%</b>	<b>26,321,000</b>	<b>20.2%</b>	<b>26,858,000</b>	<b>20.2%</b>
<b>EBITDA</b>	<b>\$35,837,000</b>	<b>30.1%</b>	<b>\$39,475,850</b>	<b>31.5%</b>	<b>\$41,413,696</b>	<b>32.4%</b>	<b>\$42,104,589</b>	<b>32.2%</b>	<b>\$42,942,578</b>	<b>32.2%</b>

Source: Meister Economic Consulting.