

# IOWA GAMING MARKET ANALYSIS

## December 2024

*Marquette Advisors File #24022*



**Prepared for:**



**Iowa Racing & Gaming Commission**  
c/o Ms. Tina M. Eick, Administrator  
6200 Park Avenue, Suite 100  
Des Moines, IA 50321

**Prepared by:**



**Minneapolis Office:** 60 South 6th Street, Suite 2800, Minneapolis, MN 55402  
Phone: 612-335-8888; Fax: 612-334-3022  
**Seattle Office:** 2723 California Avenue SW, Seattle, WA 98116  
Phone: 425-392-7482; Fax: 425-392-7330  
**New York Office:** 1460 Broadway, New York, NY 10036  
Phone: 646-868-8025; Fax: 612-334-3022



December 22, 2024

Ms. Tina M. Eick  
Administrator  
**Iowa Racing and Gaming Commission**  
6200 Park Avenue, Suite 100  
Des Moines, IA 50321

**R.E.: Iowa Gaming Market Analysis – December 2024**

Dear Ms. Eick:

Marquette Advisors is pleased to present the accompanying report entitled: "*Iowa Gaming Market Analysis – December 2024.*" This report presents an analysis of Iowa casino gaming market conditions and evaluates the potential performance and market impact of the proposed Cedar Crossing Casino & Entertainment Center in Cedar Rapids, IA.

Our conclusions are based on information developed from research of the market, a review of market statistics and property casino operations data, our knowledge of the industry and meetings with market participants during which we were provided with significant information. The sources of information and the basis of our estimates and assumptions are stated in the body of this report. This information and supporting documentation was assumed to be accurate and no attempt at independent verification was made. We have no responsibility to update this report for events and circumstances occurring after the conclusion of our fieldwork, which is concurrent with the report date.

The casino utilization and revenue projections presented in this report are based on estimates and assumptions developed in connection with our market study. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our projections and the variations may be material. Further, we are not responsible for future alteration of facilities and marketing efforts and other management actions upon which actual casino results will depend.

**Marquette Advisors Offices:**

**Minneapolis Office:** 60 South 6th Street, Suite 2800, Minneapolis, MN 55402

Phone: 612-335-8888; Fax: 612-334-3022

**Seattle Office:** 2723 California Avenue SW, Seattle, WA 98116

Phone: 425-392-7482; Fax: 425-392-7330

**New York Office:** 1460 Broadway, New York, NY 10036

Phone: 646-868-8025; Fax: 612-334-3022

Ms. Tina M. Eick, Administrator  
**Iowa Racing and Gaming Commission**  
Page ii

We greatly appreciate the opportunity to be of service to the Commission and remain available to answer any questions you might have regarding our work, or if additional analysis and/or advisory services are required.

Best Regards,

**MARQUETTE ADVISORS**

*Marquette Advisors*

# SUMMARY OF FINDINGS

|                                   | Baseline Forecast |                 | Adjusted (w/Cedar Crossing) |
|-----------------------------------|-------------------|-----------------|-----------------------------|
|                                   | FY 2024           | FY 2029         | FY 2029                     |
| Statewide AGR (Gross)             | \$1,723,510,544   | \$1,662,022,747 | \$1,726,184,174             |
| Statewide AGR (Net of Free Play)  | N/A               | \$1,531,828,746 | \$1,581,164,977             |
| % of AGR from Iowa Residents      | 54%               | 56%             | 57%                         |
| IA Gaming Tax                     | \$363,981,350     | \$336,640,316   | \$346,990,948               |
| Cedar Crossing Casino AGR (Gross) |                   |                 | \$118,100,000               |
| AGR Net of Free Play              |                   |                 | \$106,290,000               |
| Gaming Tax                        |                   |                 | \$22,973,800                |
| <u>Cannibalization (AGR)</u>      |                   |                 |                             |
| Riverside                         |                   |                 | -\$34,000,000               |
| Isle-Waterloo                     |                   |                 | -\$8,800,000                |
| Meskwaki                          |                   |                 | -\$14,100,000               |
| Other Casinos                     |                   |                 | <u>-\$11,100,000</u>        |
| Total                             |                   |                 | -\$68,000,000               |

Marquette Advisors is pleased to present our analysis of casino market conditions in Iowa. Our research was completed between September and December of 2024. The primary objectives of this engagement have been to inform the IRGC with respect to the state of the commercial casino gaming market, key trends with respect to the supply of and demand for casino gaming facilities, and the potential performance and market impact of a new casino proposed for Cedar Rapids (Linn County), Iowa.

The following are key takeaways from our analysis and a summary of our conclusions.

- Iowa is a slow-growth market.** Population growth is generally focused in urban areas, especially the Des Moines metro area market, as well as Omaha-Council Bluffs to the west. With modest population and income growth anticipated for Iowa, we expect gaming revenues going forward will fluctuate based on economic conditions, also influenced by marketing initiatives and property investment by casino operators.
- Casinos in Iowa experienced a robust recovery following the COVID pandemic** in 2020. Growth from FY2020 into FY 2023 correlated with pent-up casino gaming demand initially, as well as government stimulus payments which contributed to excess savings growth (which has since cycled through the economy) and a strong Iowa farm economy and personal income growth during this period. FY 2024 Iowa casino AGR remained 18.3% higher than five years ago at just over \$1.723 billion.

## SUMMARY OF FINDINGS

- **However, most Iowa casinos began to see erosion of AGR beginning in 2023, with that trend continuing today.** Statewide AGR declined by 2.4% over two years from FY 2022-FY 2024. Through the first four months of FY 2025, AGR was -2.5% yr-over-yr.
- **Recent declines in casino revenue correlate with stress in the economy.** In an inflationary environment, consumer belt tightening has contributed to decreases in discretionary spending, including expenditures on leisure activities and entertainment, including casino gaming. Meanwhile, the Ag economy in Iowa has turned negative, with net farm income down by nearly 50% over two years. This has also precipitated a downturn in related manufacturing and production – major layoffs by John Deere and Tyson Foods are the most notable examples. Economists indicate farm income will likely decline further in 2025. All economists are pointing to the cyclical nature of the Ag economy and are confident in a recovery, perhaps 2-3 years on the horizon – however, there is much more disagreement with respect to the timing and velocity of that recovery.
- **Iowa is a mature market. With casinos spread across the state, casino gaming is a well-established industry, and most Iowans can reach one or more casinos within a relatively short drive.** As such, individual casino markets are relatively tight. A review of casino player statistics indicates that **63% of Iowa casino AGR comes from customers originating from within a 45-minute drive.**
- **Projected Cedar Crossing Casino Performance** -- We find that the proposed Cedar Crossing Casino & Entertainment Center is attractively designed and well located, such that we expect it will be successful in drawing large numbers of Iowa gamblers, especially “locals” along with smaller numbers from the broader region and tourists. We expect this development would prompt an increase in per-capita gaming participation and expenditure rates in the area, particularly in Linn & Johnson Counties and to a lesser extent adjacent counties. We expect the new casino would become the dominant gaming facility with respect to the Linn County (Cedar Rapids) market and will be very competitive with respect to other nearby markets, especially Johnson County (Iowa City). Cedar Crossing is projected to generate FY 2029 AGR (gross) of approximately \$118.1 million, and about \$106.3 million net of free play.
- **Market Impact** – With the addition of Cedar Crossing, IA commercial casino revenues are expected to grow by approximately \$64 million. The increase in IA gaming tax is projected at approximately \$10.4 million. Cannibalization is estimated at approximately \$68 million from other casinos in the region, including \$54 million from IA commercial casinos and \$14 million from the Meskwaki Tribe’s nearby casino. The most significant impact is expected at Riverside, where AGR is estimated to decline by nearly \$34 million (-26% in FY 2029). The revenue decline at Isle-Waterloo is estimated at \$8.8 million (-9.6%). More modest cannibalization is anticipated at other casinos in central and eastern Iowa.

# IOWA GAMING MARKET ANALYSIS

|                                   |        |
|-----------------------------------|--------|
| Letter of Transmittal             | i-ii   |
| Summary of Findings & Conclusions | iii-iv |

## TABLE OF CONTENTS

|   | <u>PAGE</u> |
|---|-------------|
| <b><u>INTRODUCTION</u></b>                                    |             |
| STUDY IMPETUS .....   | 1           |
| SCOPE OF SERVICES .....                                       | 1           |
| PROPOSED CEDAR CROSSING CASINO & ENTERTAINMENT CENTER .....   | 2           |
| <b><u>DEMOGRAPHICS &amp; ECONOMY</u></b>                      |             |
| GAMING DEMAND INDICATORS .....                                | 6           |
| POPULATION & INCOME GROWTH TRENDS.....                        | 9           |
| THE IOWA ECONOMY .....  | 15          |
| KEY POINTS: DEMOGRAPHICS & ECONOMY .....                      | 20          |
| <b><u>IOWA CASINO MARKET CONDITIONS</u></b>                   |             |
| IOWA CASINO SUPPLY .....                                      | 22          |
| CASINO VISITATION & REVENUE TRENDS.....                       | 27          |
| CASINO AGR VS KEY ECONOMIC INDICATORS.....                    | 30          |
| DECLINING CASNIO GAMING PARTICIPATION RATES.....              | 32          |
| CASINO SPENDING AS % OF PERSONAL INCOME .....                 | 35          |
| VARIANCE IN CASINO AVERAGE WIN-PER-UNIT PER DAY .....         | 37          |
| IOWA CASINOS DRAW MOSTLY “LOCAL” CUSTOMERS.....               | 37          |
| SUBMARKET AND INDIVIDUAL CASINO PERFORMANCE .....             | 38          |
| KEY POINTS: IOWA CASINO MARKET CONDITIONS .....               | 64          |
| <b><u>IOWA GAMING MARKET FORECAST</u></b>                     |             |
| INTRODUCTION .....  | 67          |
| BASELINE FORECAST -- FY 2029 .....                            | 69          |
| ADJUSTED FORECAST – FY 2029 – WITH CEDAR CROSSING CASION..... | 74          |
| ECONOMIC IMPACT .....   | 79          |
| PHILANTHROPIC IMPACTS .....                                   | 80          |
| <b><u>ADDENDA</u></b>   |             |
| Profile of Marquette Advisors                                 |             |

# **INTRODUCTION**

## **STUDY IMPETUS**

A development entity comprised of Peninsula Pacific Entertainment (“P2E”) and the Cedar Rapids Development Group (“CRDG”), collectively referred to herein as the “Development Team” has recently submitted an application to the Iowa Racing & Gaming Commission (“IRGC”) to construct a new casino and entertainment complex in Cedar Rapids, IA (Linn County). The proposal, known as the “Cedar Crossing Casino & Entertainment Center” calls for the construction of a new casino with approximately 700 gaming machines and 22 table games, supported by a range of food & beverage concepts and amenities, including a 1,500-seat events center. An arts & cultural center and STEM lab are also planned. Accordingly, IRGC retained Marquette Advisors to provide an analysis of Iowa gaming market conditions and to evaluate the Cedar Crossing proposal, specifically. **The primary objectives of this assignment are as follows:**

- 1) Assess the current and projected market environment, providing baseline projections of future revenue (AGR) for Iowa’s 19 existing commercial casinos,
- 2) Develop projections of annual visitation and revenue (AGR) for the proposed Cedar Crossing Casino,
- 3) Estimate the impact of the Cedar Crossing Casino upon visitation and AGR at existing casinos in Iowa (“cannibalization”), as well as the net impact on statewide casino gaming taxes, and
- 4) Opine on the net economic impact of such a development and the potential impact of the new casino upon philanthropic investment activity by non-profit partner organizations in Iowa.

## **SCOPE OF SERVICES**

Our approach to this engagement and the research findings reported herein are summarized as follows:

- As part of our analysis process, we have visited all of Iowa’s commercial casinos, as well as key competitors in neighboring states. We’ve had conversations with casino operators and marketing professionals regarding trends in the market, potential growth, the impact of local and regional economic development activity (and economic stress, as relevant), and the anticipated impact of casino gaming expansion, both in Linn County and neighboring states.
- We have evaluated underlying local and regional market demography and economic conditions and the impact of these trends upon casino gaming activity in Iowa.



- Importantly, we have evaluated detailed casino customer data provided by Iowa casino operators. This information delineates annual casinos visitor counts and gaming revenue by point of origin (by zip code). Casino operators provided this information on a voluntary basis with the agreement that this property-specific information would be held in confidence.
- We have also considered the impact of recent, ongoing and planned property improvements at all Iowa casinos, and have similarly assessed the impact of casino expansion in Nebraska upon Council Bluffs casinos, and casino additions in Illinois and Wisconsin upon casinos in eastern Iowa.
- We've developed full projections of future gaming market potential and individual facility performance (admissions and AGR) forecasts for each of Iowa's commercial casinos. Also provided is a forecast of in-state and out-of-state patronage and revenues at each casino, and for the State as a whole.
- We have evaluated the Cedar Crossing proposal for Linn County and have developed estimates of admissions and AGR for the complex based on its size, quality level and amenity base, locational factors, and a review of local and regional market growth indicators. Also provided is an analysis of the economic impact of such a facility, notably in terms of job creation, and the related impact upon philanthropic investment activity by partner non-profit organizations.
- Importantly, in evaluating the Cedar Crossing proposal, we have also measured the potential redistribution of casino gaming market share (i.e. "cannibalization" impact upon existing casino operations in Iowa), in terms of customer admissions and gaming revenues. We've also quantified the net impact of this development upon gaming taxes collected by the State of Iowa.

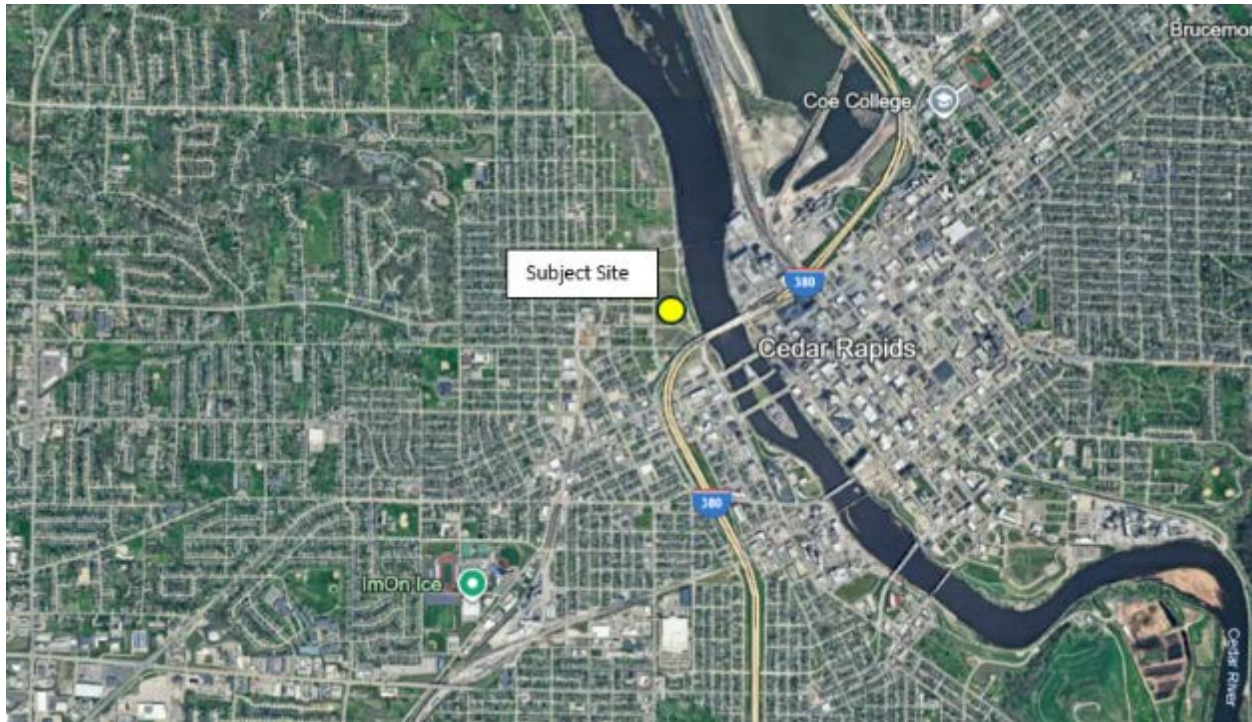
## **PROPOSED CEDAR CROSSING CASINO & ENTERTAINMENT CENTER**

Marquette Advisors has reviewed the Linn County proposal in its entirety, as well as the market study which accompanied the proposal. We also visited the proposed development site on multiple occasions in the Fall of 2024 and have considered the qualities of the site and surrounding neighborhood environment in contemplating the potential performance of a new casino at this location. The following is a summary of the development proposal's key elements:

### **Location**

- Former "Cooper's Mill" site – located at F Avenue NW & 1<sup>st</sup> Street NW at the western edge of downtown Cedar Rapids
- Proximity to Cedar River and easterly views of downtown Cedar Rapids

- High visibility from I-380. The site is accessible from I-380 via exit 20A from the north or 19C from the south of the site.



### **Project Components**

- \$275 million project budget
- 45,000 sf of casino gaming space, including 700 gaming machines + 22 table games
- Casino shuttle service to/from local hotels and attractions.
- Variety of food & beverage outlets, including a signature restaurant branded by Zach Johnson, local professional champion golfer and former Ryder Cup captain
- Three entertainment stages, including a primary events venue with a capacity for 1,500 guests. Additional amenities include an Arts & Cultural Center and unique STEM Lab.
- The project sponsor has committed to contribute 8% of annual AGR (net of gaming tax) for purposes of philanthropic investment through its designated local non-profit partner the Linn County Gaming Association.
- The project budget indicates the casino will support an estimated 300 on-site employees with \$15.4 million in annual payroll



*Cedar Crossing Casino & Entertainment Center*



*View to the north looking across proposed casino site*

### **Nearby Development Activity – Kingston Yard**

We have also considered ongoing and planned infill and redevelopment activity in the immediate neighborhood. The “Kingston Yard” development is just south of the Cedar Crossing development site near 1<sup>st</sup> Avenue and 1<sup>st</sup> Street. To date, the project has incorporated residential development along with a variety of food & beverage and retail concepts, as well as public green space. The next phase of Kingston Yard is expected to incorporate a 105-room AC by Marriott hotel. Nearby development includes the popular Pickle Palace and Big Grove Brewery & Tap Room. Also nearby is the McGrath Amphitheater, the Downtown Farmer’s Market and access to the Cedar Valley Nature Trails.

# **DEMOGRAPHICS & ECONOMY**

## **DEMOGRAPHICS & ECONOMY**

### **Introduction**

This section of the report provides a review of key drivers of casino gaming demand, including the size of the regional population base, personal income levels, and growth rates with respect to these key variables. We've also researched the Iowa economy, since local and regional growth, personal income, and consumer spending on entertainment & leisure activities such as casino gaming are greatly influenced by economic conditions.

### **Gaming Demand Indicators**

The amount of casino gaming demand that exists in a market is a function of the following major factors:

- Adult population base
- Personal income levels
- Quantity casino gaming facilities
- The size and attractiveness of those facilities
- Proximity and convenience of gaming facilities to the population base
- The variety and quality of entertainment alternatives within the market which effectively compete with casino gaming for an area's discretionary spending on these activities

In evaluating the potential performance of a gaming market as a whole or a specific casino such as that proposed for Linn County, each of these factors must be weighed in relation to the particular characteristics of the market. The relevance of each of these factors is discussed in greater detail below.

**Population:** The most fundamental economic factor affecting casino performance is the number of people in the market, specifically the number of adults of gaming age. Although the correlation is not necessarily direct, the population base in the surrounding region is a major determinant of the number of gaming devices and tables an area can support. **Iowa's age 21+ population base is estimated at 2.36 million in 2024.** Based on our market study, we estimate that **Iowa adults accounted for approximately 11.2 million casino visits in FY 2024.** This includes visits to Iowa's 19 commercial casinos, as well as the state's tribal casinos and nearby casinos in neighboring states. Thus we can calculate a current "participation rate" of approximately **4.8 casino visits per year among Iowa adults.** This participation rate varies significantly based on the various factors discussed herein. With a projected annual growth rate of only about 0.6% over the next five years, we would not anticipate that population growth will stimulate a significant increase in casino gaming demand during this time.

**Income:** The importance of personal income levels comes as a supplement to the population base by determining the total pool of dollars available to be spent on discretionary activities, including casino gaming. Another way of examining that pool of dollars is to look at growth in personal incomes in a market. Based upon statistics from ESRI Business Information Solutions, a nationally recognized econometric forecasting firm, **total personal income in Iowa is estimated at \$130.3 billion in 2024**, and is projected to grow by about 3.5% annually over the next five years. From our market analysis, which included a review of customer expenditures by point of origin furnished by Iowa casino operators, we estimate that Iowa residents account for about \$1.067 billion in total casino gaming expenditures (both in-state and at border casinos in adjacent states). As such, it appears that **Iowa's adult residents spent approximately 0.82% of their incomes at these casinos in FY 2024.**

**Quantity of gaming facilities:** The number of casinos and gaming devices present in a market in relation to the population base available is a major determinant of the popularity of casino gaming, the regularity with which a local population base visits the area's casino or casinos, and the portion of their annual income spent on casino gaming. In most local markets where multiple casinos exist, the local population has a tendency to participate in casino gaming with greater regularity, due to the convenience. However, as a market begins to approach equilibrium between the supply of gaming positions and the gaming demand available within that market, each additional casino expansion or new addition has an increasingly larger dilutive effect on the overall market. **From our analysis, with 19 commercial casinos + four tribal casinos spread across the state with additional facilities sited in adjacent states, we believe the majority of Iowa's casinos have reached maximum market penetration.** The state's most recent casino additions (such as Wild Rose Casino in Jefferson and Grand Falls in Larchwood), as well as other facility improvements and the replacement of riverboats with land-based facilities (such as Rhythm City and Isle-Bettendorf), have had a positive impact on gaming participation rates within the regional population base (varying by location), while also prompting a redistribution of casino trips and revenues among competing facilities. Similarly, recent property improvements and a hotel addition at Q Casino in Dubuque and the transition to a new land-based facility by Casino Queen in Marquette are expected to have a similar impact – with a modest increase in local participation and a redistribution of market share.

**Quality and range of amenities:** A casino that features onsite lodging and other amenities, in addition to an overall high quality gaming environment can entice the area population to visit more frequently and also encourage people to travel a greater distance, thereby increasing the casino's market share and possibly increasing the size of the area's gaming pool. Las Vegas is an extreme example of a market which has developed a large concentration of gaming facilities and amenities, supported by large hotels. As such, Las Vegas attracts casino guests from around the world. Most of Iowa's casinos now incorporate a significant on-site hotel. These hotels allow for the casino to market to customers residing a greater distance from the property. Hotels also function

as an important marketing tool, as both local and “destination” gamblers are provided an opportunity to extend their stay, increasing their time and expenditure rate within the casino. Thus casinos often provide hotel rooms at a reduced rate, or on a complimentary basis as part of their player rewards programming. Hotel comps are usually focused on top tier players. Meanwhile, restaurants often assist a casino in attracting more frequent visits from a local or regional population base, especially since many casino customers combine a meal with their casino visit. A casino with high quality and varied food & beverage offerings can gain a significant advantage over another nearby casino with fewer or lesser quality dining options and service. Events such as concerts and other forms of entertainment also provide opportunities for a casino to expose its’ facilities to both locals and regional customer segments on a regular basis.

**Proximity and convenience of gaming facilities:** Related to the quantity of gaming facilities relative to the population base is the proximity and convenience factor which influences casino gaming demand. People are more likely to visit a casino that is close to their home. With the development of 19 commercial casinos and four tribal casinos throughout the State, most Iowans now have multiple casinos available to them within a relatively short driving distance. An effect of this is that, despite the addition of non-gaming amenities and hotels, most casinos in Iowa now draw from relatively small geographic area. In fact, most Iowa casinos attract the majority of their customers from within a 30 to 45-minute drive.

**Variety and quality of entertainment alternatives:** A population’s propensity to participate in casino gaming and their spending allocation is also influenced by the variety and quality of entertainment alternatives available to them. In general, urban populations that have a greater diversity in attractions & events (such as more diversity in restaurants, movies, shopping, sporting events, arts & culture, recreational facilities, and other entertainment alternatives) readily available tend to participate in casino gaming less frequently than do rural populations that do not have as many facilities & activities conveniently available. For example, being Iowa’s largest cities, persons who reside in the Des Moines and Cedar Rapids areas have a more diverse variety of recreational and entertainment options as compared to smaller communities in Iowa. Therefore, gaming participation rates in Polk County and Linn County will remain considerably lower compared to rural communities where casinos exists and there are far fewer entertainment options, such as Palo Alto or Greene Counties.



### **Population & Income Growth Trends: Iowa Gaming Market Area**

For our analysis purposes, Marquette Advisors divided the state of Iowa into four quadrants, including the northwest, southwest, northeast and southeast portions of the state. We reviewed adult population and personal income levels by county, and for each quadrant. As well, we analyzed growth trends for counties within portions of Iowa's neighboring states. The map on the following page illustrates our market segmentation. Based on our review of casino player tracking statistics provided by Iowa casino operators, we have determined that this area provides the vast majority of customer visits to Iowa's 19 commercial casinos.

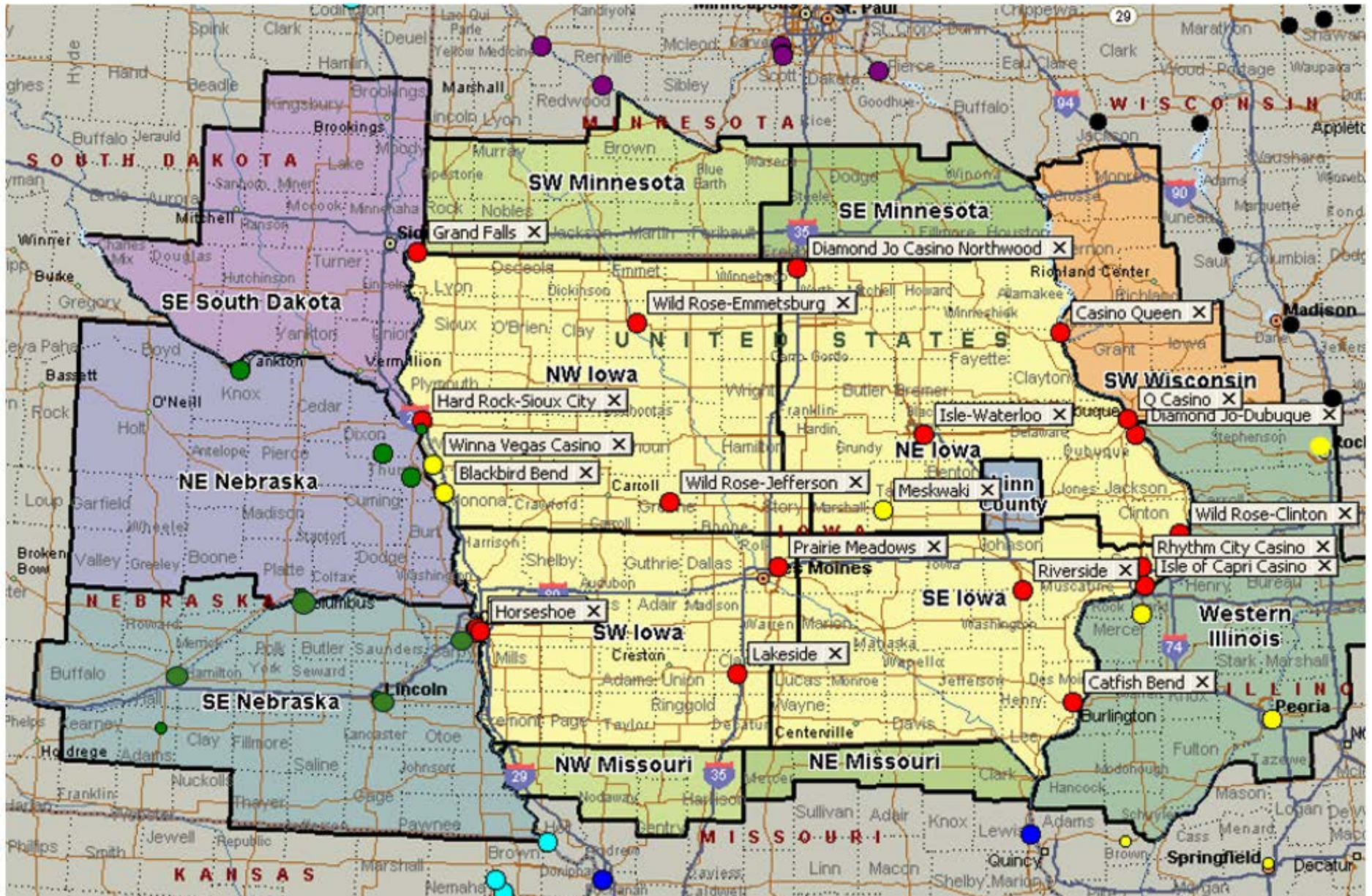
The following are key points from our review of population and income growth data for the region. Demographic data and projections are from ESRI Business Information Solutions, a national econometric forecasting firm.

- Iowa's adult (Age 21+) population base is estimated to comprise 2,359,568 residents in 2024. Our analysis of market and facility statistics indicate that Iowa casinos attract regular visitation also from persons residing within a reasonable driving distance in neighboring states. These areas add an estimated 3,129,638 adults to the Iowa regional gaming market. In total, the age 21+ population residing within the defined regional market area Iowa's casinos is estimated at 5,489,201 adults in 2024.
- Slow growth is expected for most of the state and region over the next five years. Between 2024 & 2029, the defined regional market area is forecast to grow by 164,575 adult residents (age 21+). This equates to 3.0% growth over five years, or an annual growth rate of about 0.6%.
- Within Iowa, the southwest part of the state, which includes Des Moines, is expected to account for just over 55% of the state's adult population growth, growing by 39,600 adults over five years. In fact, while Des Moines is expected to attract new adult population over five years (+72,551 adults, a 14% increase), several counties in SW Iowa are expected to see declines. As such, the Des Moines adult population growth over five years at +72,551 actually exceeds the expected net growth for the SW quadrant of the state at +39,600 adults, within which Des Moines is located.
- As we look at the other metro areas, the Omaha-Council Bluffs market is also expected to see considerable growth, adding 60,590 adult residents (+8.9%) over five years. Meanwhile, Sioux Falls growth is projected at 39,325 adults (+19.4%) between 2024 & 2029. Five-year growth in Iowa City is projected at 14,355 adults (+11.3%). Cedar Rapids, where the Cedar Crossing Casino is proposed, is predicted to grow by 8,695 adults over five years (+4.3%).



## Competitive Gaming Market: Iowa & Surrounding States

Note: shaded areas as a whole reflect the primary collective draw area for Iowa's commercial casinos



| Population, Household & Income Growth Trends: 2024 2029 |                   |                  |                  |                 |                          |
|---|-------------------|------------------|------------------|-----------------|--------------------------|
| Iowa Casino Market Area                                 |                   |                  |                  |                 |                          |
| Area  | 2024 Demographics |                  |                  |                 |                          |
|   | Total Population  | Age 21+ Pop.     | Households       | Avg HH Income   | Total Income             |
| NE Iowa   | 914,536           | 672,882          | 378,344          | \$95,495        | \$36,130,016,682         |
| SE Iowa   | 762,744           | 561,713          | 310,062          | \$93,897        | \$29,113,758,784         |
| NW Iowa   | 610,321           | 438,858          | 245,114          | \$94,146        | \$23,076,415,422         |
| SW Iowa   | 948,513           | 686,110          | 380,393          | \$110,447       | \$42,013,349,130         |
| <b>Iowa Total</b>                                       | <b>3,236,114</b>  | <b>2,359,563</b> | <b>1,313,913</b> | <b>\$99,195</b> | <b>\$130,333,540,018</b> |
| W Illinois  | 1,005,220         | 758,924          | 422,777          | \$86,887        | \$36,733,679,923         |
| SE Minnesota  | 391,189           | 285,688          | 158,085          | \$108,528       | \$17,156,660,138         |
| SW Minnesota  | 230,632           | 167,860          | 93,547           | \$36,676        | \$8,458,756,910          |
| NE Missouri   | 23,326            | 16,905           | 9,504            | \$75,128        | \$714,012,901            |
| NW Missouri   | 41,945            | 30,375           | 17,277           | \$75,592        | \$1,306,007,261          |
| NE Nebraska   | 260,204           | 185,768          | 101,757          | \$88,135        | \$8,968,337,666          |
| SE Nebraska   | 1,515,136         | 1,081,189        | 595,384          | \$106,480       | \$63,396,657,271         |
| SE South Dakota   | 471,792           | 335,829          | 185,270          | \$101,778       | \$18,856,344,089         |
| SW Wisconsin  | 361,632           | 267,100          | 148,566          | \$90,671        | \$13,470,624,755         |
| <b>Peripheral Markets</b>                               | <b>4,301,076</b>  | <b>3,129,638</b> | <b>1,732,167</b> | <b>\$97,601</b> | <b>\$169,061,080,914</b> |
| <b>Regional Total</b>                                   | <b>7,537,190</b>  | <b>5,489,201</b> | <b>3,046,080</b> | <b>\$98,288</b> | <b>\$299,394,620,932</b> |
| <b>Select Metro Areas</b>                               |                   |                  |                  |                 |                          |
| Des Moines  | 751,652           | 506,536          | 298,973          | \$115,727       | \$34,599,248,371         |
| Omaha-Council Bluffs                                    | 998,882           | 682,746          | 389,355          | \$113,511       | \$44,196,075,405         |
| Quad Cities   | 380,564           | 281,879          | 159,423          | \$91,769        | \$14,630,089,287         |
| Dubuque   | 100,051           | 72,255           | 40,412           | \$104,127       | \$4,207,980,324          |
| Sioux City  | 145,913           | 99,991           | 54,884           | \$95,492        | \$5,240,982,928          |
| Sioux Falls   | 311,500           | 202,886          | 122,443          | \$105,993       | \$12,978,100,899         |
| Waterloo-Cedar Falls                                    | 168,214           | 121,695          | 69,328           | \$91,639        | \$6,353,148,592          |
| Cedar Rapids  | 279,372           | 200,770          | 115,251          | \$102,403       | \$11,802,048,153         |
| Iowa City   | 183,619           | 126,749          | 73,724           | \$104,190       | \$7,681,303,560          |

Source: ESRI Business Information Solutions



| Population, Household & Income Growth Trends: 2024 2029 |                   |                  |                  |                  |                          |
|---|-------------------|------------------|------------------|------------------|--------------------------|
| Iowa Casino Market Area                                 |                   |                  |                  |                  |                          |
| Area  | 2029 Demographics |                  |                  |                  |                          |
|   | Total Population  | Age 21+ Pop.     | Households       | Avg HH Income    | Total Income             |
| NE Iowa   | 911,543           | 682,244          | 381,064          | \$109,299        | \$41,649,974,225         |
| SE Iowa   | 769,248           | 575,803          | 314,419          | \$108,301        | \$34,051,763,368         |
| NW Iowa   | 610,126           | 447,164          | 247,188          | \$107,678        | \$26,616,761,357         |
| SW Iowa   | 986,555           | 725,710          | 398,718          | \$126,756        | \$50,539,811,772         |
| <b>Iowa Total</b>                                       | <b>3,277,472</b>  | <b>2,430,921</b> | <b>1,341,389</b> | <b>\$113,955</b> | <b>\$152,858,310,722</b> |
| W Illinois  | 983,492           | 755,978          | 423,771          | \$98,753         | \$41,848,604,592         |
| SE Minnesota  | 394,294           | 293,558          | 160,430          | \$125,987        | \$20,212,159,699         |
| SW Minnesota  | 238,480           | 176,393          | 96,205           | \$42,121         | \$10,045,069,214         |
| NE Missouri   | 23,064            | 17,048           | 9,504            | \$84,943         | \$807,294,488            |
| NW Missouri   | 41,419            | 30,486           | 17,277           | \$85,849         | \$1,483,209,133          |
| NE Nebraska   | 260,053           | 189,376          | 101,757          | \$100,625        | \$10,239,247,748         |
| SE Nebraska   | 1,551,744         | 1,126,625        | 595,521          | \$123,458        | \$73,522,015,746         |
| SE South Dakota   | 499,750           | 360,916          | 185,270          | \$116,449        | \$21,574,573,111         |
| SW Wisconsin  | 362,331           | 272,475          | 148,566          | \$103,400        | \$15,361,742,954         |
| <b>Peripheral Markets</b>                               | <b>4,354,627</b>  | <b>3,222,855</b> | <b>1,738,301</b> | <b>\$112,233</b> | <b>\$195,093,916,685</b> |
| <b>Regional Total</b>                                   | <b>7,632,099</b>  | <b>5,653,776</b> | <b>3,079,690</b> | <b>\$112,983</b> | <b>\$347,952,227,407</b> |
| <b>Select Metro Areas</b>                               |                   |                  |                  |                  |                          |
| Des Moines  | 791,771           | 579,087          | 317,286          | \$132,614        | \$42,076,565,604         |
| Omaha-Council Bluffs                                    | 1,025,828         | 743,336          | 402,507          | \$131,699        | \$53,009,769,393         |
| Quad Cities   | 379,960           | 282,909          | 160,147          | \$105,125        | \$16,835,453,375         |
| Dubuque   | 100,571           | 74,874           | 40,940           | \$119,403        | \$4,888,358,820          |
| Sioux City  | 147,233           | 105,881          | 55,629           | \$109,762        | \$6,105,950,298          |
| Sioux Falls   | 336,494           | 242,211          | 131,796          | \$122,244        | \$16,111,270,224         |
| Waterloo-Cedar Falls                                    | 167,770           | 123,530          | 69,931           | \$105,432        | \$7,372,965,192          |
| Cedar Rapids  | 280,952           | 209,465          | 117,372          | \$117,307        | \$13,768,557,204         |
| Iowa City   | 191,471           | 141,104          | 77,066           | \$120,372        | \$9,276,588,552          |

Source: ESRI Business Information Solutions

| Population, Household & Income Growth Trends: 2024-2029 |                |             |                         |              |
|---|----------------|-------------|-------------------------|--------------|
| Iowa Casino Market Area                                 |                |             |                         |              |
| 5 Yr Growth (2024-2029)                                 |                |             |                         |              |
| County  | Ag 21+ Pop.    |             | Total Personal Income   |              |
|   | No.            | Pct.        | Amt.                    | Pct.         |
| NE Iowa   | 9,362          | 1.4%        | \$5,519,957,543         | 15.3%        |
| SE Iowa   | 14,090         | 2.5%        | \$4,938,004,584         | 17.0%        |
| NW Iowa   | 8,306          | 1.9%        | \$3,540,345,935         | 15.3%        |
| SW Iowa   | 39,600         | 5.8%        | \$8,526,462,642         | 20.3%        |
| <b>Iowa Total</b>                                       | <b>71,358</b>  | <b>3.0%</b> | <b>\$22,524,770,704</b> | <b>17.3%</b> |
| W Illinois  | -2,946         | -0.4%       | \$5,114,924,669         | 13.9%        |
| SE Minnesota  | 7,870          | 2.8%        | \$3,055,499,561         | 17.8%        |
| SW Minnesota  | 8,533          | 5.1%        | \$1,586,312,304         | 18.8%        |
| NE Missouri   | 143            | 0.8%        | \$93,281,587            | 13.1%        |
| NW Missouri   | 111            | 0.4%        | \$177,201,872           | 13.6%        |
| NE Nebraska   | 3,608          | 1.9%        | \$1,270,910,082         | 14.2%        |
| SE Nebraska   | 45,436         | 4.2%        | \$10,125,358,475        | 16.0%        |
| SE South Dakota   | 25,087         | 7.5%        | \$2,718,229,022         | 14.4%        |
| SW Wisconsin  | 5,375          | 2.0%        | \$1,891,118,199         | 14.0%        |
| <b>Peripheral Markets</b>                               | <b>93,217</b>  | <b>3.0%</b> | <b>\$26,032,835,771</b> | <b>15.4%</b> |
| <b>Regional Total</b>                                   | <b>164,575</b> | <b>3.0%</b> | <b>\$48,557,606,475</b> | <b>16.2%</b> |
| <b>Select Metro Areas</b>                               |                |             |                         |              |
| Des Moines  | 72,551         | 14.3%       | \$7,477,317,233         | 21.6%        |
| Omaha-Council Bluffs                                    | 60,590         | 8.9%        | \$8,813,693,988         | 19.9%        |
| Quad Cities   | 1,030          | 0.4%        | \$2,205,364,088         | 15.1%        |
| Dubuque   | 2,619          | 3.6%        | \$680,378,496           | 16.2%        |
| Sioux City  | 5,890          | 5.9%        | \$864,967,370           | 16.5%        |
| Sioux Falls   | 39,325         | 19.4%       | \$3,133,169,325         | 24.1%        |
| Waterloo-Cedar Falls                                    | 1,835          | 1.5%        | \$1,019,816,600         | 16.1%        |
| Cedar Rapids  | 8,695          | 4.3%        | \$1,966,509,051         | 16.7%        |
| Iowa City   | 14,355         | 11.3%       | \$1,595,284,992         | 20.8%        |

Source: ESRI Business Information Solutions

- According to ESRI, the average household income within the State of Iowa is estimated at \$99,195 in 2024, with a regional average of \$98,288 if we include the relevant portions of neighboring states. Our analysis shows that household income levels are fairly consistent across rural Iowa, while incomes are generally higher in the State's urban areas. The average income in the Des Moines market is the highest among the region's metro areas at \$115,727, followed by Omaha-Council Bluffs at \$113,511. Average household incomes in the region's other metro areas range from \$91,769 in the Quad Cities to \$105,993 in Sioux Falls. The average income in the Cedar Rapids market is estimated at \$102,403 in 2024.
- Income growth is forecast to outpace the population growth rate in the region over five years. ESRI projects that the average household income in the region will increase from an estimated \$98,288 in 2024 to \$112,983 in 2029. If we account for both household growth and income growth, we see that total personal income in the regional market is projected to increase by 16.2% over five years. This equates to an annual average growth rate of about 3.2%.
- To summarize, the regional market area is anticipated to experience slow growth over the next five years, with many rural portions of the market seeing modest declines in population, while urban areas experience growth. The Des Moines, Omaha and Sioux Falls markets are expected to account for most of the region's population growth between 2024 and 2025. As such, we should anticipate that growth casino gaming revenues in these markets will also outpace the balance of the market. The Cedar Rapids market is in focus, due to the proposed new casino in this market – this metro area comprises approximately 280,000 total residents, including 200,000 adults. The adult population here is expected to grow by 8,695 residents (+4.3%) over five years, with total personal income in the market projected to grow by 16.7% during this time.

**The Iowa Economy**

With relatively modest population growth anticipated for Iowa over the next five years, the performance of the state’s casinos is expected to fluctuate based on economic conditions. Therefore, we’ve completed a review of several economic indicators, including statewide and sub-market employment statistics, consumer spending & retail sales trends, as well as the Iowa farm economy.

**Employment by Industry** – The table below shows total employment by industry in Iowa as of 2024 Q2, comparing industry totals and overall statewide employment growth over the past two years. Year-over-year employment growth was estimated at 11,142 jobs (+0.7%) as of mid-2024, with 2-year growth estimated at 30,778 jobs (+1.9%). Over 1 year approximately 45% of the net increase was in the Health Care/Social Assistance sector, while this sector accounts for 35% of the net increase in employment over two years in Iowa. Job growth has slowed in recent months, with several industries posting declines. For example, the Manufacturing sector shed 1,546 jobs over twelve months as of mid-2024. This correlates with a downturn in the Iowa farm economy as many related manufacturing and production businesses have experienced declines.

| Iowa Employment by Industry: 2022-2024 (Q2)    |                  |                  |                  |               |             |               |             |  |
|--|------------------|------------------|------------------|---------------|-------------|---------------|-------------|--|
|  | <u>2022 Q2</u>   | <u>2023 Q2</u>   | <u>2024 Q2</u>   | 1-Yr Change   |             | 2-Yr Change   |             |  |
|  |                  |                  |                  | No.           | Pct.        | No.           | Pct.        |  |
| Health Care & Social Assistance                | 217,349          | 222,978          | 227,989          | 5,011         | 2.2%        | 10,640        | 4.9%        |  |
| Manufacturing                                  | 223,917          | 226,506          | 224,960          | -1,546        | -0.7%       | 1,043         | 0.5%        |  |
| Retail Trade                                   | 175,604          | 173,557          | 173,849          | 292           | 0.2%        | -1,755        | -1.0%       |  |
| Educational Services                           | 151,535          | 153,315          | 154,352          | 1,037         | 0.7%        | 2,817         | 1.9%        |  |
| Accommodation & Food Services                  | 118,512          | 122,937          | 125,109          | 2,172         | 1.8%        | 6,597         | 5.6%        |  |
| Finance & Insurance                            | 94,021           | 93,946           | 92,216           | -1,730        | -1.8%       | -1,805        | -1.9%       |  |
| Construction                                   | 85,072           | 87,579           | 90,002           | 2,423         | 2.8%        | 4,930         | 5.8%        |  |
| Public Administration                          | 68,685           | 70,329           | 71,895           | 1,566         | 2.2%        | 3,210         | 4.7%        |  |
| Transportation & Warehousing                   | 72,713           | 72,351           | 71,723           | -628          | -0.9%       | -990          | -1.4%       |  |
| Wholesale Trade                                | 66,560           | 67,902           | 68,189           | 287           | 0.4%        | 1,629         | 2.4%        |  |
| Admin & Support, Waste Mgmt & Remediation      | 68,775           | 66,601           | 65,155           | -1,446        | -2.2%       | -3,620        | -5.3%       |  |
| Professional, Scientific, & Technical Services | 55,588           | 57,932           | 58,700           | 768           | 1.3%        | 3,112         | 5.6%        |  |
| Other Services                                 | 39,652           | 41,004           | 41,396           | 392           | 1.0%        | 1,744         | 4.4%        |  |
| Management of Companies & Enterprises          | 23,861           | 24,236           | 25,690           | 1,454         | 6.0%        | 1,829         | 7.7%        |  |
| Arts, Entertainment & Recreation               | 22,895           | 23,457           | 24,598           | 1,141         | 4.9%        | 1,703         | 7.4%        |  |
| Ag, Forestry, Fishing & Hunting                | 20,179           | 20,448           | 20,873           | 425           | 2.1%        | 694           | 3.4%        |  |
| Information                                    | 19,408           | 18,954           | 18,293           | -661          | -3.5%       | -1,115        | -5.7%       |  |
| Real Estate                                    | 14,886           | 14,644           | 14,677           | 33            | 0.2%        | -209          | -1.4%       |  |
| Utilities                                      | 7,324            | 7,442            | 7,633            | 191           | 2.6%        | 309           | 4.2%        |  |
| Mining, Quarrying, & Oil & Gas Extraction      | 2,249            | 2,303            | 2,264            | -39           | -1.7%       | 15            | 0.7%        |  |
| <b>Total - All Industries</b>                  | <b>1,548,785</b> | <b>1,568,421</b> | <b>1,579,563</b> | <b>11,142</b> | <b>0.7%</b> | <b>30,778</b> | <b>1.9%</b> |  |

**Source: IA Workforce Development; Quarterly Census of Employment & Wages**

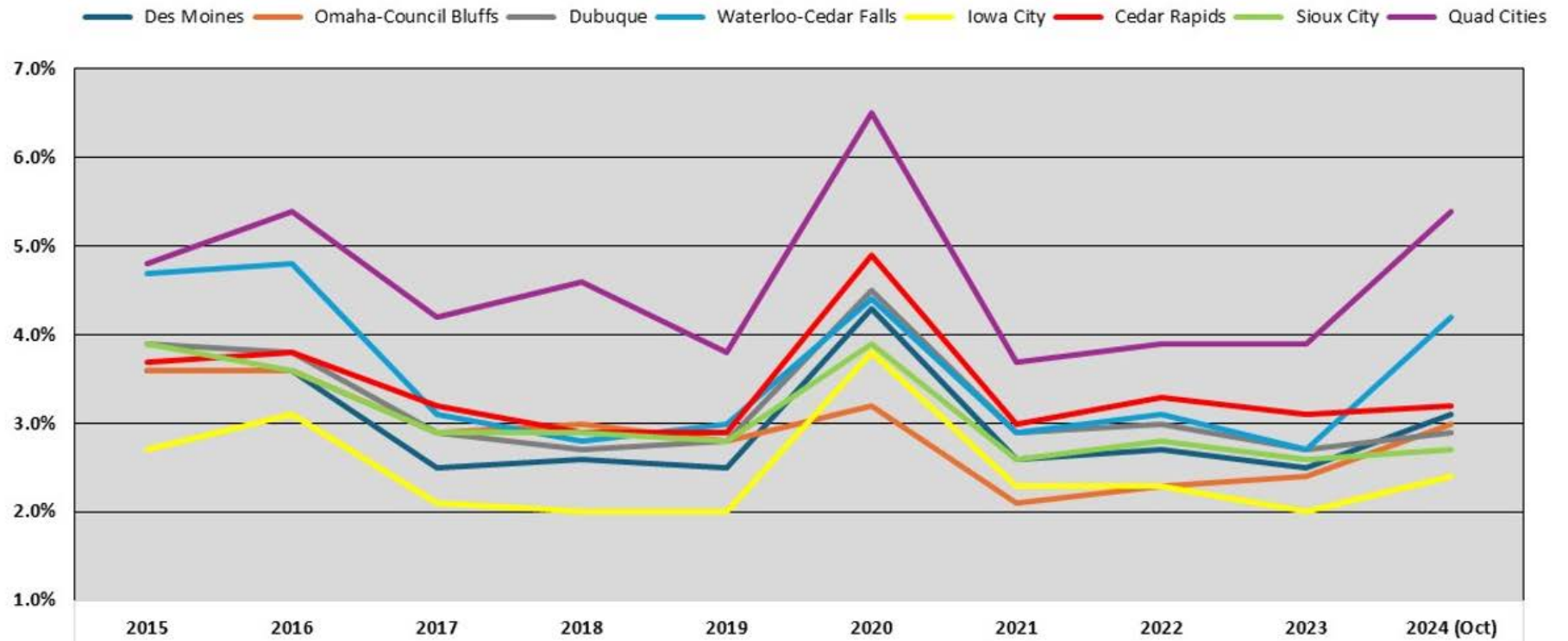
**Unemployment** -- Iowa’s labor market remains fairly competitive with unemployment still sub-5%, although unemployment rates have risen during the year. Unemployment rates for Iowa and each of the state’s metropolitan areas are shown below and graphed on the following page. Unemployment reported for October 2024 was 4.1%, up from 3.7% at year-end 2023. Current unemployment ranged from a low of 2.4% in Iowa City to a high of 5.4% in the Quad Cities. The increase in unemployment in 2024 has been the most significant in the state’s eastern markets, especially the Quad Cities and Waterloo-Cedar Falls. These areas have been impacted by significant layoffs by John Deere recently – the manufacturer of Ag and construction equipment has reported a sharp decline in sales, laying off workers at multiple locations during the past year. Since the beginning of 2024, John Deere has laid off more than 1,800 workers in Iowa, and another 750 in the Quad Cities at its’ Moline, IL facility. Waterloo has been particularly hard-hit, as these layoffs have impacted more than 1,000 workers at John Deere’s Waterloo manufacturing facility. John Deere is not the only major business impacted by the downturn in the farm economy. Tyson Foods recently laid off 1,276 workers this year at its Perry, IA facility. Cargill also recently announced it will reduce its workforce nationally by -5%.

| Historical Unemployment Rates * Iowa Metropolitan Areas<br>2015-2024 |      |      |      |      |      |      |      |      |      |            |
|--|------|------|------|------|------|------|------|------|------|------------|
| Metropolitan Area  | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 (Oct) |
| Des Moines   | 3.6% | 3.6% | 2.5% | 2.6% | 2.5% | 4.3% | 2.6% | 2.7% | 2.5% | 3.1%       |
| Omaha-Council Bluffs   | 3.6% | 3.6% | 2.9% | 3.0% | 2.8% | 3.2% | 2.1% | 2.3% | 2.4% | 3.0%       |
| Dubuque  | 3.9% | 3.8% | 2.9% | 2.7% | 2.8% | 4.5% | 2.9% | 3.0% | 2.7% | 2.9%       |
| Waterloo-Cedar Falls   | 4.7% | 4.8% | 3.1% | 2.8% | 3.0% | 4.4% | 2.9% | 3.1% | 2.7% | 4.2%       |
| Iowa City  | 2.7% | 3.1% | 2.1% | 2.0% | 2.0% | 3.8% | 2.3% | 2.3% | 2.0% | 2.4%       |
| Cedar Rapids   | 3.7% | 3.8% | 3.2% | 2.9% | 2.9% | 4.9% | 3.0% | 3.3% | 3.1% | 3.2%       |
| Sioux City   | 3.9% | 3.6% | 2.9% | 2.9% | 2.8% | 3.9% | 2.6% | 2.8% | 2.6% | 2.7%       |
| Quad Cities  | 4.8% | 5.4% | 4.2% | 4.6% | 3.8% | 6.5% | 3.7% | 3.9% | 3.9% | 5.4%       |
| State of Iowa  | 3.5% | 3.5% | 2.8% | 2.6% | 2.7% | 4.3% | 2.9% | 3.0% | 3.0% | 3.0%       |
| United States  | 5.0% | 4.7% | 4.1% | 3.9% | 3.6% | 6.7% | 3.9% | 3.5% | 3.7% | 4.1%       |

\* Year-end unemployment rates are shown above unless otherwise noted.

**Source: U.S. Bureau of Labor Statistics**

### Unemployment Rates - Iowa Metro Areas - 2015-2024



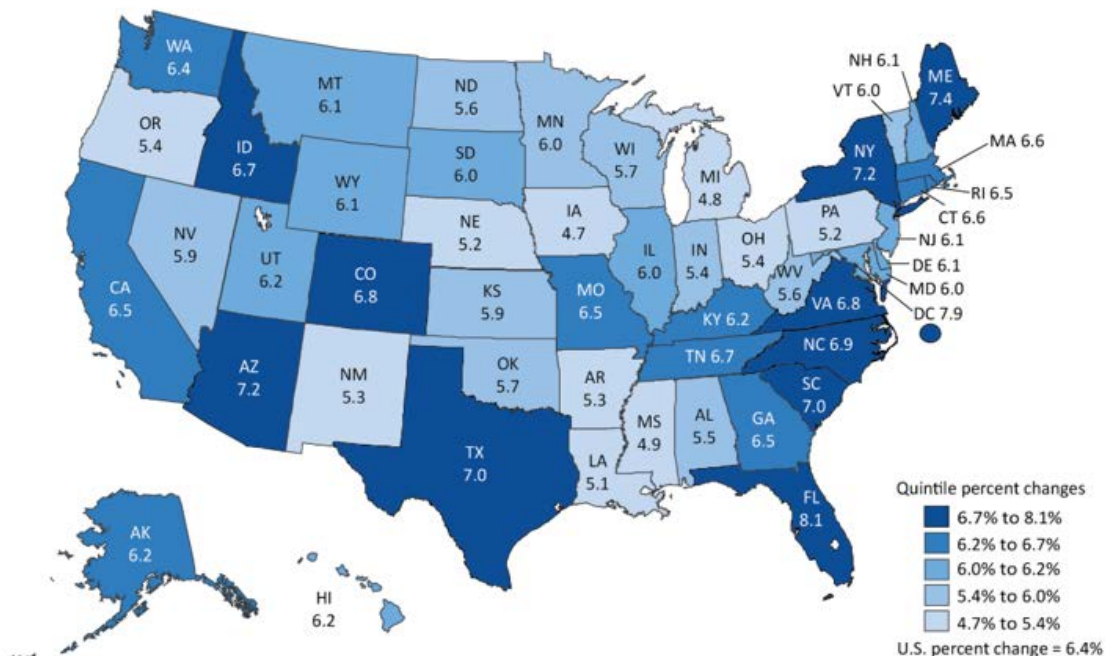


**Consumer Spending** – Consumer spending, also referred to as “personal consumption expenditures,” or PCE, is a key component of gross domestic product and therefore the PCE trend provides a meaningful gauge of the economy’s strength. PCE as measured by the US Bureau of Economic Analysis is published annually, with a 10-month lag. Thus the most recent 2024 report reflects consumer spending activity through year-end 2023. PCE for the United States, as well as Iowa and each region within the U.S. is shown on the following table. **Consumer spending increased by 4.7% in Iowa in 2023, the lowest rate of increase among all 50 states.**

|           | Millions of dollars |           |           | Percent change |      |
|-----------|---------------------|-----------|-----------|----------------|------|
|           | 2021                | 2022      | 2023      | 2022           | 2023 |
| Plains    | 987,933             | 1,077,163 | 1,140,322 | 9.0            | 5.9  |
| Mideast   | 2,626,498           | 2,867,053 | 3,048,376 | 9.2            | 6.3  |
| Southwest | 1,925,177           | 2,127,921 | 2,273,384 | 10.5           | 6.8  |
| Far West  | 3,022,781           | 3,324,917 | 3,535,960 | 10.0           | 6.3  |

Source: U.S. Bureau of Economic Analysis

Personal Consumption Expenditures by State: Percent Change, 2022–2023



U.S. Bureau of Economic Analysis

**Retail Sales** – According to the most recent data series from the Iowa Department of Revenue (2024 Q2), retail sales in the state decreased by -1.06% year-over-year. Although report dates don’t match due to source differences, it is interesting to compare consumer spending and retail sales. As noted, the most recent reports indicate consumer spending was up 4.7% in Iowa. In contrast, retail sales were -1.06%. This is typical in times of economic stress as households adjust their budgets. Consumer spending is up because people continue to consume, while prices have risen. In effect, they’re spending more to get less. In a down economy, we typically see declines in discretionary spending and major purchases, as consumers focus on their basic and immediate needs. This is evident in the retail sales data below, as building materials and motor vehicle sales were down 5.67% and 6.20%, respectively.

| <b>Iowa Retail Sales by Business Group<br/>Quarter Ending June 2024</b> |                                  |                                  |                           |
|---|----------------------------------|----------------------------------|---------------------------|
| <b>Business Group</b>   | <b>Taxable Sales<br/>2023 Q2</b> | <b>Taxable Sales<br/>2024 Q2</b> | <b>Percent<br/>Change</b> |
| Apparel   | \$271,119,400                    | \$264,891,832                    | -2.30%                    |
| Building Materials  | \$1,256,876,229                  | \$1,185,588,111                  | -5.67%                    |
| Eating and Drinking   | \$1,437,388,005                  | \$1,481,555,048                  | 3.07%                     |
| Food Dealers  | \$1,284,268,883                  | \$1,281,848,251                  | -0.19%                    |
| General Merchandise   | \$1,126,363,365                  | \$1,104,125,722                  | -1.97%                    |
| Home Furnishings  | \$454,252,026                    | \$438,699,079                    | -3.42%                    |
| Miscellaneous   | \$1,368,617,506                  | \$1,405,868,616                  | 2.72%                     |
| Motor Vehicle   | \$708,186,330                    | \$664,311,259                    | -6.20%                    |
| Services  | \$1,912,501,343                  | \$1,926,246,569                  | 0.72%                     |
| Specialty Retail  | \$1,141,965,350                  | \$1,131,758,750                  | -0.89%                    |
| Utilities and Transportation  | \$852,335,191                    | \$844,835,593                    | -0.88%                    |
| Wholesale   | \$1,169,598,380                  | \$1,116,266,395                  | -4.56%                    |
| <b>State Totals</b>   | <b>\$12,983,472,008</b>          | <b>\$12,845,995,225</b>          | <b>-1.06%</b>             |

**Source: Iowa Dept. of Revenue**

**Key Points: Demographics & Economy**

Iowa is a slow-growth market. Population growth is generally focused in urban areas, especially the Des Moines metro market, as well as Omaha-Council Bluffs to the west. With modest population and income growth anticipated for Iowa, we expect gaming revenues going forward will fluctuate based on economic conditions, also influenced by marketing and investment by casino operators. Presently, Iowa consumers are impacted by inflation, while a downturn in key sectors of the economy, notably agriculture, has prompted an adjustment by Iowa consumers that is evident in key indicators such as personal consumption expenditures and retail sales. As discussed in the forthcoming section, these trends are also impacting the casino gaming industry.

# **IOWA CASINO MARKET CONDITIONS**

## CASINO MARKET CONDITIONS

### Introduction

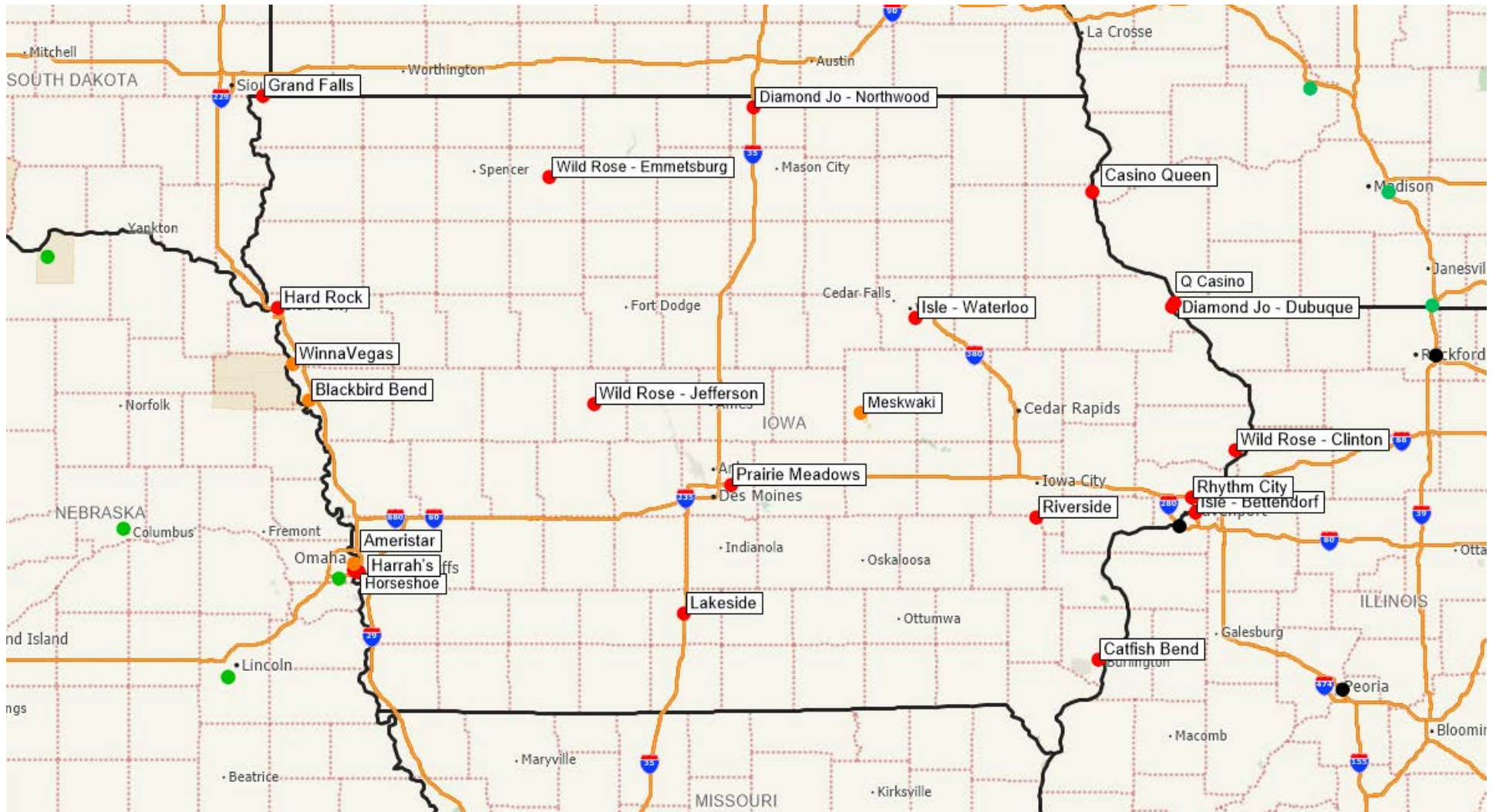
In this section of the report, we first identify the supply of casinos in Iowa, along with relevant competitors in neighboring states. We then analyze statewide casino visitation and revenue trends over the past several years. We also review Iowa’s various submarkets and the performance of individual casinos. Casino market data sources include IRGC revenue reports and others as noted herein. Additionally, we analyzed property-specific metrics provided to us confidentially by Iowa casino operators. Our data analysis was supplemented by tours of all Iowa casinos completed in November and December of 2024.

### Iowa Casino Gaming Supply (Commercial Casinos)

Casino gaming in Iowa today comprises 19 commercial casinos and four tribal casinos. The following table illustrates the opening date of commercial casinos in Iowa. In FY 2024, these facilities featured 14,228 total gaming machines, 455 table games, and 2,720 hotel rooms.

| Iowa's Commercial Casinos Development Timeline           |                   |                |                       |
|--|-------------------|----------------|-----------------------|
| Name   | Casino Opening    | City           | Notes                 |
| Mississippi Belle  | June 10, 1991     | Clinton        |                       |
| Diamond Jo Casino-Dubuque                                | May 1, 1994       | Dubuque        |                       |
| Catfish Bend Casino-Ft. Madison                          | November 16, 1994 | Ft. Madison    |                       |
| Argosy Casino  | December 1, 1994  | Sioux City     |                       |
| Horseshoe Council Bluffs                                 | March 17, 1995    | Council Bluffs |                       |
| Prairie Meadows Racetrack and Casino                     | April 1, 1995     | Altoona        |                       |
| Isle of Capri Casino-Bettendorf                          | April 21, 1995    | Bettendorf     |                       |
| Dubuque Greyhound Park & Casino                          | November 1, 1995  | Dubuque        |                       |
| Harrah's Council Bluffs                                  | January 1, 1996   | Council Bluffs |                       |
| Ameristar Casino Hotel                                   | January 19, 1996  | Council Bluffs |                       |
| Lakeside Casino  | January 1, 2000   | Osceola        |                       |
| Casino Queen   | March 2, 2000     | Marquette      |                       |
| Rhythm City Casino                                       | October 10, 2000  | Davenport      |                       |
| Diamond Jo Casino Northwood                              | April 1, 2006     | Northwood      |                       |
| Wild Rose Casino-Emmetsburg                              | July, 2006        | Emmetsburg     |                       |
| Riverside Casino and Golf Resort                         | August 31, 2006   | Riverside      |                       |
| The Isle Casino & Hotel at Waterloo                      | June 30, 2007     | Waterloo       |                       |
| <i>Catfish Bend Casino</i>                               | July, 2007        | Burlington     | * replaced riverboat. |
| <i>Wild Rose Casino-Clinton</i>                          | July, 2008        | Clinton        | * replaced riverboat. |
| <i>Diamond Jo Casino-Dubuque</i>                         | December, 2008    | Dubuque        | * replaced riverboat  |
| Grand Falls Casino Resort                                | June, 2011        | Larchwood      |                       |
| <i>Hard Rock</i>   | July 31, 2014     | Sioux City     | * replaced riverboat  |
| Wild Rose Casino-Jefferson                               | July 13, 2015     | Jefferson      |                       |
| <i>Rhythm City Casino</i>                                | June 13, 2016     | Davenport      | * replaced riverboat  |
| <i>Isle of Capri Casino</i>                              | June 24, 2016     | Bettendorf     | * replaced riverboat  |
| <i>*Replacement casino developments shown in italics</i> |                   |                |                       |
| Source: IRGC   |                   |                |                       |

## State & Regional Casino Supply



**State of Iowa  
Commercial Gaming Facilities**

|                                      |                | Facilities (FY 2024) |             |              | Performance Statistics - FY 2024 |                        |                 |              |                | AGR Growth               |              |              |
|--------------------------------------|----------------|----------------------|-------------|--------------|----------------------------------|------------------------|-----------------|--------------|----------------|--------------------------|--------------|--------------|
| Casinos                              | Location       | Gaming Machines      | Table Games | Hotel Rooms  | Admissions                       | AGR                    | AGR per Visitor | WPU Slots    | WPU Tables     | 5 Yr Growth (FY 2019-24) | FY 2024      | FY 2025 YTD  |
| Hard Rock Hotel & Casino             | Sioux City     | 528                  | 20          | 54           | 1,264,928                        | \$92,538,596           | \$73            | \$433        | \$1,254        | 21.8%                    | -2.4%        | -0.8%        |
| Grand Falls Casino Resort            | Larchwood      | 709                  | 33          | 97           | 1,049,885                        | \$99,465,069           | \$95            | \$335        | \$1,053        | 61.8%                    | 3.9%         | -1.9%        |
| Wild Rose Casino                     | Emmetsburg     | 476                  | 8           | 70           | 314,371                          | \$31,538,188           | \$100           | \$172        | \$538          | 15.2%                    | 0.6%         | -3.7%        |
| Wild Rose Casino and Resort          | Jefferson      | 519                  | 12          | 72           | 376,740                          | \$36,677,174           | \$97            | \$185        | \$376          | 25.9%                    | 0.4%         | -0.7%        |
| Diamond Jo Casino Northwood          | Northwood      | 822                  | 26          | 162          | 881,344                          | \$107,236,703          | \$122           | \$323        | \$1,097        | 26.8%                    | 4.1%         | 1.4%         |
| Prairie Meadows Racetrack & Casino   | Altoona        | 1,203                | 41          | 168          | 2,110,532                        | \$240,287,837          | \$114           | \$500        | \$1,381        | 16.3%                    | -0.3%        | -3.9%        |
| Lakeside Casino                      | Osceola        | 580                  | 10          | 150          | 344,580                          | \$48,685,334           | \$141           | \$220        | \$576          | 3.2%                     | -4.2%        | 0.1%         |
| Casino Queen                         | Marquette      | 437                  | 14          | 0            | 154,865                          | \$20,743,196           | \$134           | \$127        | \$81           | -4.2%                    | -3.2%        | -3.5%        |
| Diamond Jo Casino                    | Dubuque        | 719                  | 27          | 0            | 703,417                          | \$79,090,934           | \$112           | \$282        | \$513          | 14.4%                    | 5.9%         | -1.9%        |
| Q Casino                             | Dubuque        | 528                  | 19          | 116          | 551,437                          | \$43,960,511           | \$80            | \$203        | \$685          | -12.9%                   | -13.0%       | -1.3%        |
| Wild Rose Casino and Resort          | Clinton        | 509                  | 9           | 60           | 416,453                          | \$32,924,029           | \$79            | \$169        | \$457          | 12.9%                    | -1.1%        | -10.5%       |
| The Isle Casino Waterloo             | Waterloo       | 831                  | 24          | 195          | 707,729                          | \$93,347,049           | \$132           | \$280        | \$957          | 11.5%                    | -4.6%        | -1.7%        |
| Riverside Casino and Golf Resort     | Riverside      | 892                  | 39          | 201          | 1,501,575                        | \$129,213,320          | \$86            | \$358        | \$898          | 43.5%                    | -0.6%        | -1.3%        |
| Isle of Capri Casino                 | Bettendorf     | 853                  | 18          | 509          | 665,150                          | \$66,670,803           | \$100           | \$201        | \$632          | 1.0%                     | -9.2%        | -3.8%        |
| Rhythm City Casino                   | Davenport      | 819                  | 22          | 106          | 1,296,092                        | \$111,892,546          | \$86            | \$340        | \$1,260        | 57.2%                    | -2.9%        | 1.3%         |
| Catfish Bend Casino                  | Burlington     | 643                  | 31          | 185          | 680,348                          | \$43,610,889           | \$64            | \$170        | \$332          | 10.0%                    | -2.8%        | -0.5%        |
| Horseshoe Council Bluffs             | Council Bluffs | 1,233                | 57          | 0            | 1,579,766                        | \$187,095,411          | \$118           | \$342        | \$1,597        | 11.0%                    | -8.6%        | -2.8%        |
| Harrah's Council Bluffs              | Council Bluffs | 650                  | 16          | 251          | 749,575                          | \$71,907,055           | \$96            | \$278        | \$1,012        | 0.9%                     | 1.7%         | -9.6%        |
| Ameristar Casino Hotel               | Council Bluffs | 1,277                | 29          | 344          | 1,501,562                        | \$186,625,900          | \$124           | \$353        | \$2,105        | 13.9%                    | 1.1%         | -3.0%        |
| <b>Total - IA Commercial Casinos</b> |                | <b>14,228</b>        | <b>455</b>  | <b>2,740</b> | <b>16,850,349</b>                | <b>\$1,723,510,544</b> | <b>\$102</b>    | <b>\$299</b> | <b>\$1,027</b> | <b>18.3%</b>             | <b>-1.8%</b> | <b>-2.4%</b> |

Sources: IRGC; Individual Casino Websites; Marquette Advisors



### **Tribal Casinos**

Tribal casinos in Iowa are also relevant competitors, the largest of which is the Meskwaki Bingo Casino Hotel near Tama, IA with 1,262 gaming machines, 23 table games and 402 hotel rooms. Meskwaki is a formidable competitor to casinos in the central and eastern parts of the state, especially Prairie Meadows, Riverside, and Isle-Waterloo.

Additionally, three small tribal casinos operate in western Iowa. This includes WinnaVegas near Sloan, IA (800 slots, 13 tables, 78 hotel rooms), Blackbird Bend in Onawa (347 slots), and Prairie Flower in Carter Lake (200 slots). WinnaVegas and Blackbird Bend are peripheral competitors to Hard Rock Casino-Sioux City, with customers originating primarily from NW Iowa. Meanwhile, Prairie Flower draws most of its customers from within the Omaha-Council Bluffs metro area and is therefore a competitor to Harrah's, Horseshoe and Ameristar.

### **Competitors in Neighboring States**

Iowa's commercial casinos also compete to varying degrees with casinos in neighboring states. The most relevant competitors include Bally's-Quad Cities in Rock Island, IL, which provides head-to-head competition with Isle-Bettendorf and Rhythm City in Davenport. The expansion of gaming in Illinois is also relevant, having an impact on Iowa casinos, especially the new Hard Rock Casino in Rockford, IL. Meanwhile, Tribal casinos in southern MN and South Dakota also provide peripheral competition to casinos in northern Iowa, while casinos in Wisconsin provide peripheral competition to Iowa's east/northeastern casinos.

### **Recent & Ongoing Iowa Casino Property Investment**

Significant CapEx projects by Iowa operators in 2024 and 2025 include the following:

- Casino Queen (Marquette) – Transitioning to new land-based casino – expected completion by late 2025. Similar size with approximately 400 slots + 14 table games (with more live table games) and an expanded F&B platform.
- Q Casino – Complete casino remodel + new hotel construction (ongoing)
- Isle Casino & Hotel (Waterloo) – Significant hotel remodel
- Riverside – Hotel remodel + FF&E investment in casino, F&B and golf
- Prairie Meadows (Altoona) – Hotel remodel
- Ameristar – Significant F&B remodel & upgrades
- Horseshoe – Significant F&E replacement and upgrades
- Harrah's – Various improvements to casino & F&B spaces, plus significant investment converting former buffet space to gaming area, with addition of 200 slots
- Lakeside (Osceola) – Substantial casino remodel. Hotel remodel also pending.
- Catfish Bend (Burlington) – Complete casino renovation ongoing



- Hard Rock (Sioux City) – Hotel refresh + ongoing conversion of former buffet space to banquet/events venue

It's also worth noting that the Meskwaki Bingo Casino Resort recently completed a significant investment and upgrade to its hotel guest rooms and common areas, with additional improvements to the casino and restaurants currently ongoing.

### **New Casino Developments**

While the State of Iowa contemplates a proposed new casino in Linn County, we're aware of a forthcoming new (replacement) Tribal casino in Iowa and several developments in neighboring states which pose varying levels of competition to commercial casinos in Iowa. The impact of these developments upon Iowa casino revenues is discussed and quantified later in the report.

**Iowa** – The Ponca Tribe is nearing completion of a new casino that will replace the current **Prairie Flower Casino** in Carter Lake, IA, within the Omaha-Council Bluffs metro area. The current facility features approximately 200 slot machines. The new casino, expected to open in early 2025, will offer 600 gaming machines plus a variety of restaurant concepts and entertainment facilities. This development, along with the noted Nebraska projects, will impact the three Council Bluffs casinos in Iowa.

**Nebraska** – The expansion of casino gaming in Nebraska is underway, with new facilities opening in Omaha, Lincoln, Grand Island and Columbus. These developments will continue to impact the three Council Bluffs casinos, as well as Hard Rock in Sioux City. The following is a summary of each development:

- **Warhorse Casino-Lincoln** – 801 slots + 8 table games. Opened in phases Sept 2022 & Nov 2024.
- **Grand Island Casino** – 325 slots + 7 table games. Temporary casino opened December 2022. Permanent casino + hotel expected to open early 2025. Full build-out comprises 850 slots + 20 tables + 162 hotel rooms.
- **Harrah's-Columbus** – 400 slots + 11 table games. Temporary casino opened June 2023 with 200 slots. Permanent casino opened May 2024. Dual-branded hotel with Marriott-Fairfield Inn and Towne Place Suites (102 total rooms) under construction on site.
- **Warhorse Casino-Omaha** – 782 slots + 19 table games (phase 1). Another 350 slots (including smoking area) + restaurant concepts opening in 2025.

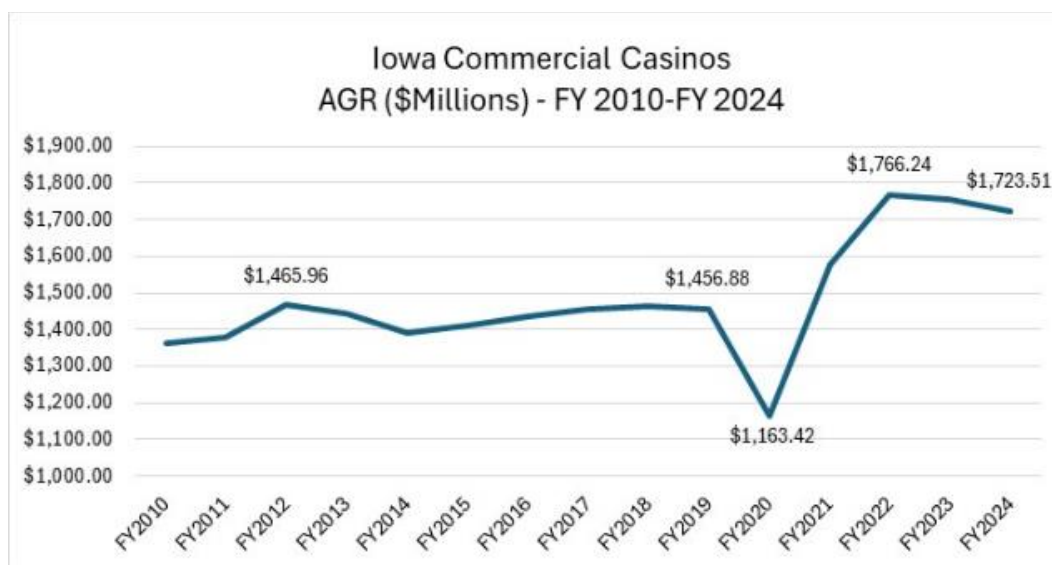
**Illinois** – The most recent development in Illinois is the opening of the new **Hard Rock Casino-Rockford** in late August of 2024. Hard Rock had operated a temporary casino in Rockford since November of 2021 with 700 slot machines. The new permanent casino features 1,300 slots, 50 table games, and a 2,000-seat entertainment venue. A hotel with 200-250 guest rooms is also contemplated for a later phase, with the timing of this expansion TBD. Hard Rock Casino-

Rockford is a relevant competitor to casinos in eastern Iowa, especially the Diamond Jo and Q Casinos in Dubuque, as well as Wild Rose Casino in Clinton.

**Wisconsin** – In Wisconsin, the HoChunk Nation recently broke ground on a new **HoChunk Casino-Beloit** near the intersection of I-90 and I-30. This development will include 1,500+ slot machines and 44 table games, making it the second-largest casino in Wisconsin. The casino is expected to open in early 2026. A 318-room hotel addition is planned for a later phase. The Beloit casino will provide additional competition for Iowa casinos which draw from southern Wisconsin and western Illinois, such as the noted Dubuque facilities as well as Casino Queen in Marquette, IA.

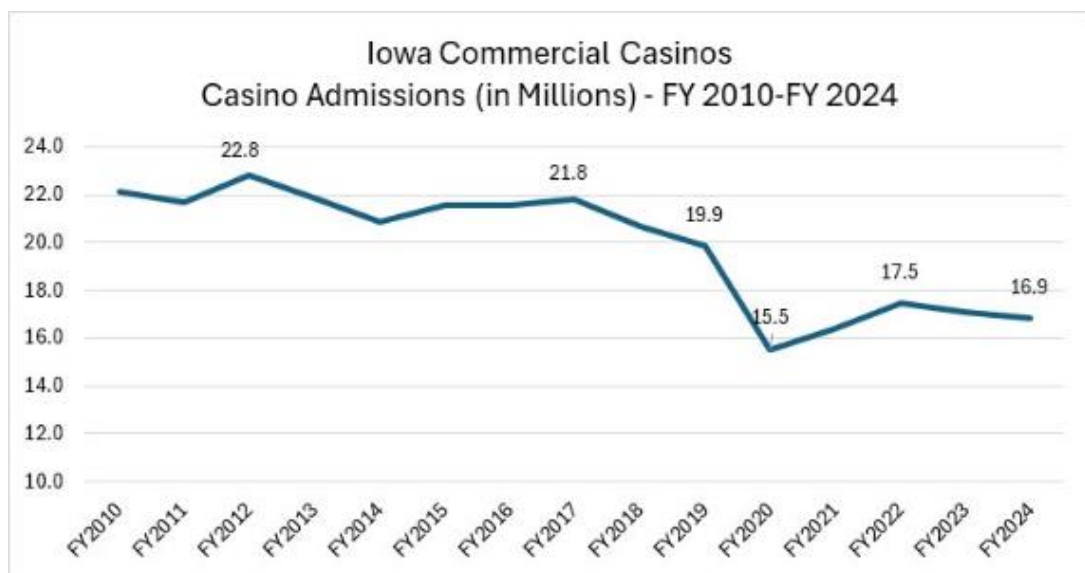
### Iowa Casino Visitation & Revenue Trends

**Following a surge in the post-Pandemic era, Iowa casino revenues have shown a marked decline over the past 2+ years.** As shown on the following graph, casino revenues experienced a sharp decline, corresponding with the COVID pandemic in 2020. This was followed by a significant rebound in FY 2021 & 22 – buoyed in part by an increase in consumer savings correlating with government stimulus payments during the pandemic. Personal income growth and net farm income also surged in Iowa during this time, while casinos clearly benefited. However, since that time, gaming revenues in Iowa have been on the decline. Iowa’s commercial casinos reported total combined AGR of **\$1,723.5** billion for FY 2024, -1.8% for the fiscal year following a decline of -0.7% in FY 23. Through the first five months of FY 2025 AGR was down -2.4% year-over-year. Pandemic stimulus has fully cycled through the economy and personal income growth rates have slowed. Net farm income is down significantly. Meanwhile, consumers have been impacted by inflation which has outpaced personal income growth rates over most of the past two years. In this environment, discretionary spending, including casino gaming, has been on the decline as consumers are tightening their belts.

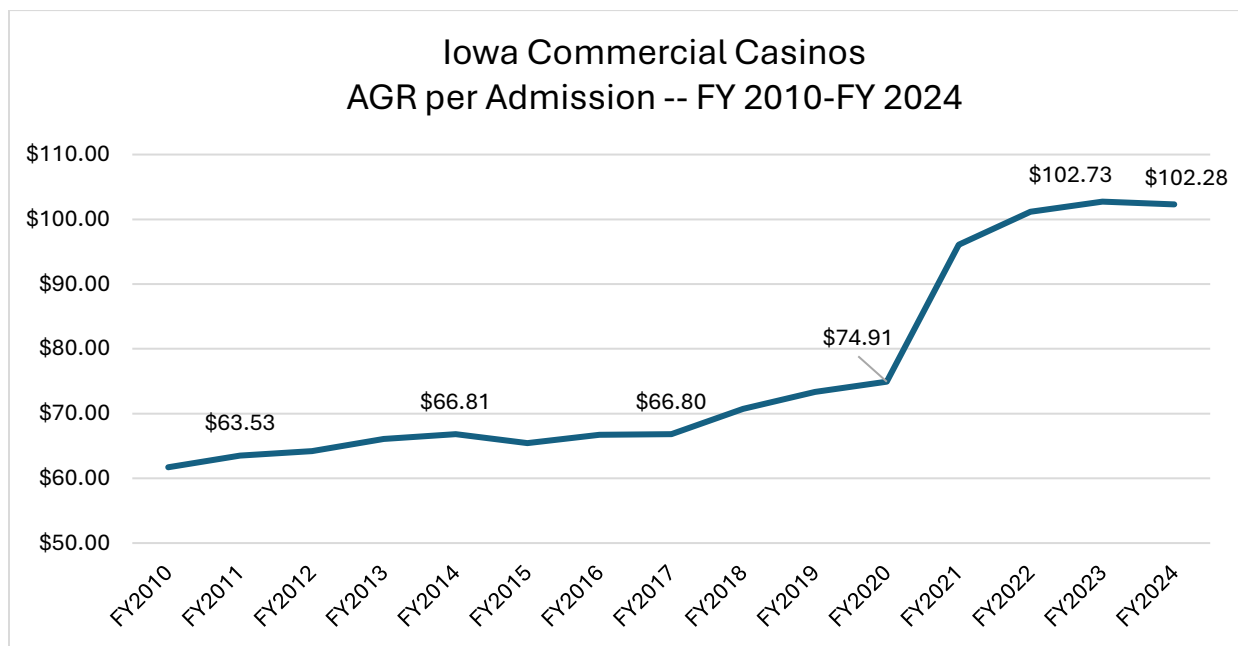


**Casino admissions continue downward trend** -- Meanwhile, casino admissions across Iowa continue to decline, a trend which pre-dates the 2020 COVID pandemic, as shown on the graph below. Casino admissions totaled just under 16.9 million across Iowa commercial casinos in FY 2024, -1.3% for the year and -17.8% over ten years. Key factors contributing to this trend are as follows, based on our analysis and interviews:

- Iowa casinos, like many others across the country, have noted a trend whereby customers are visiting casinos with less frequency, but spending greater amounts per-visit. In many cases, this correlates with casino marketing efforts which have shifted even more of their focus to top tier players, especially in the post-pandemic environment.
- Casinos in Iowa and throughout the U.S. reopened following the pandemic at reduced capacities – in some cases the number of gaming devices was reduced. In most cases there was a significant reduction in amenities, most notably restaurants, which reopened at reduced capacity and/or limited hours. This trend continues even today. This correlates with fewer and shorter casino visits by customers. Importantly, we understand that casinos have also been impacted by increases in operating costs, such as the cost of food & beverage and supplies, and the availability and cost of labor to support these operations.
- Meanwhile, from our property tours it is also apparent that the level of capital investment in recent years varies considerably across Iowa casinos. The cost of property improvements and related capital costs have risen significantly. As such, some casinos have limited or delayed their investment in property “refresh” efforts, improvements/expansions or new amenities. This has an obvious impact on casino attractiveness, contributing to a decline in casino visitation overall.



**AGR per admission (“average spend”) surged in post-pandemic environment but the trend has turned negative in recent months** -- As noted previously, in the post-pandemic environment consumers’ gambling budgets were bolstered in part by government stimulus payments. Meanwhile, with a strong Iowa economy, net farm income and personal income levels experienced impressive growth from 2020-2022. In this environment, paired with casino marketing focus on top-tier players, casinos saw a significant increase in per-visitor average spends. This is illustrated on the graph below. The average per-visitor spend (AGR) increased from just under \$75 in FY 2019 to over \$101 in FY 2021. Average spends held up through much of 2023. However, farm income and personal income growth have since softened, while consumer budgets have also been impacted by inflation. With Iowa consumer budgets feeling more stress, casinos have started to see some declines in average spends per-visitor over the past 12-18 months. This trend continues today, as the FY 2025 year-to-date average casino spend was -0.9% yr-over-yr.



### **Iowa AGR Growth vs. Key Indicators**

Marquette Advisors also reviewed several key indicators which influence casino gaming revenue in Iowa. The table on the following page shows Iowa casino revenues as a percentage of total personal income over the past several years. The table also shows casino revenue growth rates compared to growth rates for varied economic indicators. The following are key points from our analysis:

- ***Declines in Casino AGR as % of Total Personal Income*** -- Iowa casino gaming (AGR) at \$1.723 billion in FY 2024 equates to 0.81% of total personal income throughout the state. This was down from 0.87% a year ago and compares to just over 1.00% ten years ago. Over 10 years, casino AGR in Iowa has increased by just under 30%, while total personal income grew by nearly 45%. Why is this?
  - Iowa is a mature market with casinos spread across the state. As such, Iowa residents have been exposed to casino gaming and the experience available to them at the state's casinos over many years. So casinos today are capturing fewer "new" customers, especially those that have not expanded, upgraded or "refreshed" their facilities to effectively change & enhance the customer experience. Rather, many Iowa casinos are increasingly relying on core customers with top tier players accounting for a greater share of casino revenues, while more casual gamers are visiting less frequently.
  - In recent years, Iowa consumers have been impacted by inflation. Therefore, while personal income growth has been relatively strong, gains in income have not kept pace with the cost of goods & services. A stressed consumer will typically tighten his belt, reducing discretionary spending – this includes expenditures on leisure activities and gambling.
- ***Volatility in crop prices and net farm income*** – Agriculture comprises about 13% of Iowa GDP and about 20% of total employment. The Ag industry in Iowa is known to be volatile. Crop prices and net farm income surged in 2021 and 2022, concurrent with the rise in casino AGR during this time. Since that time, however, the Ag trend has turned negative. Net farm income was down by 37% in 2023. Recent USDA reports indicate another 12% decline in 2024. Corn prices are down 30% this year. A review of varied forecasts by the USDA, Iowa State University, and the Rural Farm and Finance Agency at the University of Missouri, indicates that farm income could decline by another 20% in 2025. These industry declines have contributed to significant layoffs in Agribusiness recently in Iowa and throughout the Midwest, including John Deere, Tyson Foods, and Cargill. And clearly the Ag declines are having an impact on consumer spending and casino gaming, as casino AGR has declined by 2.4% over the past two fiscal years, with year-to-date FY 2025 AGR down another 2.5% year-over-year.

**Iowa Gaming Revenue Growth vs. Key Indicators  
2011-2024**

|   | <u>FY 2011</u>             | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024</u> |
|---|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Casino AGR as % of Total Personal Income</b>   | <b>1.10%</b>               | <b>1.12%</b>   | <b>1.08%</b>   | <b>1.01%</b>   | <b>0.99%</b>   | <b>1.00%</b>   | <b>0.98%</b>   | <b>0.95%</b>   | <b>0.92%</b>   | <b>0.69%</b>   | <b>0.85%</b>   | <b>0.90%</b>   | <b>0.87%</b>   | <b>0.81%</b>   |
|   | <b>Annual Growth Rates</b> |                |                |                |                |                |                |                |                |                |                |                |                |                |
| <u>Indicators</u>                                 | <u>FY 2011</u>             | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024</u> |
| Iowa Population Growth                            | 0.60%                      | 0.44%          | 0.61%          | 0.63%          | 0.48%          | 0.43%          | 0.42%          | 0.30%          | 0.38%          | 0.26%          | 0.19%          | 0.08%          | 0.22%          | 0.27%          |
| Iowa Personal Income Growth (Calendar Yr)         | 7.69%                      | 4.49%          | 1.75%          | 3.22%          | 3.48%          | 0.93%          | 2.83%          | 4.58%          | 2.24%          | 6.17%          | 10.85%         | 5.84%          | 2.19%          | 5.80%          |
| Iowa GDP  | 4.58%                      | 6.39%          | 2.44%          | 6.97%          | 4.45%          | 1.30%          | 1.79%          | 3.22%          | 1.61%          | 1.20%          | 12.72%         | 8.43%          | 4.65%          | N/A            |
| Iowa Corn Price/Bushel (FY Avg)                   | 39.64%                     | 24.46%         | 14.73%         | -29.91%        | -25.16%        | -3.63%         | -7.67%         | 0.70%          | 4.93%          | 3.74%          | 21.31%         | 40.78%         | 10.14%         | -30.05%        |
| Iowa Net Farm Income (Calendar Yr)                | 135.84%                    | -30.61%        | 25.91%         | -37.62%        | -1.37%         | -49.04%        | 41.18%         | 45.46%         | -49.36%        | 26.82%         | 207.26%        | 40.38%         | -37.36%        | -12.00%        |
| <b>Iowa Casino AGR (excluding Sports Betting)</b> | <b>1.10%</b>               | <b>6.29%</b>   | <b>-1.48%</b>  | <b>-3.59%</b>  | <b>1.44%</b>   | <b>1.75%</b>   | <b>1.35%</b>   | <b>0.50%</b>   | <b>-0.47%</b>  | <b>-20.14%</b> | <b>35.41%</b>  | <b>12.11%</b>  | <b>-0.66%</b>  | <b>-1.77%</b>  |

*Data Sources: State of Iowa, Iowa State University; US Bureau of Economic Analysis; USDA; ESRI Business Information Solutions*

- Recent reports from Iowa State University regarding Iowa's Ag economy note the cyclical nature of the industry, pointing to the last significant downturn in farm income from 2014-2019, before recovering in 2020. From our reading, there is general consensus among Ag economists that Iowa farm income will recover, although the timing and velocity of that recovery is unclear. As it relates to our outlook and casino industry modeling, we're anticipating another 1-2 down years for Iowa's Ag economy, followed by a recovery which should, in turn, benefit Iowa casinos.

### **Declining Casino Gaming Participation Rates in Iowa**

We've also evaluated historical casino admissions data and historical population statistics in Iowa. This analysis shows that casino gaming participation rates (the number of casino visits per adult per year) have declined at a rate of 2.0%/year in 2023 and 2024. If we look back farther to 2012, and we exclude the pandemic and immediate post-pandemic years of 2020-2022, it appears that casino gaming participation rates have declined by an average of 1.6% per year in Iowa. We've previously discussed a variety of factors which contribute to declining visitation at Iowa casinos. In our view, in a baseline scenario (absent any new casino additions) we do not anticipate significant deviation from this trend. Clearly, if we adjust for a new casino (in Cedar Rapids or elsewhere), we'd expect an upswing in participation locally. The significance of this increase depends on a variety of factors, most importantly the current participation rate, the size and attractiveness of the proposed new casino, and its location relative to the population base.

Marquette Advisors has also completed a thorough review of proprietary visitor statistics provided to us confidentially by each casino operator. These statistics delineate the number of casino visitors by point of origin during the 2024 fiscal year. We've measured the casino visitor counts against adult population estimates to derive a "participation rate" (# of casino visits per adult) for Iowa and each of its counties, as well as counties in neighboring states. The table on the following page summarizes participation rates for the State of Iowa and a select group of large counties.

We've highlighted Linn County for quick reference, as adult residents there visit the area's casinos an average of 3.9 times per year. By comparison, the participation rate in nearby Blackhawk County, which features one casino, was 4.6. Participation rates in the Quad Cities market (with three casinos) range from 5.4 in Rock Island County to 8.1 in Scott County. Participation in Dubuque County (with two casinos) is estimated at 8.6 casino trips per adult. Polk County residents (which includes Des Moines) visit area casinos an average of 4.7 times per year. The participation rate in Douglas County (which includes Omaha) was estimated at 4.1 for FY 2024, prior to the recent opening of the Warhorse Casino-Omaha. In nearby Pottawattamie County (which includes Council Bluff), we estimate the participation rate at 9.5 casino visits/year.

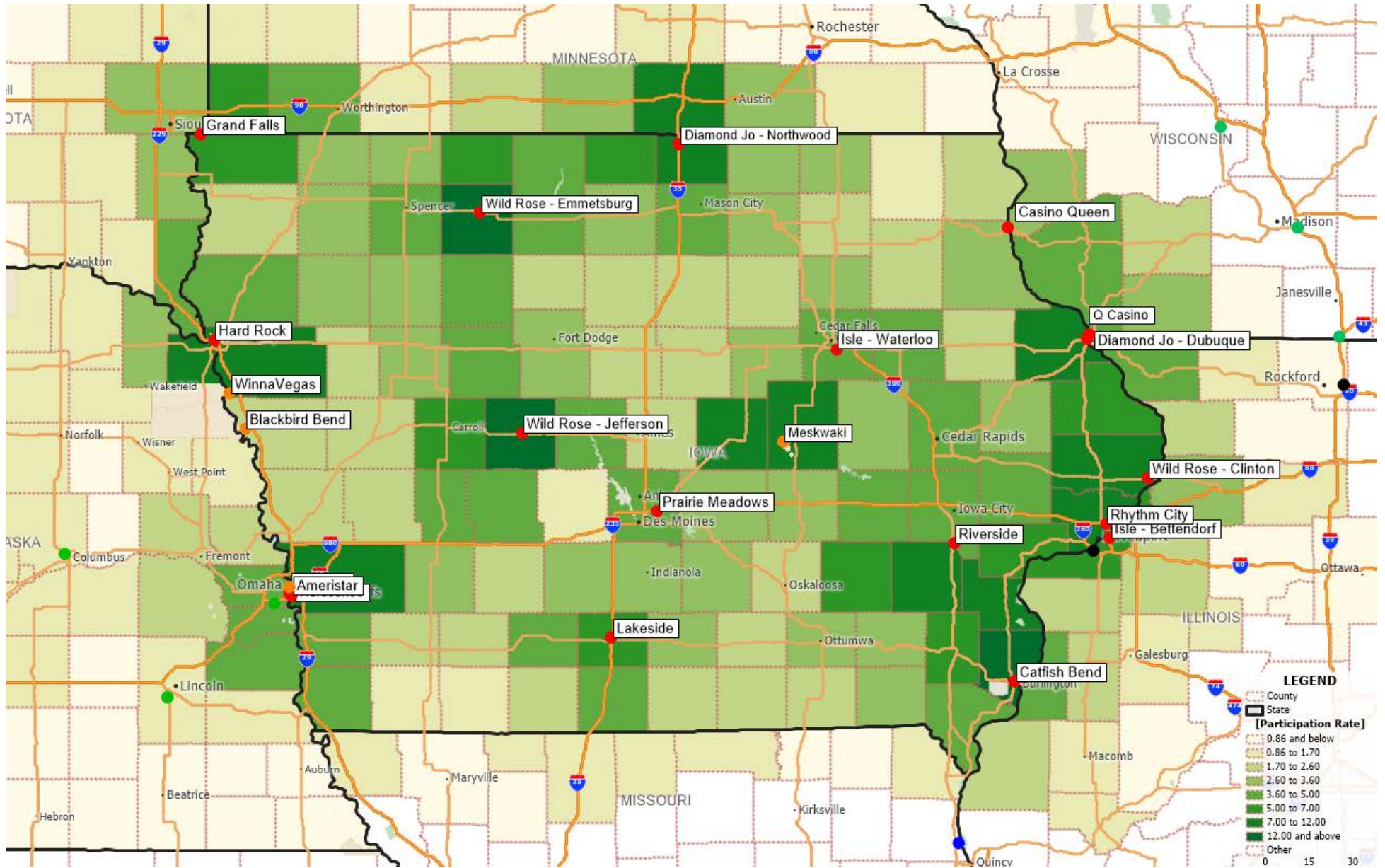
| Casino Gaming Participation Rates (FY 2024)<br>State of Iowa and Select Counties |                            |               |                                 |                                     |
|--|----------------------------|---------------|---------------------------------|-------------------------------------|
| Select Counties  | Major Cities               | Adults (2024) | Total Casino Visits (FY 2024) * | Casino Gaming Participation Rate ** |
| Dallas   | Des Moines western suburbs | 80,936        | 128,863                         | 1.6                                 |
| Pottawattamie  | Council Bluffs             | 68,248        | 646,466                         | 9.5                                 |
| Clinton  | Clinton                    | 34,323        | 307,273                         | 9.0                                 |
| Woodbury   | Sioux City                 | 75,275        | 668,819                         | 8.9                                 |
| Dubuque  | Dubuque                    | 73,446        | 633,922                         | 8.6                                 |
| Scott  | Davenport, Bettendorf      | 129,220       | 1,042,953                       | 8.1                                 |
| Rock Island (IL)   | Rock Island, Moline        | 104,783       | 569,038                         | 5.4                                 |
| Polk   | Des Moines                 | 371,664       | 1,758,014                       | 4.7                                 |
| Sarpy (NE)   | Omaha                      | 141,094       | 657,965                         | 4.7                                 |
| Black Hawk   | Waterloo, Cedar Falls      | 95,281        | 435,700                         | 4.6                                 |
| Douglas (NE)   | Omaha                      | 428,419       | 1,760,674                       | 4.1                                 |
| Linn   | Cedar Rapids               | 170,077       | 665,155                         | 3.9                                 |
| Johnson  | Iowa City                  | 117,477       | 447,179                         | 3.8                                 |
| Story  | Ames                       | 69,450        | 143,623                         | 2.1                                 |
| State of Iowa  |                            | 2,359,563     | 11,229,280                      | 4.8                                 |

\* Casino visitation estimates based on Marquette Advisors review of Iowa casino player statistics.  
\*\* Participation Rate = Number of Casino Visits per Adult per Year

The heat map on the following page illustrates casino gaming participation rates for the region. Clearly, participation rates are somewhat higher in those counties where casinos exist, and higher yet in rural areas that have casinos and a comparatively short supply of other entertainment facilities.



# Casino Gaming Participation Rates



**Casino Expenditures as % of Personal Income – Select Counties**

Similarly, we’ve evaluated annual casino expenditures by county and for the state, based on data provided by Iowa casino operators. The table below shows some of the region’s largest counties and local resident spending at casinos on a gross basis, and as a % of total personal income and “disposable” income (net income after taxes). We note that Linn County residents account for an estimated \$67 million in spending at area casinos – this equates to 0.67% of total personal income in the county, and 0.89% of disposable income. By comparison, total casino spending by nearby Black Hawk County residents is estimated at \$46 million, or 0.96% of total personal income. The Johnson County casino expenditure rate is somewhat lower at 0.56% of total income. Among the counties shown, casino expenditures ranged from a low of 0.28% of total personal income in Dallas County (west suburbs of Des Moines) to a high of 1.63% in Pottawattamie County (Council Bluffs).

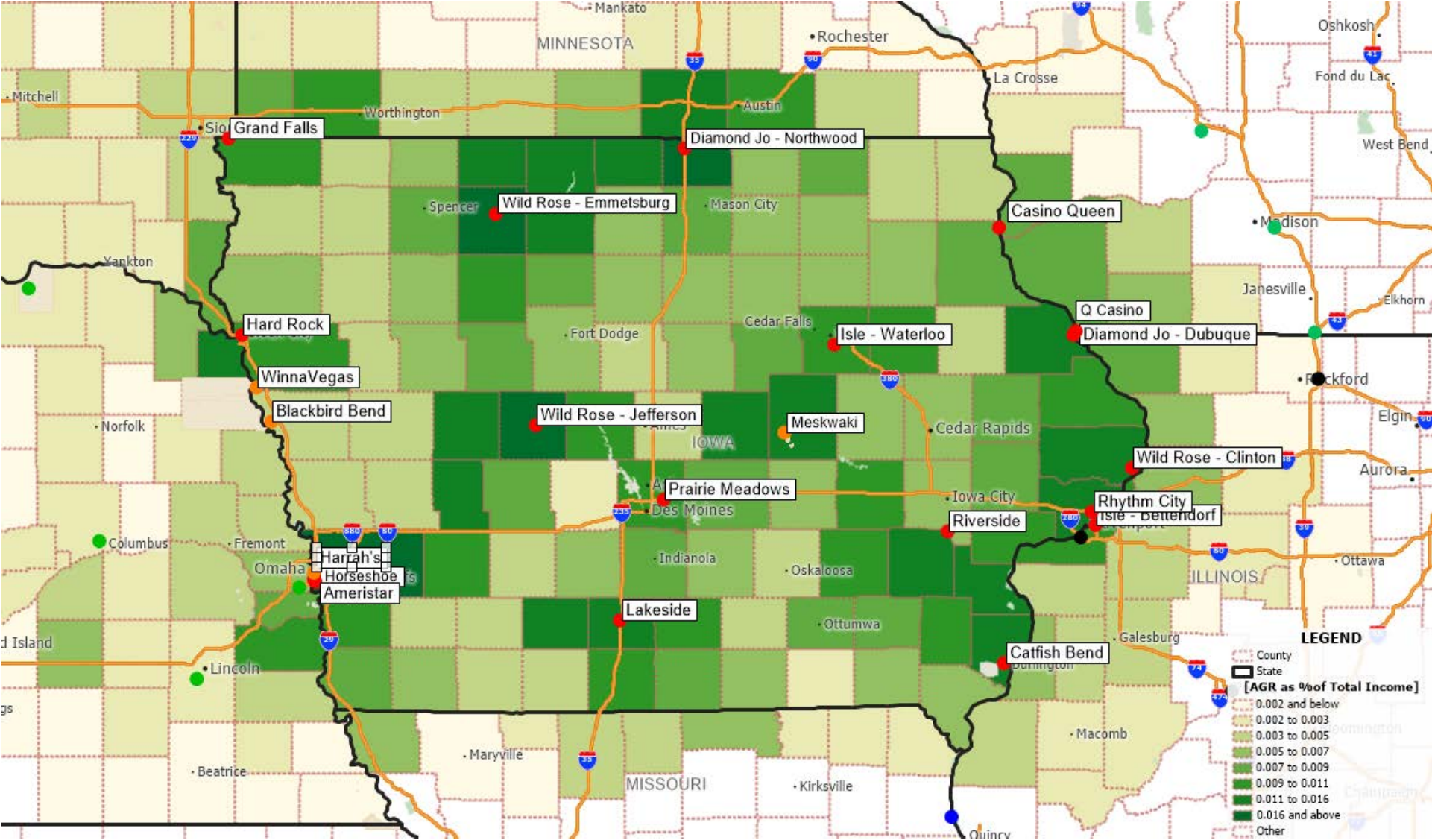
| Casino Spending Analysis (FY 2024)<br>State of Iowa and Select Counties |                       |               |                                  |                             |   |   |  |
|---|-----------------------|---------------|----------------------------------|-----------------------------|---|---|--|
| County  | Significant Cities    | Adults (2024) | Casino Expenditures (FY 2024)    |                             |   |   |  |
|   |                       |               | Average Spend per Casino Visit * | Annual Total Casino Spend * | Casino Spend as % of Total Personal Income ** | Casino Spend as % of Disposable Income ** |  |
| Pottawattamie   | Council Bluffs        | 68,248        | \$88                             | \$56,807,783                | 1.63%   | 2.11%                                     |  |
| Clinton   | Clinton               | 34,323        | \$78                             | \$23,999,346                | 1.41%   | 1.81%                                     |  |
| Dubuque   | Dubuque               | 73,446        | \$88                             | \$55,332,806                | 1.31%   | 1.74%                                     |  |
| Scott   | Davenport, Bettendorf | 129,220       | \$77                             | \$80,894,922                | 1.15%   | 1.51%                                     |  |
| Black Hawk  | Waterloo, Cedar Falls | 95,281        | \$105                            | \$46,062,465                | 0.96%   | 1.25%                                     |  |
| Woodbury  | Sioux City            | 75,275        | \$54                             | \$36,096,948                | 0.96%   | 1.25%                                     |  |
| Rock Island (IL)  | Rock Island, Moline   | 104,783       | \$81                             | \$45,860,028                | 0.90%   | 1.16%                                     |  |
| Polk  | Des Moines            | 371,664       | \$115                            | \$201,098,671               | 0.87%   | 1.18%                                     |  |
| Sarpy (NE)  | Omaha                 | 141,094       | \$113                            | \$74,926,266                | 0.77%   | 1.06%                                     |  |
| Linn  | Cedar Rapids          | 170,077       | \$102                            | \$67,470,506                | 0.67%   | 0.89%                                     |  |
| Douglas (NE)  | Omaha                 | 428,419       | \$96                             | \$169,033,277               | 0.63%   | 0.86%                                     |  |
| Johnson   | Iowa City             | 117,477       | \$86                             | \$38,411,524                | 0.56%   | 0.76%                                     |  |
| Story   | Ames                  | 69,450        | \$121                            | \$17,668,405                | 0.44%   | 0.59%                                     |  |
| Dallas  | Des Moines west metro | 80,936        | \$144                            | \$18,608,319                | 0.28%   | 0.40%                                     |  |
| State of Iowa   |                       | 2,359,563     | \$94                             | \$1,067,264,144             | 0.82%   | 1.08%                                     |  |

\* Casino expenditure estimates based on Marquette Advisors review of casino player statistics  
\*\* Personal and disposable income estimates sourced from ESRI Business Information Solutions.

The heat map on the following page shows by county, the variance in consumer spending on casino gaming as a % of total personal income.



### Casino Gaming Expenditures as % of Total Personal Income



### **Variance in Average Daily Win-per-Unit (WPU)**

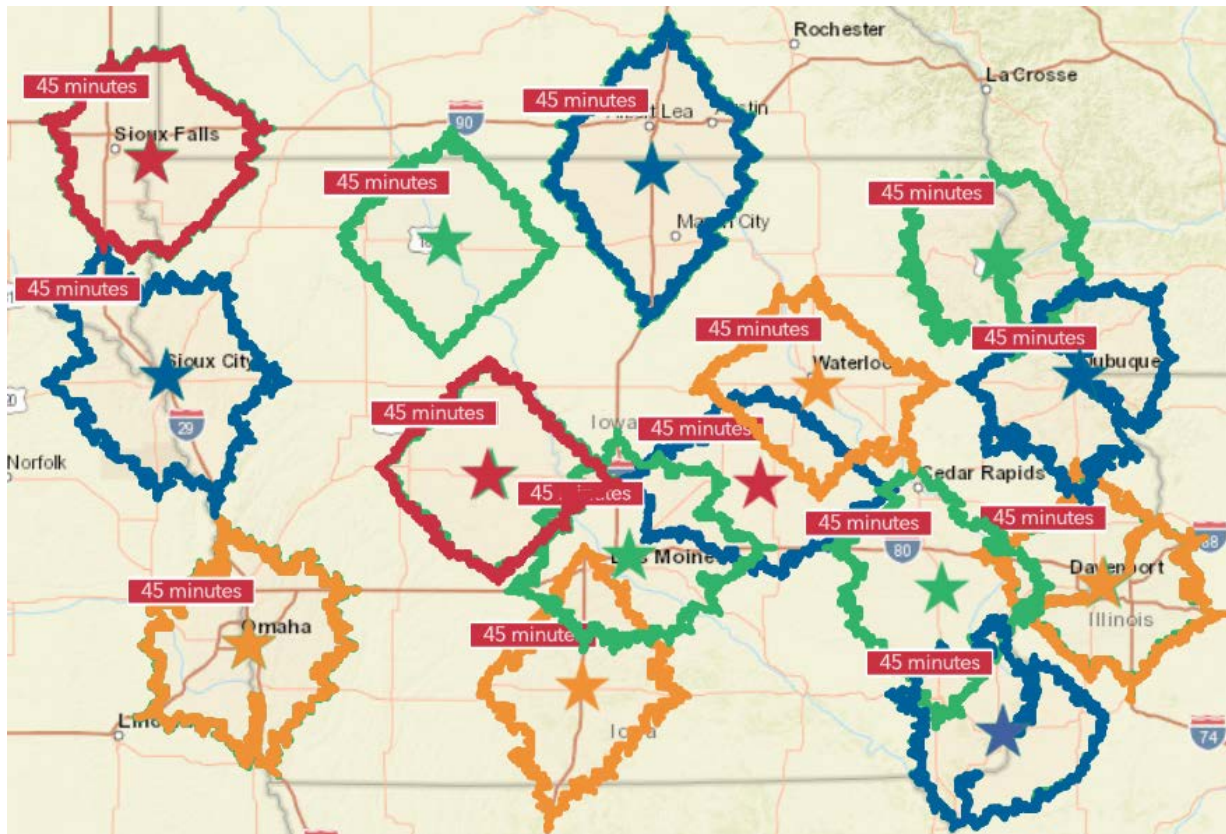
There is significant variance in WPU across Iowa's casinos. Casinos within or near to significant population centers such as Des Moines, Sioux Falls, Sioux City and Council Bluffs benefit from greater surrounding population density and thus sustain a steady pattern of local business throughout the week, resulting in a stronger WPU. WPU in FY 2024 ranged from \$278 (Harrah's) to \$353 (Ameristar) in Council Bluffs, \$335 at Grand Falls (near Sioux Falls), \$433 at Hard Rock-Sioux City, and \$500 at Prairie Meadows in Altoona (in the Des Moines metro area). In Dubuque, another urban market, WPU is lower due to this being a smaller urban market with two casinos competing head-to-head -- WPU's reported in FY 2024 were \$282 at Diamond Jo and \$203 at Q Casino. By comparison, casinos in smaller communities generally report a lower WPU. Examples are Casino Queen at \$127, the three Wild Rose facilities ranging from \$169-\$185, and Catfish Bend at \$170.

### **Iowa Casinos Draw Mostly "Local" Customers**

The majority of Iowa casinos are attracting a mostly "local" customer base, supplemented by smaller numbers of "destination" gamblers. With casinos spread across the state, we've seen a tightening of individual gaming markets. Today, most Iowa residents can reach one or more casinos within a one-hour drive from their home. While many gamblers will visit multiple casinos throughout the year, most tend to patronize the casino closest to home. Those residing in the Omaha-Council Bluffs area and the Quad Cities have three large casinos within a short drive. Dubuque residents have access to two casinos in the city and four more within 90 minutes. Linn County (including Cedar Rapids), which is a focus of this engagement, has no casino presently. However, Cedar Rapids residents have three casinos within a 40 to 60-minute drive, including Riverside, Meskwaki, and Isle-Waterloo. The supply increases to nine casinos within 90 minutes of Cedar Rapids, including the three Quad Cities Casinos, along with Wild Rose-Clinton and the two Dubuque casinos. From our analysis of drive times, facility characteristics, and detailed customer statistics provided by the casinos, it is apparent that the vast majority of casino trips by Linn County residents are captured by Riverside, Isle-Waterloo and Meskwaki.

Based on the customer point-of-origin admissions & revenue data provided by casino operators along with drive-time mapping analysis by Marquette Advisors, it is apparent that **63% of FY 2024 AGR at Iowa casinos came from persons residing within 45 minutes of the respective gaming facilities.** The map on the following page shows the location of Iowa casinos and a 45-minute drive-time zone surrounding each facility. It's worth noting there is considerably more market overlap in the eastern part of the state.

### 45-Minute Drive Time Zones Surrounding Iowa Casinos



### Submarkets & Individual Casino Performance

Marquette Advisors toured all Iowa casinos in November & December and reviewed detailed performance statistics for each facility, including an analysis of IRGC-published statistics, as well as player tracking analytics provided by the casino operators. These statistics delineate the number of customer visits (admissions) and gaming revenue by point of origin (by zip code). This highly confidential data was provided by the casinos to facilitate our analysis, with the agreement that these property-specific metrics would be held in confidence and not published in this report.

The following discussion and data tables summarize the state’s various submarkets and individual casino performance statistics. Most casinos experienced a fairly robust surge in AGR in the post-pandemic environment, fueled in part by pent-up demand and excess savings correlating with government stimulus payments which have since cycled through the economy. Meanwhile, during 2021 and 2022 farm income and personal income growth was strong, and casinos benefited. Since then, however, most casinos have experienced some softening in demand with declines in AGR over the past 2+ years. This correlates with the inflationary environment and stress in the economy as discussed in this report.



### Iowa Commercial Casino Admissions & Revenue Performance, FY2017 to date

| Casino                       | Location   | FY2017        | FY2018        | FY2019        | FY2020        | FY2021        | FY2022        | FY2023        | FY2024        | FY2025 YTD   |
|------------------------------|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Hard Rock <sup>1</sup> AGR   | Sioux City | \$77,027,496  | \$80,911,617  | \$75,981,993  | \$61,131,382  | \$87,071,790  | \$97,940,548  | \$94,822,928  | \$92,538,596  | \$37,250,330 |
| % change                     |            | -7.4%         | 5.0%          | -6.1%         | -19.5%        | 42.4%         | 12.5%         | -3.2%         | -2.4%         | -0.8%        |
| Admissions                   |            | 1,721,017     | 1,755,779     | 1,542,168     | 1,241,158     | 1,425,562     | 1,354,248     | 1,262,504     | 1,264,928     | 540,910      |
| % change                     |            | -12.1%        | 2.0%          | -12.2%        | -19.5%        | 14.9%         | -5.0%         | -6.8%         | 0.2%          | 5.0%         |
| Win per Admission            |            | \$45          | \$46          | \$49          | \$49          | \$61          | \$72          | \$75          | \$73          | \$69         |
| % change                     |            | 5.4%          | 3.0%          | 6.9%          | 0.0%          | 24.0%         | 18.4%         | 3.9%          | -2.6%         | -5.6%        |
| Grand Falls <sup>2</sup> AGR | Larchwood  | \$54,802,316  | \$56,205,688  | \$61,470,304  | \$51,068,556  | \$77,985,618  | \$92,891,615  | \$95,759,860  | \$99,465,069  | \$40,227,789 |
| % change                     |            | -1.7%         | 2.6%          | 9.4%          | -16.9%        | 52.7%         | 19.1%         | 3.1%          | 3.9%          | -1.9%        |
| Admissions                   |            | 1,022,442     | 948,379       | 946,527       | 726,826       | 861,656       | 917,110       | 972,949       | 1,049,885     | 480,393      |
| % change                     |            | -3.6%         | -7.2%         | -0.2%         | -23.2%        | 18.6%         | 6.4%          | 6.1%          | 7.9%          | 11.0%        |
| Win per Admission            |            | \$54          | \$59          | \$65          | \$70          | \$91          | \$101         | \$98          | \$95          | \$84         |
| % change                     |            | 1.9%          | 10.6%         | 9.6%          | 8.2%          | 28.8%         | 11.9%         | -2.8%         | -3.7%         | -11.6%       |
| Wild Rose AGR                | Emmetsburg | \$28,420,748  | \$28,308,890  | \$27,367,735  | \$20,300,642  | \$27,418,527  | \$30,715,147  | \$31,359,993  | \$31,538,188  | \$12,735,920 |
| % change                     |            | -2.1%         | -0.4%         | -3.3%         | -25.8%        | 35.1%         | 12.0%         | 2.1%          | 0.6%          | -3.7%        |
| Admissions                   |            | 424,122       | 391,176       | 359,685       | 265,894       | 282,229       | 313,297       | 313,590       | 314,371       | 132,860      |
| % change                     |            | -5.9%         | -7.8%         | -8.1%         | -26.1%        | 6.1%          | 11.0%         | 0.1%          | 0.2%          | -0.1%        |
| Win per Admission            |            | \$67          | \$72          | \$76          | \$76          | \$97          | \$98          | \$100         | \$100         | \$96         |
| % change                     |            | 4.1%          | 8.0%          | 5.1%          | 0.3%          | 27.2%         | 0.9%          | 2.0%          | 0.3%          | -3.6%        |
| Wild Rose <sup>3</sup> AGR   | Jefferson  | \$28,214,880  | \$28,170,956  | \$29,135,885  | \$22,489,579  | \$32,338,665  | \$36,424,020  | \$36,519,408  | \$36,677,174  | \$14,847,342 |
| % change                     |            | 5.0%          | -0.2%         | 3.4%          | -22.8%        | 43.8%         | 12.6%         | 0.3%          | 0.4%          | -0.7%        |
| Admissions                   |            | 442,626       | 431,662       | 434,372       | 337,022       | 368,521       | 412,815       | 385,584       | 376,740       | 151,495      |
| % change                     |            | -6.1%         | -2.5%         | 0.6%          | -22.4%        | 9.3%          | 12.0%         | -6.6%         | -2.3%         | -5.9%        |
| Win per Admission            |            | \$64          | \$65          | \$67          | \$67          | \$88          | \$88          | \$95          | \$97          | \$98         |
| % change                     |            | 11.8%         | 2.4%          | 2.8%          | -0.5%         | 31.5%         | 0.5%          | 7.3%          | 2.8%          | 5.5%         |
| Diamond Jo AGR               | Northwood  | \$85,196,088  | \$84,826,436  | \$84,543,874  | \$66,176,954  | \$95,879,440  | \$104,546,971 | \$102,970,685 | \$107,236,703 | \$44,682,094 |
| % change                     |            | -1.6%         | -0.4%         | -0.3%         | -21.7%        | 44.9%         | 9.0%          | -1.5%         | 4.1%          | 1.4%         |
| Admissions                   |            | 1,237,613     | 1,082,346     | 999,434       | 790,020       | 956,069       | 888,823       | 859,933       | 881,344       | 370,334      |
| % change                     |            | -2.3%         | -12.5%        | -7.7%         | -21.0%        | 21.0%         | -7.0%         | -3.3%         | 2.5%          | 2.7%         |
| Win per Admission            |            | \$69          | \$78          | \$85          | \$84          | \$100         | \$118         | \$120         | \$122         | \$121        |
| % change                     |            | 0.8%          | 13.8%         | 7.9%          | -1.0%         | 19.7%         | 17.3%         | 1.8%          | 1.6%          | -1.3%        |
| Prairie Meadows AGR          | Altoona    | \$190,172,316 | \$201,187,146 | \$206,540,896 | \$157,183,728 | \$206,650,185 | \$228,250,503 | \$240,943,090 | \$240,287,837 | \$96,380,365 |
| % change                     |            | 4.2%          | 5.8%          | 2.7%          | -23.9%        | 31.5%         | 10.5%         | 5.6%          | -0.3%         | -3.9%        |
| Admissions                   |            | 3,155,137     | 3,137,344     | 3,027,339     | 2,131,112     | 2,020,817     | 2,080,102     | 2,104,215     | 2,110,532     | 902,321      |
| % change                     |            | 7.8%          | -0.6%         | -3.5%         | -29.6%        | -5.2%         | 2.9%          | 1.2%          | 0.3%          | 0.8%         |
| Win per Admission            |            | \$60          | \$64          | \$68          | \$74          | \$102         | \$110         | \$115         | \$114         | \$107        |
| % change                     |            | -3.4%         | 6.4%          | 6.4%          | 8.1%          | 38.6%         | 7.3%          | 4.4%          | -0.6%         | -4.7%        |

**Iowa Commercial Casino Admissions & Revenue Performance, FY2017 to date**

| Casino                      | Location  | FY2017       | FY2018       | FY2019       | FY2020       | FY2021       | FY2022        | FY2023       | FY2024       | FY2025 YTD   |
|-----------------------------|-----------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Lakeside AGR                | Osceola   | \$48,135,113 | \$46,113,256 | \$47,156,050 | \$40,140,089 | \$47,606,985 | \$53,124,068  | \$50,808,223 | \$48,685,334 | \$19,659,819 |
| % change                    |           | -2.6%        | -4.2%        | 2.3%         | -14.9%       | 18.6%        | 11.6%         | -4.4%        | -4.2%        | 0.1%         |
| Admissions                  |           | 539,892      | 492,385      | 510,882      | 403,564      | 365,588      | 381,137       | 359,761      | 344,580      | 147,570      |
| % change                    |           | -14.3%       | -8.8%        | 3.8%         | -21.0%       | -9.4%        | 4.3%          | -5.6%        | -4.2%        | 9.3%         |
| Win per Admission           |           | \$89         | \$94         | \$92         | \$99         | \$130        | \$139         | \$141        | \$141        | \$133        |
| % change                    |           | 13.7%        | 5.0%         | -1.4%        | 7.8%         | 30.9%        | 7.0%          | 1.3%         | 0.0%         | -8.4%        |
| Casino Queen AGR            | Marquette | \$29,703,318 | \$23,761,171 | \$21,644,320 | \$16,774,521 | \$18,122,047 | \$21,172,627  | \$21,420,432 | \$20,743,196 | \$8,670,519  |
| % change                    |           | 9.5%         | -20.0%       | -8.9%        | -22.5%       | 8.0%         | 16.8%         | 1.2%         | -3.2%        | -3.5%        |
| Admissions                  |           | 253,122      | 225,799      | 205,862      | 153,405      | 133,166      | 156,181       | 155,421      | 154,865      | 65,249       |
| % change                    |           | -7.0%        | -10.8%       | -8.8%        | -25.5%       | -13.2%       | 17.3%         | -0.5%        | -0.4%        | -7.4%        |
| Win per Admission           |           | \$117        | \$105        | \$105        | \$109        | \$136        | \$136         | \$138        | \$134        | \$133        |
| % change                    |           | 17.7%        | -10.3%       | -0.1%        | 4.0%         | 24.5%        | -0.4%         | 1.7%         | -2.8%        | 4.2%         |
| Diamond Jo <sup>4</sup> AGR | Dubuque   | \$66,856,145 | \$69,142,640 | \$69,145,949 | \$56,288,403 | \$68,075,215 | \$76,416,240  | \$74,695,988 | \$79,090,934 | \$31,608,826 |
| % change                    |           | -1.0%        | 3.4%         | 0.0%         | -18.6%       | 20.9%        | 12.3%         | -2.3%        | 5.9%         | -1.9%        |
| Admissions                  |           | 917,395      | 897,279      | 916,896      | 721,789      | 602,226      | 694,208       | 684,704      | 703,417      | 283,573      |
| % change                    |           | -6.2%        | -2.2%        | 2.2%         | -21.3%       | -16.6%       | 15.3%         | -1.4%        | 2.7%         | -3.9%        |
| Win per Admission           |           | \$73         | \$77         | \$75         | \$78         | \$113        | \$110         | \$109        | \$112        | \$111        |
| % change                    |           | 5.5%         | 5.7%         | -2.1%        | 3.4%         | 45.0%        | -2.6%         | -0.9%        | 3.1%         | 2.0%         |
| Q Casino AGR                | Dubuque   | \$47,639,628 | \$47,830,837 | \$50,464,857 | \$39,695,531 | \$50,257,313 | \$52,248,463  | \$50,503,444 | \$43,960,511 | \$18,389,148 |
| % change                    |           | -2.4%        | 0.4%         | 5.5%         | -21.3%       | 26.6%        | 4.0%          | -3.3%        | -13.0%       | -1.3%        |
| Admissions                  |           | 847,435      | 828,379      | 798,991      | 641,259      | 571,893      | 641,023       | 605,970      | 551,437      | 264,618      |
| % change                    |           | -2.3%        | -2.2%        | -3.5%        | -19.7%       | -10.8%       | 12.1%         | -5.5%        | -9.0%        | 5.0%         |
| Win per Admission           |           | \$56         | \$58         | \$63         | \$62         | \$88         | \$82          | \$83         | \$80         | \$69         |
| % change                    |           | -0.1%        | 2.7%         | 9.4%         | -2.0%        | 42.0%        | -7.2%         | 2.3%         | -4.3%        | -6.0%        |
| Wild Rose <sup>5</sup> AGR  | Clinton   | \$31,362,880 | \$30,158,384 | \$29,168,148 | \$23,962,022 | \$32,920,515 | \$33,617,256  | \$33,290,715 | \$32,924,029 | \$12,404,872 |
| % change                    |           | -4.7%        | -3.8%        | -3.3%        | -17.8%       | 37.4%        | 2.1%          | -1.0%        | -1.1%        | -10.5%       |
| Admissions                  |           | 567,370      | 546,465      | 531,549      | 370,398      | 387,669      | 402,026       | 402,422      | 416,453      | 169,294      |
| % change                    |           | -1.5%        | -3.7%        | -2.7%        | -30.3%       | 4.7%         | 3.7%          | 0.1%         | 3.5%         | -3.5%        |
| Win per Admission           |           | \$55         | \$55         | \$55         | \$65         | \$85         | \$84          | \$83         | \$79         | \$73         |
| % change                    |           | -3.3%        | -0.2%        | -0.6%        | 17.9%        | 31.3%        | -1.5%         | -1.1%        | -4.4%        | -7.2%        |
| Isle-Waterloo AGR           | Waterloo  | \$87,034,926 | \$85,272,019 | \$83,722,535 | \$65,610,428 | \$88,403,509 | \$101,018,619 | \$97,835,234 | \$93,347,049 | \$36,944,344 |
| % change                    |           | -2.8%        | -2.0%        | -1.8%        | -21.6%       | 34.7%        | 14.3%         | -3.2%        | -4.6%        | -1.7%        |
| Admissions                  |           | 1,119,847    | 1,014,079    | 932,898      | 738,795      | 785,480      | 822,796       | 763,921      | 707,729      | 280,879      |
| % change                    |           | -9.2%        | -9.4%        | -8.0%        | -20.8%       | 6.3%         | 4.8%          | -7.2%        | -7.4%        | -4.6%        |
| Win per Admission           |           | \$78         | \$84         | \$90         | \$89         | \$113        | \$123         | \$128        | \$132        | \$132        |
| % change                    |           | 7.0%         | 8.2%         | 6.7%         | -1.0%        | 26.7%        | 9.1%          | 4.3%         | 3.0%         | 3.1%         |

**Iowa Commercial Casino Admissions & Revenue Performance, FY2017 to date**

| Casino                           | Location       | FY2017        | FY2018        | FY2019        | FY2020        | FY2021        | FY2022        | FY2023        | FY2024        | FY2025 YTD   |
|----------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Riverside AGR                    | Riverside      | \$85,682,854  | \$85,762,719  | \$90,056,241  | \$76,697,150  | \$116,284,366 | \$128,408,256 | \$130,020,701 | \$129,213,320 | \$53,103,881 |
| % change                         |                | 0.6%          | 0.1%          | 5.0%          | -14.8%        | 51.6%         | 10.4%         | 1.3%          | -0.6%         | -1.3%        |
| Admissions                       |                | 1,524,135     | 1,451,947     | 1,615,613     | 1,306,646     | 1,382,451     | 1,493,664     | 1,531,927     | 1,501,575     | 623,344      |
| % change                         |                | -1.7%         | -4.7%         | 11.3%         | -19.1%        | 5.8%          | 8.0%          | 2.6%          | -2.0%         | -1.7%        |
| Win per Admission                |                | \$56          | \$59          | \$56          | \$59          | \$84          | \$86          | \$85          | \$86          | \$85         |
| % change                         |                | 2.3%          | 5.1%          | -5.6%         | 5.3%          | 43.3%         | 2.2%          | -1.3%         | 1.4%          | 0.4%         |
| Isle-Bettendorf <sup>6</sup> AGR | Bettendorf     | \$77,459,196  | \$69,777,307  | \$65,989,771  | \$51,185,660  | \$68,543,830  | \$72,395,475  | \$73,430,962  | \$66,670,803  | \$26,851,906 |
| % change                         |                | 11.1%         | -9.9%         | -5.4%         | -22.4%        | 33.9%         | 5.6%          | 1.4%          | -9.2%         | -3.8%        |
| Admissions                       |                | 1,075,519     | 912,028       | 824,719       | 627,436       | 649,723       | 716,361       | 718,445       | 665,150       | 257,788      |
| % change                         |                | 30.7%         | -15.2%        | -9.6%         | -23.9%        | 3.6%          | 10.3%         | 0.3%          | -7.4%         | -10.7%       |
| Win per Admission                |                | \$72          | \$77          | \$80          | \$82          | \$105         | \$101         | \$102         | \$100         | \$104        |
| % change                         |                | -15.0%        | 6.2%          | 4.6%          | 2.0%          | 29.3%         | -4.2%         | 1.1%          | -1.9%         | 7.8%         |
| Rhythm City <sup>7</sup> AGR     | Davenport      | \$61,951,257  | \$66,972,554  | \$71,169,845  | \$64,095,082  | \$110,258,958 | \$118,367,718 | \$115,204,660 | \$111,892,546 | \$46,091,874 |
| % change                         |                | 41.1%         | 8.1%          | 6.3%          | -9.9%         | 72.0%         | 7.4%          | -2.7%         | -2.9%         | 1.3%         |
| Admissions                       |                | 1,274,293     | 1,188,390     | 1,169,129     | 983,885       | 1,311,987     | 1,378,067     | 1,336,926     | 1,296,092     | 536,396      |
| % change                         |                | 69.6%         | -6.7%         | -1.6%         | -15.8%        | 33.3%         | 5.0%          | -3.0%         | -3.1%         | -1.2%        |
| Win per Admission                |                | \$49          | \$56          | \$61          | \$65          | \$84          | \$86          | \$86          | \$86          | \$86         |
| % change                         |                | -16.8%        | 15.9%         | 8.0%          | 7.0%          | 29.0%         | 2.2%          | 0.3%          | 0.2%          | 2.5%         |
| Catfish Bend <sup>8</sup> AGR    | Burlington     | \$41,850,902  | \$39,335,086  | \$39,631,561  | \$32,120,253  | \$43,312,686  | \$45,528,188  | \$44,867,878  | \$43,610,889  | \$18,518,542 |
| % change                         |                | -4.5%         | -6.0%         | 0.8%          | -19.0%        | 34.8%         | 5.1%          | -1.5%         | -2.8%         | -0.5%        |
| Admissions                       |                | 668,883       | 500,979       | 611,690       | 606,961       | 622,761       | 673,740       | 680,586       | 680,348       | 285,811      |
| % change                         |                | -11.6%        | -25.1%        | 22.1%         | -0.8%         | 2.6%          | 8.2%          | 1.0%          | 0.0%          | -0.4%        |
| Win per Admission                |                | \$63          | \$79          | \$65          | \$53          | \$70          | \$68          | \$66          | \$64          | \$65         |
| % change                         |                | 8.0%          | 25.5%         | -17.5%        | -18.3%        | 31.4%         | -2.8%         | -2.4%         | -2.8%         | -0.1%        |
| Horseshoe AGR                    | Council Bluff: | \$172,142,344 | \$176,934,997 | \$168,532,081 | \$141,079,667 | \$180,348,582 | \$212,195,500 | \$204,743,960 | \$187,095,411 | \$74,945,892 |
| % change                         |                | -2.0%         | 2.8%          | -4.7%         | -16.3%        | 27.8%         | 17.7%         | -3.5%         | -8.6%         | -2.8%        |
| Admissions                       |                | 2,016,310     | 1,981,683     | 1,799,001     | 1,457,612     | 1,595,720     | 1,762,988     | 1,656,780     | 1,579,766     | 610,384      |
| % change                         |                | 1.0%          | -1.7%         | -9.2%         | -19.0%        | 9.5%          | 10.5%         | -6.0%         | -4.6%         | -9.0%        |
| Win per Admission                |                | \$85          | \$89          | \$94          | \$97          | \$113         | \$120         | \$124         | \$118         | \$123        |
| % change                         |                | -2.9%         | 4.6%          | 4.9%          | 3.3%          | 16.8%         | 6.5%          | 2.7%          | -4.2%         | 6.8%         |
| Harrah's <sup>9</sup> AGR        | Council Bluff: | \$71,271,483  | \$73,077,556  | \$71,254,377  | \$52,346,691  | \$58,119,156  | \$73,974,593  | \$70,728,821  | \$71,907,055  | \$27,109,933 |
| % change                         |                | 1.0%          | 2.5%          | -2.5%         | -26.5%        | 11.0%         | 27.3%         | -4.4%         | 1.7%          | -9.6%        |
| Admissions                       |                | 1,139,940     | 1,117,913     | 1,024,899     | 770,578       | 675,334       | 801,998       | 748,972       | 749,575       | 294,762      |
| % change                         |                | 6.1%          | -1.9%         | -8.3%         | -24.8%        | -12.4%        | 18.8%         | -6.6%         | 0.1%          | -7.8%        |
| Win per Admission                |                | \$63          | \$65          | \$70          | \$68          | \$86          | \$92          | \$94          | \$96          | \$92         |
| % change                         |                | -4.9%         | 4.6%          | 6.4%          | -2.3%         | 26.7%         | 7.2%          | 2.4%          | 1.6%          | -2.0%        |
| Ameristar AGR                    | Council Bluff: | \$171,602,899 | \$170,059,112 | \$163,902,526 | \$125,069,899 | \$165,813,532 | \$187,003,086 | \$184,593,674 | \$186,625,900 | \$72,969,888 |
| % change                         |                | 1.6%          | -0.9%         | -3.6%         | -23.7%        | 32.6%         | 12.8%         | -1.3%         | 1.1%          | -3.0%        |
| Admissions                       |                | 1,856,303     | 1,799,157     | 1,611,403     | 1,255,861     | 1,395,803     | 1,566,018     | 1,534,315     | 1,501,562     | 591,072      |
| % change                         |                | -2.1%         | -3.1%         | -10.4%        | -22.1%        | 11.1%         | 12.2%         | -2.0%         | -2.1%         | -6.5%        |
| Win per Admission                |                | \$92          | \$95          | \$102         | \$100         | \$119         | \$119         | \$120         | \$124         | \$123        |
| % change                         |                | 3.8%          | 2.2%          | 7.6%          | -2.1%         | 19.3%         | 0.5%          | 0.8%          | 3.3%          | 3.8%         |

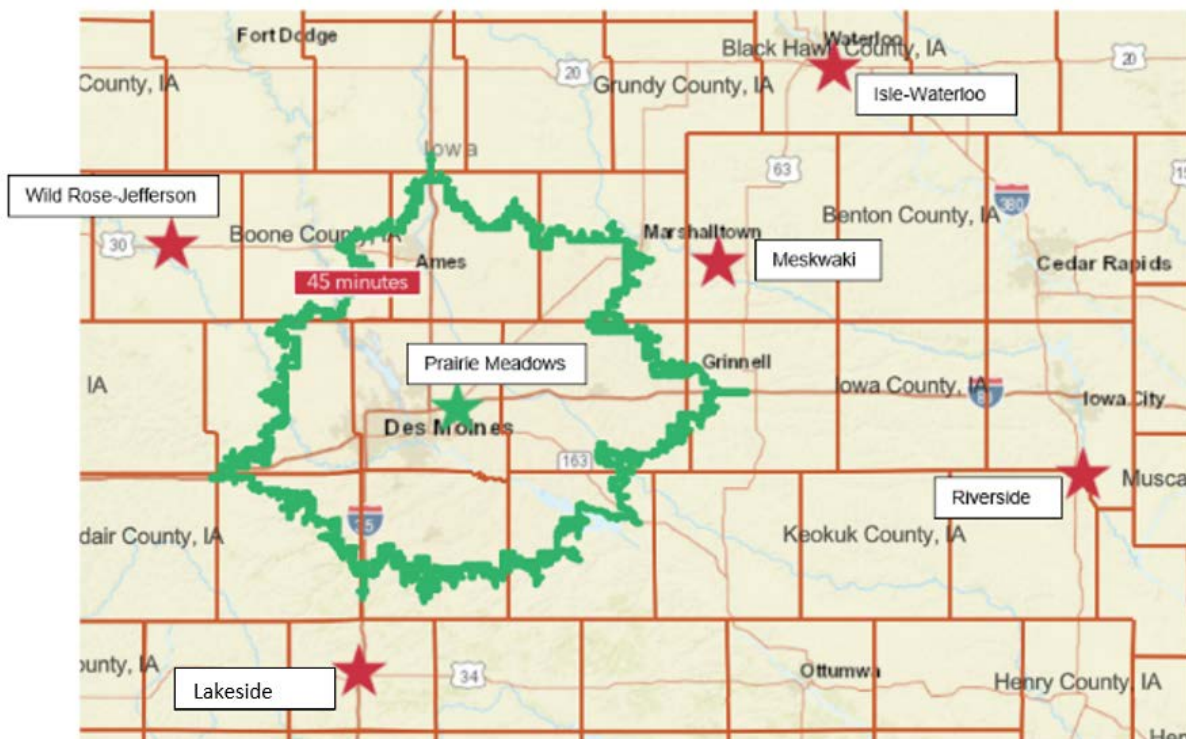


**Iowa Commercial Casino Admissions & Revenue Performance, FY2017 to date**

| Casino                   | Location         | FY2017                 | FY2018                 | FY2019                 | FY2020                 | FY2021                 | FY2022                 | FY2023                 | FY2024                 | FY2025 YTD           |
|--------------------------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
| <b>TOTAL AGR</b>         | <b>Statewide</b> | <b>\$1,456,526,789</b> | <b>\$1,463,808,371</b> | <b>\$1,456,878,948</b> | <b>\$1,163,416,237</b> | <b>\$1,575,410,919</b> | <b>\$1,766,238,893</b> | <b>\$1,754,520,656</b> | <b>\$1,723,510,544</b> | <b>\$693,393,284</b> |
| <i>% change</i>          |                  | <i>1.3%</i>            | <i>0.5%</i>            | <i>-0.5%</i>           | <i>-20.1%</i>          | <i>35.4%</i>           | <i>12.1%</i>           | <i>-0.7%</i>           | <i>-1.8%</i>           | <i>-2.5%</i>         |
| <b>Admissions</b>        |                  | <b>21,803,401</b>      | <b>20,703,169</b>      | <b>19,863,057</b>      | <b>15,530,221</b>      | <b>16,394,655</b>      | <b>17,456,602</b>      | <b>17,078,925</b>      | <b>16,850,349</b>      | <b>6,989,053</b>     |
| <i>% change</i>          |                  | <i>1.2%</i>            | <i>-5.0%</i>           | <i>-4.1%</i>           | <i>-21.8%</i>          | <i>5.6%</i>            | <i>6.5%</i>            | <i>-2.2%</i>           | <i>-1.3%</i>           | <i>-1.5%</i>         |
| <b>Win per Admission</b> |                  | <b>\$66.80</b>         | <b>\$70.70</b>         | <b>\$73.35</b>         | <b>\$74.91</b>         | <b>\$96.09</b>         | <b>\$101.18</b>        | <b>\$102.73</b>        | <b>\$102.28</b>        | <b>\$99.21</b>       |
| <i>% change</i>          |                  | <i>0.1%</i>            | <i>5.8%</i>            | <i>3.7%</i>            | <i>2.1%</i>            | <i>28.3%</i>           | <i>5.3%</i>            | <i>1.5%</i>            | <i>-0.4%</i>           | <i>-0.9%</i>         |

Source: IRGC

**Des Moines** – Des Moines-area residents have access to one casino locally, that being **Prairie Meadows** in Altoona, situated in the northeast part of the metro area. It is the state’s largest gaming facility. Prairie Meadows continues to be the dominant facility within the greater Des Moines market, with revenues of just over \$240 million in FY 2024. Prairie Meadows was the state’s leader with gaming machine WPU of \$500 for FY 2024. FY 2024 revenues were +16.3% over five years (comparing to FY 2019 pre-COVID) – however, AGR declined slightly by 0.7% in FY 2024, while FY 2025 yr-to-date revenues are -3.9% year-over-year. Improvements and modernization of the casino and amenities have solidified Prairie Meadows’ position within the local market, as well as regionally. The facility features a 168-room hotel and more than 34,000 sf of banquet and events space – these assets are utilized to market the complex both locally and regionally. The Prairie Meadows location is clearly advantageous, providing convenient access within the state’s largest population center and near its capital city of Des Moines, the property is well positioned to compete for a strong share of both local and regional market segments. However, Prairie Meadows has several formidable competitors with respect to more distant markets, as Iowa is proliferated with casino hotels – the most notable competitors are primarily to the east including Meskwaki, Isle-Waterloo and Riverside. By comparison to Prairie Meadows, these three casinos draw more heavily from markets such as Waterloo/Cedar Falls, Cedar Rapids and Iowa City, effectively blocking Prairie Meadows from gaining significant penetration into those key population centers in eastern Iowa.



A second facility near Des Moines is **Lakeside Casino**, approximately 40 minutes south of the Des Moines western suburbs in Osceola. Lakeside recently completed a significant remodel of its casino, with a similar effort planned for the hotel upcoming. At Lakeside, FY 2024 AGR totaled \$48.7 million, still about 3.2% higher than 2019. However, despite the recent property improvements, the casino has experienced revenue declines of just over 4% during each of the past two fiscal years. Lakeside attracts customers from Osceola and other small communities in southern Iowa, also competing for a smaller share of the Des Moines-area market. Lakeside is challenged due to its more remote location while, being a smaller facility and one of Iowa's last remaining riverboats, it is more difficult for Lakeside to attract Des Moines area gamblers, and others residing in more distant markets who likely have convenient access to superior facilities.

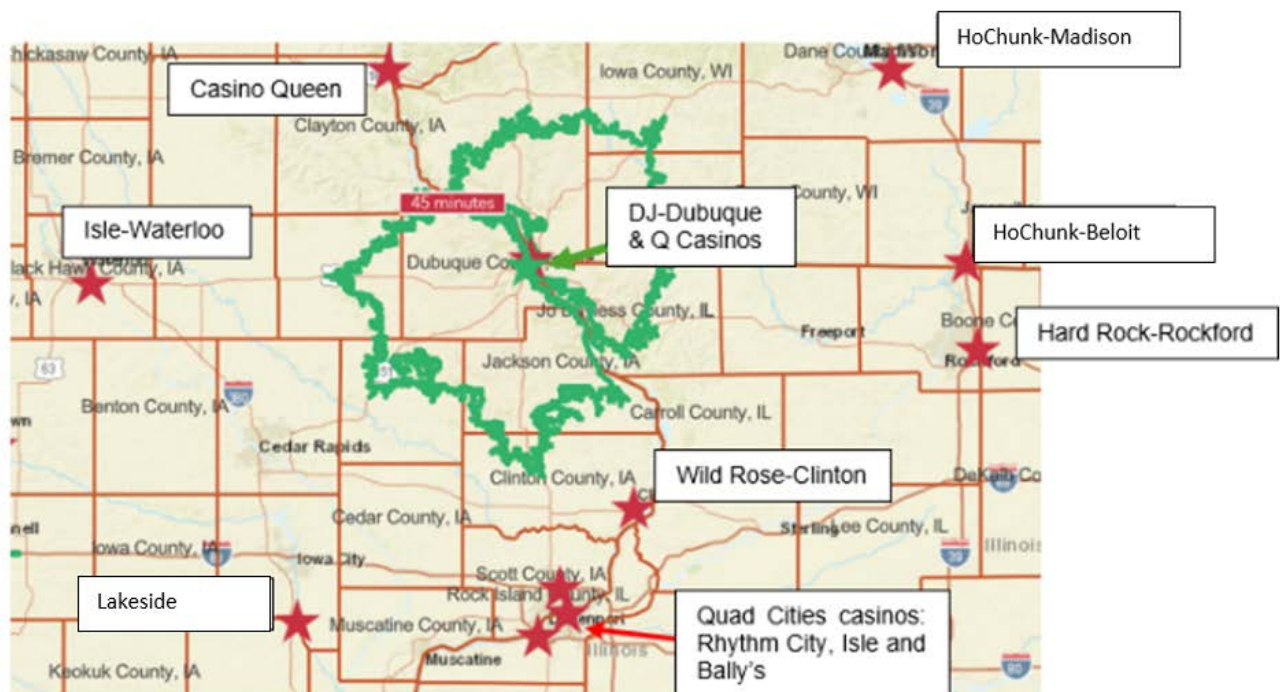


*Prairie Meadows*



*Lakeside Casino*

**Dubuque** -- The Diamond Jo and Q Casinos attract heavy patronage from within the local Dubuque market, where participation rates remain quite high, also drawing from southwest WI and western IL. More than 40% of Dubuque casino revenues come from out-of-state. The two casinos generated combined AGR of approximately \$123 million in FY 2024. However, market AGR in FY 2024 was down 4.4% over two years. This is partly attributable to the recent renovations at Q Casino with related business disruption. Eastern Iowa markets have also been impacted by a downturn in the Ag economy and related manufacturing and production business, with substantial recent layoffs at major companies, most notably those at John Deere. The casinos have also been impacted by Hard Rock in Rockford, IL, with a temporary facility opening there in late 2021, more recently followed by a new permanent casino. This development will continue to impact Dubuque casinos, especially with respect to “in between” markets to the east in both Illinois and Wisconsin. Added competition will come from a new HoChunk casino in Beloit, WI, with that facility expected to open in 2026. In Dubuque, we expect a continued strong push by Q Casino following its recent comprehensive renovation, to be followed by a new hotel now under construction. These facility improvements will precipitate a redistribution of market share between Q Casino and Diamond Jo, while the noted new competitors in IL and WI will cut even deeper into both casinos with respect to non-Iowa markets to the east.







*Diamond Jo Casino-Dubuque*



*Q Casino*

**Quad Cities** – The Quad Cities market is comprised of three facilities, including **Isle of Capri-Bettendorf** and **Rhythm City** in Davenport, along with Bally’s Quad Cities Casino Resort in Rock Island, IL. Quad Cities combined gaming revenues totaled \$239.8 million in FY 2024, including \$66.7 million at Isle (28% of the market) and \$111.9 million at Rhythm City (47% market share). Bally’s accounted for another 25% of the Quad Cities market with \$61.2 million in AGR. The two Iowa casinos (Isle and Rhythm City) capture about 50% of their AGR from out of state – this includes mostly customers from Rock Island and Moline, IL. With its large hotel and attached convention center, Isle-Bettendorf attracts significant group business throughout the broader region, and nationally to some extent. Combined AGR at Isle and Rhythm City was -5.3% in FY 2024. So far in FY 2025 yr-to-date Isle is -3.8% yr-over-yr, while Rhythm City has seen modest growth at 1.3%. Historically, Rhythm City has captured the lion’s share of the Scott County market, benefiting a prominent site with easy freeway access along the I-80 growth corridor, with the two casinos competing head-to-head for Illinois market segments. From our assessment it appears that the Hard Rock-Rockford project has/is impacting both Isle-Bettendorf and Rhythm City, as well as **Wild Rose Casino-Clinton** just to the north. The Quad Cities market along with nearby Clinton have also been impacted by significant John Deere layoffs recently, both in Iowa and Illinois.







***Rhythm City***



***Isle Casino-Bettendorf***



***Bally's-Quad Cities (Rock Island, IL)***



***Wild Rose Casino-Clinton***

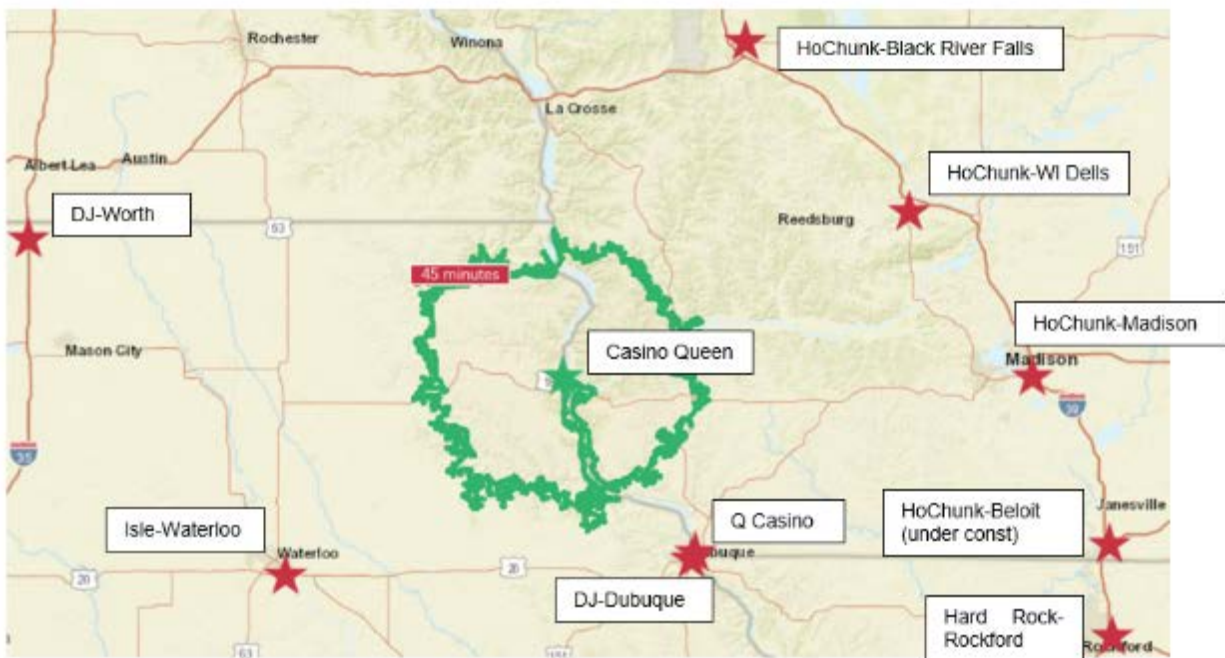
**Catfish Bend Casino** is located in Burlington, in the far southeastern part Iowa. AGR totaled \$43.6 million in FY 2024 and remained 10% higher compared to five years ago, despite a net decline of -4.3% over the past two years. FY 2025 year-to-date revenues are also down by -0.5%. Catfish Bend attracts most of its casino customers from the local area (Des Moines County) and neighboring counties in both IA and IL. Peripheral competitors are shown on the map below. A comprehensive casino “refresh” is underway now, following significant investment in the property’s hotels and amenity components. With this investment, and considering its location, Catfish Bend is well positioned to retain its share of local and nearby market segments. With modest growth expected for this area, slow/steady growth in casino AGR is likely, fluctuating somewhat based on economic conditions in the area.



**Catfish Bend**



**Casino Queen** in Marquette, IA is a riverboat casino, and the state's smallest. Casino Queen captured total AGR of \$20.7 million in FY 2024, down 3.2% for the year. FY 2025 AGR is down 3.5% year-over-year. The casino draws customers from the rural area and communities in northeast Iowa and southwest Wisconsin. Nearly 60% of casino revenues come from out-of-state. Important markets include the local area comprising Clayton County, IA and Prairie du Chein, WI, as well as Waukon and Decorah, IA roughly 35-45 minutes to the northwest, and various Wisconsin markets including both LaCrosse and Platteville just over an hour away. Key competitors are the various HoChunk casinos to the east in Wisconsin. The impact of the Hard Rock-Rockford, IL and HoChunk-Beloit, WI developments is not likely to be significant relative to the current customer base based on drive-times. However, these developments along with the other Wisconsin casinos prohibit Casino Queen from significantly penetrating more distant population centers such as Madison, WI.



It is interesting to note that at \$134, the average win per admission in FY 2024 was the highest among Iowa's commercial casinos. Casino admissions have been on the decline for several years. Meanwhile, AGR has held fairly steady in the \$20-22m range for more than five years (other than the pandemic period) as casino marketing efforts (and free play) have focused on top tier customers, many who reside 45-60+ minutes from the facility. It is also apparent from our analysis that the size and characteristics of the current property layout, which requires a long walk from the parking area to the pavilion, and then across a long skywalk to the casino has negatively impacted casino visitation. Customers are coming less frequently, in part because of this, although many have demonstrated a willingness to spend more per visit.

Casino Queen is in the process of constructing a new land-based facility that will connect to and expand on the current pavilion. We understand the casino will feature a similar number of gaming positions as offered currently, with 400+ machines and about 14 table games (with a net increase in live table games), plus an expanded food & beverage platform. The new casino is expected to open in late 2025. This will greatly enhance the customer experience. We expect this investment will prompt a significant increase in casino visitation, likely offset to some degree with lower average spends, while the casino should also see an increase in business from some of the noted markets lying 45-60 minutes to the north and east.



***Casino Queen-current pavilion and riverboat***



***Rendering – new Casino Queen – expected opening late 2025***

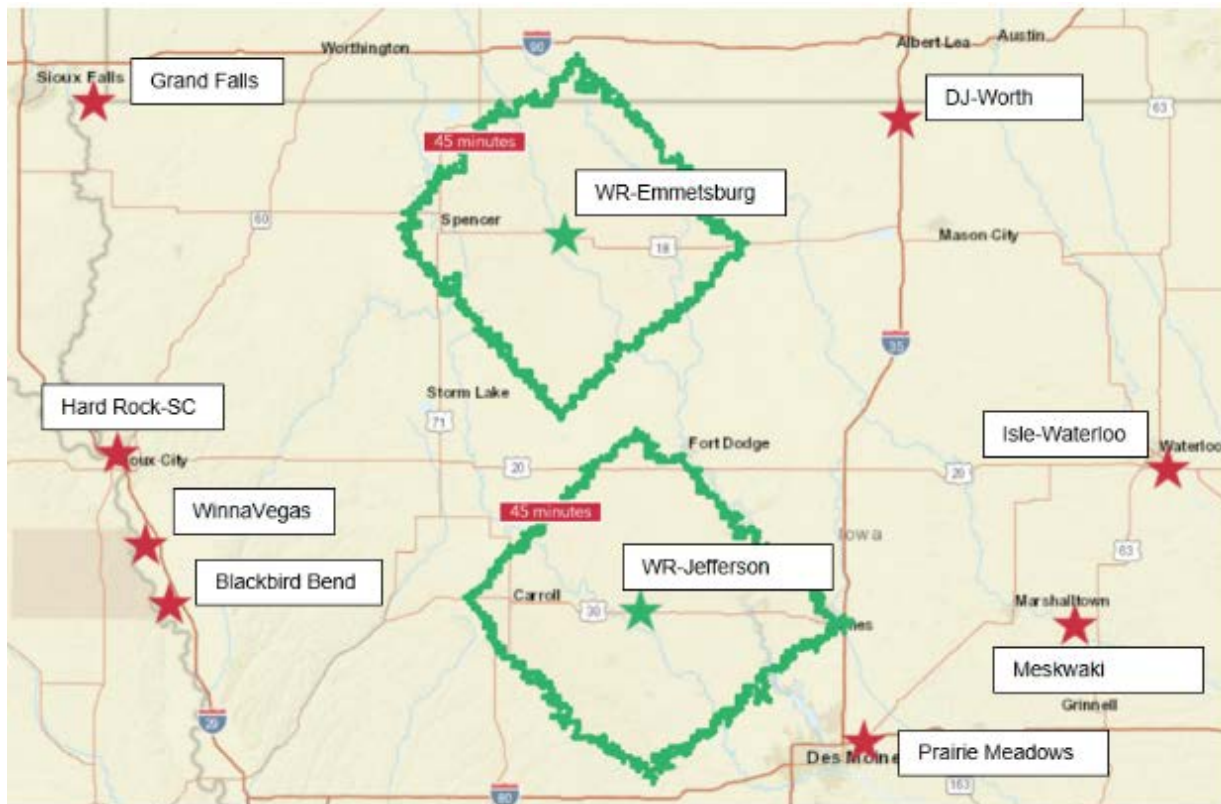
**Diamond Jo Casino-Worth** is strategically located on I-35 in northern Iowa near the town of Northwood. Casino revenues totaled \$107.2 million in FY 2024, +4.6% for the fiscal year and still more than 26% higher than pre-COVID 2019 casino revenues. Clear Lake and Mason City are key feeder markets, situated less than 30 minutes to the south. However, nearly 2/3 of casino revenues come from Minnesota, as southern Minnesota cities Austin, Albert Lea and Owatonna are all between 30 and 60-minutes north of the casino. DJ-Worth competes primarily with MN casinos such as Jackpot Junction, Mystic Lake and Treasure Island for the noted southern Minnesota markets. Isle-Waterloo, along with Wild Rose-Emmetsburg are peripheral competitors relative to the Mason City/Clear Lake, IA markets. Diamond Jo holds a strong market position in Northwood, easily accessible from southern MN markets as well as Mason City/Clear Lake, while being the most convenient casino for those residing in these areas.



**Diamond Jo Casino-Worth**



**Wild Rose Casino-Emmetsburg** captured net win of approximately \$31.5 million in FY 2024, although FY 2025 to date revenue was down by 3.7%. This correlates with the downturn in the Ag economy and declines in net farm income. WR-Emmetsburg draws most of its gamers from rural NW Iowa. We've also noted that in the years leading up to the 2020 COVID pandemic, WR-Emmetsburg was experiencing some erosion of market share, partly attributable to the opening of **Wild Rose Casino-Jefferson** in 2015. The Wild Rose Casino-Jefferson has outperformed Emmetsburg, historically. In FY 2024 WR-Jefferson reported AGR of \$36.7 million, with FY 25 revenues down slightly (-0.7%). Compared to Emmetsburg, WR-Jefferson benefits from a location that provides relative proximity to population centers, situated roughly 40 minutes west of Ames on US 30. WR-Jefferson is also slightly closer to Fort Dodge, just outside 45 minutes. WR-Jefferson's casino and amenities are newer and generally superior, while WR-Emmetsburg's original facilities have not yet been subject to a major "refresh." Both WR-Emmetsburg and Jefferson rely heavily on the local population base within about 30 to 45 minutes. The distance of both Wild Rose-Emmetsburg and Jefferson from major population centers and the location of significant casinos surrounding in all directions precludes them from gaining penetration into more distant population centers. This trend is likely to persist, while casinos such as the two Wild Rose facilities will continue to be impacted by trends in the local economies, which feature strong ties to agriculture.





*Wild Rose Casino-Emmetsburg*



*Wild Rose Casino-Jefferson*

**Grand Falls Casino Resort** is located in the far northwest part of Iowa in Larchwood. The casino draws heavily out of the Sioux Falls market just to the west. The Sioux Falls market features a population of more than 210,000 and is expected to grow by around 12,000 residents over five years. Grand Falls reported AGR of just under \$99.5 million in FY 2024, up 3.9% for the year. An estimated 80+% of AGR comes from outside the state of Iowa. Grand Falls AGR in FY 2024 was up more than 60% over five years, benefiting from a strong location, successful marketing and a growing Sioux Falls market with a diverse economy. Here too, however, AGR has started to show signs of softening as FY 2025 yr-to-date revenues are down 1.9%. Inflation is having an impact on consumer budgets, while this area too has significant exposure to agriculture which has shown declines.



**Grand Falls Casino**

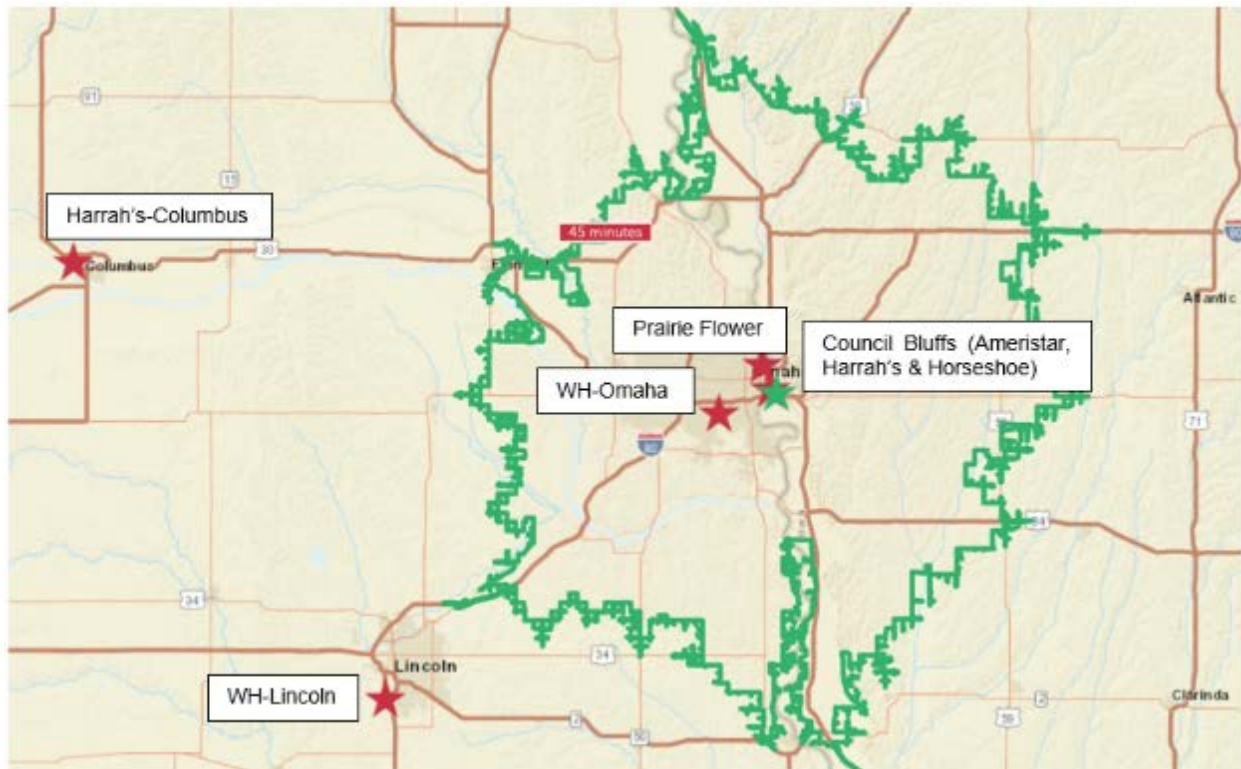


**Hard Rock Casino-Sioux City** opened in July 2014, replacing the former Argosy riverboat facility. Nearby, tribal casinos WinnaVegas and Blackbird Bend also opened new/expanded facilities in 2014. Hard Rock generated AGR of approximately \$92.5 million during FY 2024, still about 20% higher than five years ago. However, AGR has declined by about 5.6% over the past two fiscal years, and FY 2025 yr to date revenues are down another 0.8%. These declines are suggestive of stress in the local economy and the impact of inflation on consumer spending. Hard Rock captures most of its gaming demand from the local Sioux City market, with smaller communities and rural areas within 60+ minutes providing additional support – this includes southeast South Dakota and northern Nebraska. Other northwest Iowa markets are shared with the two Wild Rose facilities and Grand Falls, as shown on the map. With very modest growth expected for the region and participation rates already quite high, we do not anticipate significant growth going forward. Rather, AGR growth is likely to correlate with economic conditions and consumer budgets. A potential future development by the Winnebago Tribe (HoChunk, Inc.) has been contemplated for South Sioux City, NE at the Atokad Racetrack site – however, there is much uncertainty regarding if/when such a development might come to fruition. In that circumstance, however, we’d expect a significant redistribution of revenues in the greater Sioux City market.



**Hard Rock-Sioux City**

**Council Bluffs** -- The greater Omaha-Council Bluffs market now includes four major gaming facilities, including Council Bluffs casinos **Ameristar** (1,451 gaming devices), **Harrah's** (747), and **Horseshoe** (1,545), along with the new **Warhorse Casino-Omaha** (920 devices, expanding in 2025 by another 350 slots). **Prairie Flower** is a smaller tribal casino in nearby Carter Lake, IA, with approximately 200 gaming machines. A new Prairie Flower Casino is nearing completion that will include 600 gaming devices and a variety of food & beverage concepts by early 2025. Peripheral competition comes also from **Harrah's-Columbus** (470 devices) and **Warhorse Casino-Lincoln** (850 devices).



Combined AGR at the three Council Bluffs casinos totaled \$445.6 million in FY 2024. AGR in FY 2024 remained +10% over five years despite declining by 6% over the past two fiscal years. Council Bluffs casinos experienced a robust recovery following the COVID pandemic, before being impacted by new competition in Nebraska starting with the first phase of Warhorse Casino-Lincoln in September 2022, followed by the Harrah's-Columbus temporary facility in June of 2023. The addition of these facilities has prompted Lincoln and Columbus-area gamers to greatly reduce their visits to Council Bluffs facilities. From our review of IRGC statistics, it appears that the net impact of the WH-Lincoln and Harrah's-Columbus projects to date upon Council Bluffs is around 10%, with roughly \$45 million being cannibalized from the three Council Bluffs casinos. Harrah's has just recently opened its permanent casino in Columbus following a year of temporary operations, while WH-Lincoln recently expanded its machine inventory and introduced table games over the past month. These expansions are expected to result in some



additional, albeit comparatively modest, cannibalization impact upon Council Bluffs in the months ahead.

Warhorse Casino-Omaha opened its initial phase in August 2024 with just over 900 gaming positions. Because of the August opening date, the WH-Omaha impact was not in evidence with the FY 2024 Council Bluffs AGR reporting. -However, as we examine FY 2025 reporting for Iowa over the four months since the WH-Omaha's initial opening (Aug-Nov 2024), we see that AGR reported for Council Bluffs is -4.4%, while admissions are -7.9% yr-over-yr. Clearly, the Council Bluffs casinos are pushing back with focused marketing efforts and an increase in free play. Since the AGR as reported by IRGC is not adjusted for free play, it is apparent that the actual net impact exceeds 4.4% by some immeasurable amount (since free play is not published in IRGC revenue reporting). By our assessment, WH-Omaha is working to find its stride in a competitive market, which will take time. We do anticipate further redistribution of market share in Omaha-Council Bluffs and a longer-term increase in cannibalization attributable to the ramp-up of Warhorse-Omaha marketing efforts and with the casino opening its next phase in 2025, which will add another 350 machines (including a smoking gaming area, which the casino currently doesn't offer), and an expanded platform of food & beverage concepts. Meanwhile, the new larger Prairie Flower Casino will also have a competitive impact, beginning with its opening in early 2025. The impacts of these developments upon the Council Bluffs market are estimated later in the report as part of our market forecast.



***Harrah's-Council Bluffs***



***Ameristar-Council Bluffs***



*Horseshoe-Council Bluffs*



*Warhorse Casino-Omaha*



*Prairie Flower Casino-Carter Lake, IA*

**East-Central Iowa Gaming Market**

The map on the following page shows the location of casinos throughout eastern Iowa. We expect that the vast majority of **Cedar Crossing Casino** customers would originate from within a 45-minute drive. Key markets are expected to include Linn County (Cedar Rapids) and Johnson County (Iowa City). As such, primary competitors to Cedar Crossing are expected to include the following facilities:

- **Riverside Casino & Golf Resort** – drive time from Cedar Rapids = 40 minutes
- **Meskwaki Bingo Casino Resort** – drive time from Cedar Rapids = 45 to 50 minutes (reduced from about 60 minutes with the 2024 upgrade of US Hwy 30 to a four-lane freeway west of Cedar Rapids)
- **Isle Casino Hotel-Waterloo** – drive time from Cedar Rapids = 50 minutes

Presently, these three casinos capture the lion’s share of casino gaming demand originating from the Cedar Rapids area and throughout east-central Iowa. Peripheral competitors include Prairie Meadows to the west, as well as casinos to the east in Dubuque, the Quad Cities, and Clinton. However, we anticipate minimal competitive overlap with these facilities due to comparative drive times. And, as we’ve noted in our analysis, Iowa casino markets are fairly tight with casinos located in relatively close proximity to most population centers. Further, without an attached hotel, Cedar Crossing will be more limited in its ability to attract gamers from a greater distance, as those customers will have to utilize other downtown Cedar Rapids hotels. We understand the casino plans to provide shuttle service for this purpose.

The following is a summary of the current gaming platform at the three primary competitors, as well as recent performance statistics. This is followed by a discussion of each property. Note that, as a Tribe-owned casino, Meskwaki revenues are not published. However, from our analysis of this and other properties in the area, and per-capita gaming propensity and expenditure rates derived from our review of proprietary commercial casino customer data, we estimate current AGR at Meskwaki to be in the \$130 million range.

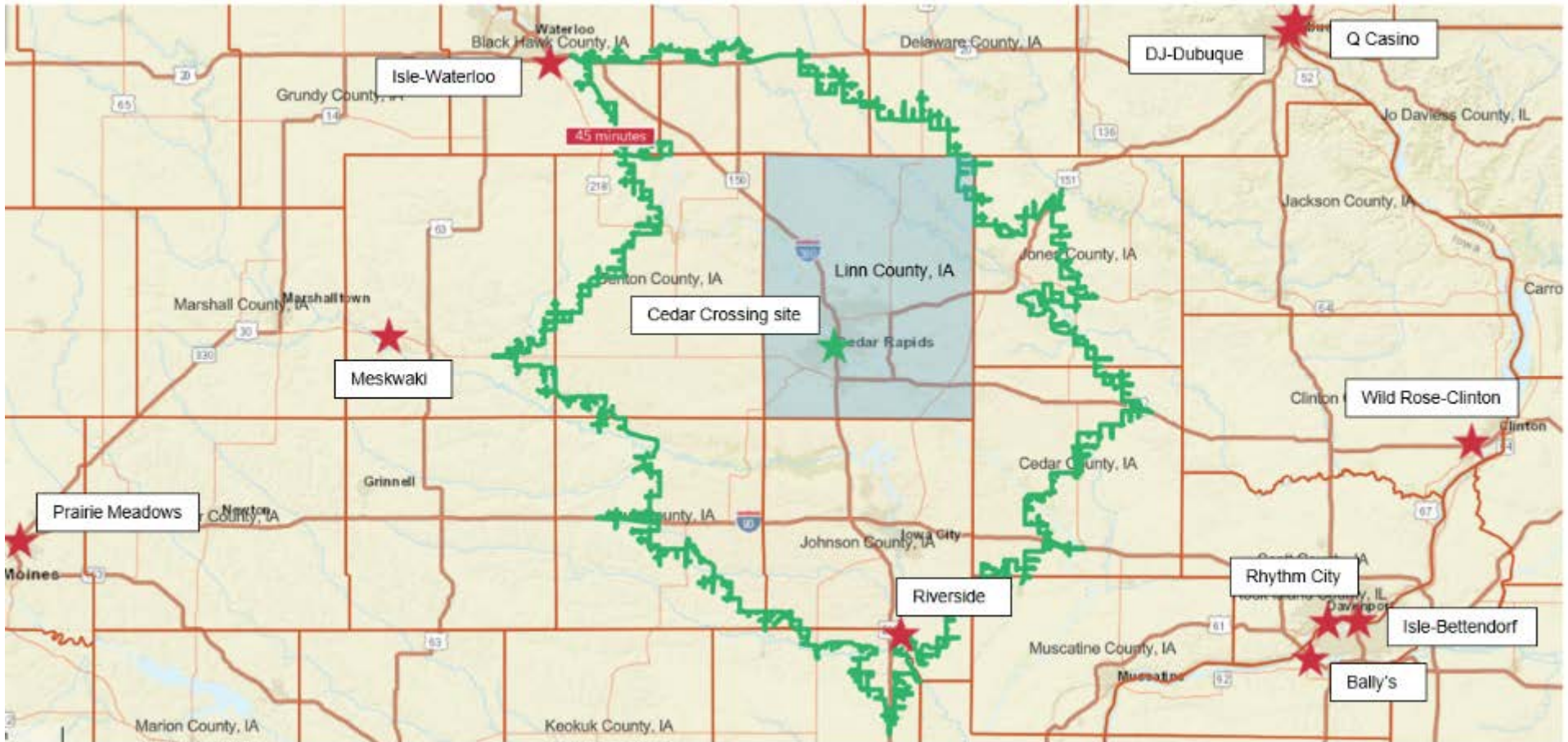
| Casinos       | Facilities (FY 2024) |             |             | Performance Statistics - FY 2024 |                      |                 |           |            | AGR Growth               |              |              |  |
|---------------|----------------------|-------------|-------------|----------------------------------|----------------------|-----------------|-----------|------------|--------------------------|--------------|--------------|--|
|               | Gaming Machines      | Table Games | Hotel Rooms | Admissions                       | AGR                  | AGR per Visitor | WPU Slots | WPU Tables | 5 Yr Growth (FY 2019-24) | FY 2024      | FY 2025 YTD  |  |
| Riverside     | 892                  | 39          | 201         | 1,501,575                        | \$129,213,320        | \$86            | \$358     | \$898      | 43.5%                    | -0.6%        | -1.3%        |  |
| Isle-Waterloo | 831                  | 24          | 195         | 707,729                          | \$93,347,049         | \$132           | \$280     | \$957      | 11.5%                    | -4.6%        | -1.7%        |  |
| Meskwaki      | 1,264                | 23          | 402         | -----not reported-----           |                      |                 |           |            |                          |              |              |  |
| <b>Totals</b> | <b>2,987</b>         | <b>86</b>   | <b>798</b>  | <b>2,209,304</b>                 | <b>\$222,560,369</b> | <b>\$101</b>    |           |            | <b>18.3%</b>             | <b>-1.8%</b> | <b>-2.4%</b> |  |



### East-Central Iowa Casinos

Expected primary draw area for Cedar Crossing = 45 to 60-min drive time

Expected primary competitors to Cedar Crossing: Riverside, Meskwaki and Isle-Waterloo



**Riverside** reported AGR of \$129.2 million in FY 2024. Revenues here surged following the COVID pandemic and remain 43% higher today as compared to FY 2019. However, some of the stress in the economy (job losses, inflation, etc) is now evident in Riverside’s numbers, as AGR was down 0.6% in FY 2024. FY 2025 year to date AGR is down another 1.3% year-over-year.

Riverside draws heavily from both Johnson & Linn Counties. The drive-time from Cedar Rapids is approximately 35 minutes, compared to 20 minutes from Iowa City. With its resort facilities, golf and other amenities, Riverside also attracts visitors from throughout the broader region. Nonetheless, nearly 70% of casino AGR originates from within a 45-minute drive. We expect a new Cedar Crossing Casino would have a considerable impact on Riverside, particularly with respect to Johnson & Linn Counties which are Riverside’s primary feeder markets.



**Riverside Casino & Golf Resort**

**Isle of Capri Casino & Hotel – Waterloo** captured AGR of \$93.3 million in FY 2024. Even more so than Riverside, Isle-Waterloo has experienced erosion of its’ AGR recently. AGR was down 4.6% in FY 2024, with FY 2025 AGR down 1.7% compared to the prior year. This correlates with stress in the economy, as the Waterloo-Cedar Falls metro area has experienced a downturn recently with unemployment increasing to 4.2% (Oct 2024), second-highest among Iowa’s metro areas after the Quad Cities at 5.4%. Most notable is the string of layoffs at John Deere’s Waterloo Works facility, where 1,075 workers have been laid off since January of 2024.

Isle-Waterloo draws heavily from Black Hawk County and surrounding counties, including Linn County. Our analysis of casino customer statistics indicates that Linn County accounts for the second largest amount of casino AGR, following Black Hawk. Even with a significant investment in its resort facilities, an estimated 55% to 60% of Isle-Waterloo AGR originates from within a 45-minute drive. With a new Cedar Crossing Casino, we would expect Isle-Waterloo to experience a considerable loss of market share specific to Linn County, as well as other nearby markets.



**Isle Casino & Hotel - Waterloo**

**Meskwaki Bingo Casino Hotel** is located in Tama, IA, west of Cedar Rapids and northeast of Des Moines. The facility features a full platform of more than 1,200 slot machines along with 23 table games. The Tribe has developed a significant resort asset here, inclusive of 402 hotel rooms. Recent investment in the hotel includes a comprehensive remodel and repositioning of one tower to all suite-style accommodations. As a Tribe-owned casino, revenues are not published. However, from our analysis of regional demographics and detailed performance stats and customer data provided by other casinos in the area, we estimate Meskwaki gaming revenues at approximately \$130 million.

Based on its location and facility components, it is clear that Meskwaki draws heavily from both central and eastern Iowa. This includes nearby Marshalltown with 28,000 residents, 20 minutes to the west. Other markets within a one-hour drive include Ames (50 minutes west), Des Moines (1 hour southwest), and Waterloo (1 hour north). Meskwaki is directly west of Cedar Rapids and also draws heavily from this market. The 2024 upgrade of U.S. Highway 30 to a four-lane freeway makes this an easier/safer and quicker drive of around 45-50 minutes according to our fieldwork. A new Cedar Crossing Casino would impact Meskwaki particularly with respect to Linn County, as well as other shared markets.



**Meskwaki Bingo Casino Hotel**

### **Key Points: Iowa Casino Market Conditions**

The following are key points from our analysis of casino gaming market conditions in Iowa as of December 2024.

- Iowa is a mature market. With casinos spread across the state, casino gaming is a well-established industry, and most Iowans can reach one or more casinos within a relatively short drive. As such, individual casino markets are relatively tight. A review of casino player statistics indicates that 63% of Iowa casino AGR comes from within a 45-minute drive.
- The expansion of gaming in neighboring jurisdictions, including Nebraska, Illinois and Wisconsin, will continue to impact Iowa casino operations, particularly those in the Council Bluffs market. At risk are key out-of-state feeder markets, most notably the Omaha market which has historically accounted for a significant portion of casino AGR (and gaming tax) in Council Bluffs. To the east, we expect a more modest impact of recent and forthcoming Illinois and Wisconsin developments on casinos in Iowa markets including Dubuque, Clinton and Marquette.
- Most Iowa casinos experienced a fairly robust recovery following the COVID pandemic in 2020. This correlated initially with pent-up demand and government stimulus payments, which have since cycled through the market, as well as a strong Iowa farm economy and personal income growth in 2021 and 2022. Since that time, however, casino revenues have been negatively impacted – statewide AGR declined by 0.7% in FY23 and another 1.8% in FY24. Through the first four months of FY25, AGR was 2.5% lower than the prior year.
- Factors contributing to gaming revenue declines include an inflationary environment, with consumer budgets stretched such that many are allocating smaller amounts to leisure and entertainment spending, including casino gaming. Meanwhile, the Ag economy is down, with Iowa net farm income down nearly 50% over two years. Related Agri-business has been negatively affected. John Deere has laid off more than 1,800 workers in Iowa (and another 750 in Moline, IL) since the beginning of 2024. That includes more than 1,000 workers at its Waterloo manufacturing facility. Tyson Foods has laid off 1,276 workers this year at its Perry, IA facility. Meanwhile, Agri-giant Cargill recently announced it will reduce its workforce nationally by -5%. Economists expect farm income will be down again in 2025, predicting a recovery in the industry thereafter, although the timing and velocity of that recovery is less certain.
- With modest population and income growth expected in Iowa, we expect gaming revenues going forward will ebb and flow based on economic conditions, also influenced by marketing and investment by casino operators in their facilities. With rising costs and



downward pressure on AGR more recently, some casinos are struggling to keep their facilities and the entertainment experience “fresh.” It is apparent from our property tours that the level of capital investment varies considerably across Iowa casinos. In this environment, per-capita gaming participation rates and casino admissions are likely to continue on a downward trend. Perhaps more than ever, casinos are focusing their marketing efforts on their top tier customers – this correlates with increases in average per-visitor spends in the post-pandemic period, before falling off slightly over the past two years.

- From our analysis we have not identified any specific markets in Iowa which appear to be underserved in terms of their accessibility to casino gaming. We expect that the addition of new facilities, such as that proposed for Linn County, would precipitate local increases in gaming activity, at the same time triggering a redistribution of market share among current casino operations.
- We find that the proposed Cedar Crossing Casino & Entertainment Center is attractively designed and well located, such that we expect it will be successful in drawing large numbers of Iowa gamblers, especially “locals” along with smaller numbers from the broader region and tourists. We expect this development would prompt an increase in per-capita gaming participation and expenditure rates in the area, particularly in Linn & Johnson Counties, and to a lesser extent adjacent counties. We expect the new casino would become the dominant gaming facility with respect to the Linn County (Cedar Rapids) market and will be very competitive with respect to other nearby markets, especially Johnson County (Iowa City). The level of cannibalization will be substantial for the nearby Riverside, Isle-Waterloo and Meskwaki casinos. In the forthcoming report section we present our revenue forecast for Iowa casinos and measure the impact of the Cedar Crossing Casino in the market.

# **IOWA GAMING MARKET FORECAST**

## IOWA GAMING MARKET FORECAST

### Introduction

In accordance with our agreement with IRGC, we have developed a forecast of casino gaming revenues (AGR from slot machines & table games) for all Iowa casinos. This forecast is based on our review of all facilities and relevant market statistics through November of 2024. Additionally, we have assessed the proposed Cedar Crossing Casino in Linn County and estimated visitation and revenue performance for such a facility based on the location, size and characteristics of the casino and its supporting amenities, while also accounting for surrounding market conditions. Importantly, we have estimated the impact of this development upon statewide casino gaming revenues & related tax payments, as well as its impact on specific casinos in east central Iowa.

The process of our market forecast and “gravity model” is summarized as follows. Modeling was done at the zip code and county level across Iowa, also accounting for feeder markets in adjacent states:

$$\text{County Adult Population}^1 \times \text{Participation Rate}^2 = \text{Total Casino Visits (“Admissions”)}$$

These casino visits are then distributed on a percentage basis among the various Iowa gaming venues, as well as competitive casinos in adjacent states. Market share allocations are based upon our review of actual casino visitation data as provided by Iowa’s casino operators.

Next, we estimate revenues for each casino coming from every county, as follows:

$$\text{Total casino visits from each county} \times \text{avg. win per visit}^3 = \text{Total Gaming Revenue}$$

Key to the model development was our market analysis and review of actual casino customer statistics, as provided by Iowa’s casino operators. Player tracking information is the basis for

---

<sup>1</sup> **Adult population estimates** for 2029 were obtained from ESRI Business Information Solutions, a nationally recognized econometric forecasting firm.

<sup>2</sup> **Casino gaming participation rates** are derived from actual casino visitation statistics by zip code and by county, as provided by Iowa casino operators. Participation rates are adjusted in our model, where appropriate, to account for the impact of new casino developments in the market.

<sup>3</sup> **The average spend per casino visit** was similarly modeled based upon actual gaming expenditures by casino guests according to data provided by the casino operators. Average spends vary depending on the frequency of casino visits, the distance of that county from the casino being analyzed, and personal income levels. Here, our average spend estimates were adjusted based on recent market trends, also accounting for anticipated personal income growth between 2024 and 2029.

determining where each casino's casino customers originate from and how much they spend on an average trip to the casino.

Our analysis of current market conditions and player tracking information shows that casino gaming participation rates (i.e. the avg. number of annual casino visits per adult resident) vary significantly throughout the state, starting from less than 1.0 casino visits per adult per year in some areas which are more distant from casinos. Observed participation rates range from around 3.0 to 7.0 in communities where one or more casinos are accessible within a relatively short driving distance. These rates vary depending on the number of casinos, as well as the availability of alternative forms of entertainment and leisure activities in that same area. Participation rates are very high, up to 12.5 in a select few rural communities where casinos exist, with locals visiting frequently. Overall, the participation rate for the market area as a whole in 2024 is estimated at 3.2 casino trips (visitor days) per adult per year for the regional population base (Iowa + portions of adjacent states), accounting for just over 17.5 million casino visits in 2024 – this includes visits to commercial and tribal casinos in Iowa and neighboring states. Tourists account for another 2.0 million or so annual casino visits.

Meanwhile, the overall average spend per casino visitor (i.e. net win by the casino) is estimated at \$97 in 2024, with total casino spending by the market area population base of approximately \$1.707 billion. Tourists account for another \$250 million or so in additional AGR, for total AGR of just under \$1.95 billion. These totals include AGR at all of Iowa's commercial and tribal casinos, and other competitive casinos in adjacent states. Iowa's commercial casinos captured approximately 88% of casino spending by adults in the defined market area, or **\$1.723 billion**, with the remaining 12% going to Iowa's tribal casinos and other casinos in neighboring states. Our calculations indicate that an estimated 46% (\$791 million) of AGR at Iowa commercial casinos came from persons residing outside the State of Iowa.

Our market forecast includes two models, effectively modeling 2029 casino visitation and AGR under two scenarios, described as follows:

- **Baseline Forecast Model** -- First, we've developed a baseline model which forecasts casino admissions and revenues for all Iowa casinos. This forecast is prepared for 2029, accounting for 2024-2029 changes in population & personal income by zip code and by county throughout the state, and for important feeder markets in neighboring states. The baseline model also accounts for known changes to the area's casino supply. This includes a new land-based Casino Queen to replace the current riverboat in Marquette, with an opening in late 2025 to early 2026. It also accounts for the new Prairie Flower Casino by the Ponca Tribe in Carter Lake, IA in 2025, as well as recent casino developments in Nebraska. The new Hard Rock Casino in Rockford, IL is also accounted for, as is the anticipated 2026 opening of a new HoChunk Casino in Beloit, WI. This model effectively predicts Iowa casino admissions, revenue and related taxes for the state under the assumption that no new casino licenses will be authorized by IRGC.

- **Adjusted Forecast Model** – Next, we’ve recalibrated our model to account for the addition of the new Cedar Crossing Casino in Linn County, as described herein. With this model, we quantify the impact of this development upon local and statewide casino visitation and revenues, also accounting for the related redistribution of market share (i.e. “cannibalization”) throughout the Iowa market.

### **Baseline Forecast Model (FY 2029)**

The following are key inputs and adjustments to the baseline forecast model:

- **Participation rates** -- Our analysis shows that casino gaming participation rates in Iowa are on the decline. The number of casino visits per adult per year has decreased at a rate of 2.0%/year in 2023 and 2024. If we look back farther to 2012, and we exclude the pandemic and immediate post-pandemic years of 2020-2022, it appears that casino gaming participation rates have declined by an average of 1.6% per year in Iowa. Our baseline forecast model projects a similar 1.6% annual decline in participation rates across the market. However, we’ve also made appropriate upward adjustments to participation rates in those parts of the market where new casinos have recently opened or will open between FY 2024 and FY 2029. Thus, the following adjustments were made to participation rates in these parts of the market:
  - For Casino Queen market area: participation rates were inflated by 20% in the local market and key feeder markets in nearby Wisconsin, to account for the opening of a new land-based casino, replacing the current riverboat.
  - For Council Bluffs area: to account for the recent Nebraska developments, as well as the forthcoming new Prairie Flower Casino, participation rates were inflated by 25% in Douglas and Sarpy Counties (Omaha) and by 10% to 15% in other nearby counties.
- **Average spend per casino visitor** – We’ve also made appropriate adjustments to per-visitor average spends at each casino. In Iowa, the average spend increased from just under \$75 in FY 2019 to over \$101 in FY 2021. Average spends held up through much of 2023. However, farm income and personal income growth have since softened, while consumer budgets have also been impacted by inflation. With Iowa consumers feeling more stress, casinos have started to see some declines in average per-visitor spends over the past 12-18 months. This trend continues today, as the FY 2025 year-to-date average casino spend was -0.9% yr-over-yr. We expect this trend will persist over the next 12+ months in most parts of the market, before rebounding commensurate with improvements in the economy. On average, we estimate that average spends will increase by around 7.5% on a net basis over the next five years.

- **Market share adjustments** – We’ve also made appropriate adjustments to market share (the % of casino trips and revenues captured by each casino from each county) based on our analysis of every casino in the market and individual submarket trends.
  - A redistribution of market share is anticipated in the Council Bluffs market due to new & expanding casinos in Nebraska and the opening of the new Prairie Flower Casino.
  - Similarly, we’ve accounted for a market share adjustment across northeast Iowa and southern Wisconsin to account for the new land-based Casino Queen opening.
  - We’ve also adjusted to account for market share redistribution in the Dubuque market due to recent & ongoing investment at Q Casino.
  - Lastly, our market share estimates account for the opening of the new permanent Hard Rock Casino in Rockford this year, and the anticipated 2026 opening of a new Beloit, WI casino. This is expected to impact market share for the Dubuque and Clinton casinos, and to a lesser degree Casino Queen in Marquette and the Quad Cities casinos. This impact will relate primarily to the “in between” markets situated between the noted Iowa casinos and the Rockford and Beloit locations.

Altogether, our forecast model adjustments accounting for 5-year population growth and the noted adjustments to participation rates, average spend per visitor, and market share result in total projected Iowa commercial casino AGR of \$1.662 billion in FY 2029. Total casino admissions are projected at just over 15.2 million, with an average spend per-visitor of \$109. Non-Iowa residents are projected to account for about 44% of casino revenues. Below is a summary of the projected change in casino revenues and visitation from FY 2024-FY 2029.

|                                  | <b><u>FY 2024 (Actual)</u></b> | <b><u>FY 2029 (Baseline Forecast)</u></b> |
|----------------------------------|--------------------------------|---|
| Iowa Commercial Casino Visitors  | 16,850,349                     | 15,217,690                                |
| Iowa Commercial Casino AGR       | \$1,723,510,544                | \$1,662,022,746 *                         |
| Avg. Revenue per Visitor         | \$102                          | \$109                                     |
| % of AGR from non-Iowa residents | 46%                            | 44%                                       |

\*AGR shown above includes free play. FY 2029 AGR net of free play is projected at \$1.53 billion.



**Note on free play taxation adjustments** – We that AGR as shown for our baseline forecast for FY 2029 at \$1.662 billion is not reduced for free play. Similarly, FY 2024 statistics published by IRGC are not adjusted for free play. However, we are aware that the Iowa tax on free play is currently being phased out. This process started in FY 2021 and will continue through FY 2026. In the current FY 2025, 33.3% of free play is subject to gaming tax. This will be reduced to 16.67% in FY 2026, before being fully eliminated in FY 2027. Also in FY 2027, the revenue reports published by IRGC will be changed, such that the AGR reported will be net of free play.

Presented on the table on the following page are individual casino projections. Also for purposes of our projections, we've estimated FY 2029 AGR to account for estimated free play, ranging from approximately 4% to 10% depending on submarket factors. Free play tends to be higher in markets where multiple casinos are competing head-to-head, and also for casinos that attract a larger share of their customers from a greater distance.

Our baseline forecast results in projected ADR (net of free play) of approximately **\$1.53 billion** in FY 2029. Statewide gaming tax is projected at **\$336.6 million**.

The models shows a significant decline in AGR in Council Bluffs, accounting for the competitive impact of Nebraska casinos and the opening of the new Prairie Flower Casino. In total, we estimate related Council Bluffs market cannibalization at approximately 23%, equating to about -\$100 million in combined FY 2029 AGR for the three casinos combined.

| <b>Iowa Commercial Casinos</b>                           |                          |                                      |                             |   |
|--|--------------------------|--------------------------------------|-----------------------------|---|
| <b>Projected Casino AGR &amp; Admissions FY 2029</b>     |                          |                                      |                             |   |
| <b>Baseline Forecast (without Cedar Crossing Casino)</b> |                          |                                      |                             |   |
| <b>Casino</b>  | <b>Actual<br/>FY2024</b> | <b>Baseline Forecast<br/>FY 2029</b> | <b>% change<br/>(5 yrs)</b> | <b>Estimated AGR<br/>net of free play<br/>FY 2029</b> |
| <b>Hard Rock-Sioux City -- AGR</b>                       | \$92,538,596             | \$92,871,132                         | 0.4%                        | \$87,298,864  |
| Gaming Tax   | \$19,323,314             | N/A                                  |                             | \$18,795,750  |
| Admissions   | 1,264,928                | 1,190,156                            | -5.9%                       |   |
| Win per Admission  | \$73                     | \$78                                 | 6.7%                        |   |
| <b>Grand Falls - AGR</b>                                 | \$99,465,069             | \$105,687,587                        | 6.3%                        | \$97,232,580  |
| Gaming Tax   | \$20,496,874             | N/A                                  |                             | \$20,981,168  |
| Admissions   | 1,049,885                | 1,032,695                            | -1.6%                       |   |
| Win per Admission  | \$95                     | \$102                                | 8.0%                        |   |
| <b>WR-Emmetsburg - AGR</b>                               | \$31,538,188             | \$31,524,221                         | 0.0%                        | \$28,687,041  |
| Gaming Tax   | \$6,196,742              | N/A                                  |                             | \$5,901,149   |
| Admissions   | 314,371                  | 291,936                              | -7.1%                       |   |
| Win per Admission  | \$100                    | \$108                                | 7.6%                        |   |
| <b>WR-Jefferson - AGR</b>                                | \$36,677,174             | \$37,086,401                         | 1.1%                        | \$34,119,489  |
| Gaming Tax   | \$7,314,759              | N/A                                  |                             | \$7,096,288   |
| Admissions   | 376,740                  | 354,108                              | -6.0%                       |   |
| Win per Admission  | \$97                     | \$105                                | 7.6%                        |   |
| <b>DJ-Worth - AGR</b>                                    | \$107,236,703            | \$115,364,599                        | 7.6%                        | \$107,289,077   |
| Gaming Tax   | \$22,285,683             | N/A                                  |                             | \$23,193,597  |
| Admissions   | 881,344                  | 913,238                              | 3.6%                        |   |
| Win per Admission  | \$122                    | \$126                                | 3.8%                        |   |
| <b>Prairie Meadows - AGR</b>                             | \$240,287,837            | \$250,932,524                        | 4.4%                        | \$240,895,223   |
| Gaming Tax   | \$55,940,439             | N/A                                  |                             | \$57,344,854  |
| Admissions   | 2,110,532                | 2,044,626                            | -3.1%                       |   |
| Win per Admission  | \$114                    | \$123                                | 7.8%                        |   |
| <b>Lakeside -- AGR</b>                                   | \$48,685,334             | \$50,461,621                         | 3.6%                        | \$45,415,459  |
| Gaming Tax   | \$9,570,743              | N/A                                  |                             | \$9,581,401   |
| Admissions   | 344,580                  | 330,889                              | -4.0%                       |   |
| Win per Admission  | \$141                    | \$153                                | 7.9%                        |   |
| <b>Casino Queen - AGR</b>                                | \$20,743,196             | \$27,303,608                         | 31.6%                       | \$24,573,247  |
| Gaming Tax   | \$3,857,602              | N/A                                  |                             | \$4,996,114   |
| Admissions   | 154,865                  | 192,167                              | 24.1%                       |   |
| Win per Admission  | \$134                    | \$142                                | 6.1%                        |   |
| <b>DJ-Dubuque - AGR</b>                                  | \$79,090,934             | \$68,061,945                         | -13.9%                      | \$63,978,228  |
| Gaming Tax   | \$16,462,162             | N/A                                  |                             | \$13,665,210  |
| Admissions   | 703,417                  | 572,386                              | -18.6%                      |   |
| Win per Admission  | \$112                    | \$119                                | 5.8%                        |   |
| <b>Q Casino - AGR</b>                                    | \$43,960,511             | \$52,362,830                         | 19.1%                       | \$49,221,060  |
| Gaming Tax   | \$8,928,728              | N/A                                  |                             | \$10,418,633  |
| Admissions   | 551,437                  | 582,519                              | 5.6%                        |   |
| Win per Admission  | \$80                     | \$90                                 | 12.8%                       |   |

(continued on next page)

| <b>Iowa Commercial Casinos</b>                           |                          |                                      |                             |   |
|--|--------------------------|--------------------------------------|-----------------------------|---|
| <b>Projected Casino AGR &amp; Admissions FY 2029</b>     |                          |                                      |                             |   |
| <b>Baseline Forecast (without Cedar Crossing Casino)</b> |                          |                                      |                             |   |
| <b>Casino</b>  | <b>Actual<br/>FY2024</b> | <b>Baseline Forecast<br/>FY 2029</b> | <b>% change<br/>(5 yrs)</b> | <b>Estimated AGR<br/>net of free play<br/>FY 2029</b> |
| <b>WR - Clinton -- AGR</b>                               | \$32,924,029             | \$30,719,467                         | -6.7%                       | \$27,647,520  |
| Gaming Tax   | \$6,359,374              | N/A                                  |                             | \$5,672,454   |
| Admissions   | 416,453                  | 364,765                              | -12.4%                      |   |
| Win per Admission  | \$79                     | \$84                                 | 6.5%                        |   |
| <b>Isle-Waterloo -- AGR</b>                              | \$93,347,049             | \$91,432,573                         | -2.1%                       | \$84,117,967  |
| Gaming Tax   | \$19,235,339             | N/A                                  |                             | \$18,095,953  |
| Admissions   | 707,729                  | 676,835                              | -4.4%                       |   |
| Win per Admission  | \$132                    | \$135                                | 2.4%                        |   |
| <b>Riverside -- AGR</b>                                  | \$129,213,320            | \$130,865,864                        | 1.3%                        | \$120,396,595   |
| Gaming Tax   | \$26,765,283             | N/A                                  |                             | \$26,077,251  |
| Admissions   | 1,501,575                | 1,418,846                            | -5.5%                       |   |
| Win per Admission  | \$86                     | \$92                                 | 7.2%                        |   |
| <b>Isle-Bettendorf -- AGR</b>                            | \$66,670,803             | \$67,142,879                         | 0.7%                        | \$61,771,449  |
| Gaming Tax   | \$13,665,200             | N/A                                  |                             | \$13,179,719  |
| Admissions   | 665,150                  | 617,408                              | -7.2%                       |   |
| Win per Admission  | \$100                    | \$109                                | 8.5%                        |   |
| <b>Rhythm City -- AGR</b>                                | \$111,892,546            | \$112,640,180                        | 0.7%                        | \$101,376,162   |
| Gaming Tax   | \$22,553,573             | N/A                                  |                             | \$21,892,756  |
| Admissions   | 1,296,092                | 1,200,079                            | -7.4%                       |   |
| Win per Admission  | \$86                     | \$94                                 | 8.7%                        |   |
| <b>Catfish Bend -- AGR</b>                               | \$43,610,889             | \$43,919,424                         | 0.7%                        | \$39,527,482  |
| Gaming Tax   | \$8,685,878              | N/A                                  |                             | \$8,286,046   |
| Admissions   | 680,348                  | 632,331                              | -7.1%                       |   |
| Win per Admission  | \$64                     | \$69                                 | 8.4%                        |   |
| <b>Horseshoe -- AGR</b>                                  | \$187,095,411            | \$151,671,510                        | -18.9%                      | \$136,504,359   |
| Gaming Tax   | \$43,013,439             | N/A                                  |                             | \$32,291,046  |
| Admissions   | 1,579,766                | 1,180,296                            | -25.3%                      |   |
| Win per Admission  | \$118                    | \$129                                | 8.5%                        |   |
| <b>Harrah's -- AGR</b>                                   | \$71,907,055             | \$52,459,627                         | -27.0%                      | \$47,213,664  |
| Gaming Tax   | \$14,939,704             | N/A                                  |                             | \$9,977,006   |
| Admissions   | 749,575                  | 506,856                              | -32.4%                      |   |
| Win per Admission  | \$96                     | \$104                                | 7.9%                        |   |
| <b>Ameristar -- AGR</b>                                  | \$186,625,900            | \$149,514,755                        | -19.9%                      | \$134,563,280   |
| Gaming Tax   | \$38,386,514             | N/A                                  |                             | \$29,193,921  |
| Admissions   | 1,501,562                | 1,115,556                            | -25.7%                      |   |
| Win per Admission  | \$124                    | \$134                                | 7.8%                        |   |
| <b>Total Statewide AGR</b>                               | <b>\$1,723,510,544</b>   | <b>\$1,662,022,747</b>               | <b>-3.6%</b>                | <b>\$1,531,828,746</b>                                |
| <b>Gaming Tax</b>  | <b>\$363,981,350</b>     | <b>N/A</b>                           |                             | <b>\$336,640,316</b>                                  |
| <b>Admissions</b>  | <b>16,850,349</b>        | <b>15,217,692</b>                    | <b>-9.7%</b>                |   |
| <b>Win per Admission</b>                                 | <b>\$102</b>             | <b>\$109</b>                         | <b>6.8%</b>                 |   |

Source: IRGC (2024); Marquette Advisors (Forecast)

### **Adjusted Forecast Model (FY 2029) – with new Cedar Crossing Casino**

Our adjusted model accounts for the addition of the new Cedar Crossing Casino, as proposed for Linn County. The following are key adjustments to the forecast model:

- **Participation rates** -- Gaming participation rates were adjusted where appropriate to reflect the development of a casino in Cedar Rapids, thereby making casino gaming more convenient for the local resident base. A positive adjustment to participation rates is appropriate for the primary market, including Linn County and surrounding markets within approximately 45-60 minutes. In Linn County, the FY 2024 participation rate was calculated at 3.9 casino visits per adult per year, compared to 3.8 in Johnson County to the south. In nearby Black Hawk County, where a single casino exists (Isle of Capri Casino-Waterloo), the FY 2024 participation was calculated at 4.6. Similarly, the participation rate in Polk County was 4.7, another urban market with a single casino (Prairie Meadows). In other urban markets with multiple casinos, participation rates are somewhat higher, such as Scott County at 8.1 (with 2 casinos) and Dubuque at 8.6 (with 2 casinos). In most Iowa markets, as we've discussed in this report, participation rates have been trending down.

Based on our review of Linn County and surrounding market factors, and from analysis of participation rates in other Iowa markets, we've made an upward 35% adjustment to participation rates in Linn and Johnson Counties, attributable to the introduction of the new Cedar Crossing Casino. Additionally, we made 10% to 25% upward adjustments to participation rates in other counties in the primary market area, varying somewhat based on unique market factors, most importantly drive-time comparisons.

- **Average spend per casino visitor** – Average spend estimates for Cedar Crossing Casino customers are based on a review of visitors spend statistics at other casinos in east-central Iowa, adjusted to account for variance in drive-times, income levels in each market, and the size and characteristics of the Cedar Crossing Casino.
- **Market share adjustments** – We've also made appropriate adjustments to market share (the % of casino trips and revenues captured by each casino from each county) based on the location and characteristics of the Cedar Crossing Casino and relative drive times compared to other casinos in the area. Loss of market share is expected to be most pronounced at Riverside, Meskwaki and Isle-Waterloo. We expect a much more modest impact on other area casinos such as those in Dubuque, Clinton, the Quad Cities and Altoona.

**Projected Cedar Crossing Casino Performance (FY 2029)** -- In total, the Cedar Crossing Casino is projected to generate AGR (gross) of approximately **\$118 million** in FY 2029. Of that total, approximately \$50 million is expected to be “new” revenue due to an increase in casino gaming participation, with \$68 million resulting from cannibalization of other commercial and tribal casinos in the area. Below is a summary of our projections for Cedar Crossing:

|                                   |                 |
|-----------------------------------|-----------------|
| Total AGR (including free play):  | \$118.1 million |
| Projected AGR (net of free play): | \$106.3 million |
| Gaming Tax:                       | \$23.0 million  |
| Projected Annual Admissions:      | 1,158,091       |
| % of AGR from Iowa Residents:     | 94.5%           |

**Cannibalization** – Total cannibalization of other IA casino revenues is estimated at \$69 million in FY 2029. The most impacted casinos are Riverside, Meskwaki, and Isle-Waterloo. With the addition of the new Linn County casino, we estimate that Riverside would lose approximately 26% of its AGR, compared to about 11% at Meskwaki and just under 10% at Isle-Waterloo. Riverside would take a hard hit relative to Linn and Johnson Counties in particular, which are very important markets for that casino. Similarly, the new Cedar Crossing Casino would compete with Isle-Waterloo for Linn County and other markets in the region, particularly those north of Cedar Rapids. Meanwhile, Meskwaki also draws heavily from Linn County and the surrounding market. The new Cedar Crossing Casino would attract the majority of Linn County gaming expenditures, while also competing with Meskwaki for other casino trips originating from the region, especially those markets to the west of Cedar Rapids. The following is a summary of the projected cannibalization impact resulting from the Cedar Crossing Casino.

|                                |                        |
|--------------------------------|------------------------|
| Riverside:                     | -\$34.0 million (-26%) |
| Meskwaki:                      | -\$14.1 million (-11%) |
| Isle-Waterloo:                 | -\$8.8 million (-10%)  |
| Other Casinos in Iowa (total): | -\$11.1 million        |

**Statewide Results (Adjusted Forecast)** -- Detailed revenue projections and estimated cannibalization rates are shown for all casinos on the table on the following page. Total AGR (including free play) for Iowa commercial casinos is estimated at **\$1.726 billion** in FY 2029, with total admissions estimated at just over 15.8 million. Non-Iowa residents are projected to account for approximately 43% of statewide AGR.

|                                  | <u>FY 2029 (Baseline)</u> | <u>FY 2029 (Adjusted w/Cedar Crossing)</u> |
|----------------------------------|---------------------------|--|
| Iowa Commercial Casino Visitors  | 15,217,690                | 15,855,612                                 |
| Iowa Commercial Casino AGR       | \$1,662,022,746           | \$1,726,184,174 *                          |
| Avg. Revenue per Visitor         | \$109                     | \$109                                      |
| % of AGR from non-Iowa residents | 44%                       | 43%  |

\*AGR figures shown above includes free play.

| Iowa Commercial Casinos<br>Projected Casino AGR & Admissions FY 2029<br>Baseline Forecast & Adjusted Forecast (w/Cedar Crossing Casino) |                              |  |                                      |  |                       |       |
|---|------------------------------|--|--------------------------------------|--|-----------------------|-------|
| Casino  | Baseline Forecast            |  | Adjusted Forecast (w/Cedar Crossing) |  | Cannibalization (AGR) | %     |
|   | Baseline Forecast<br>FY 2029 | Estimated AGR<br>net of free play<br>FY 2029 | Adjusted Forecast<br>FY 2029         | Estimated AGR<br>net of free play<br>FY 2029 |                       |       |
| Cedar Crossing - AGR  | \$0                          | \$0  | \$118,100,000                        | \$106,290,000                                | \$0                   | 0.0%  |
| Gaming Tax  |                              | \$0  | N/A                                  | \$22,973,800                                 |                       |       |
| Admissions  | 0                            |  | 1,158,091                            |  |                       |       |
| Win per Admission   | \$0                          |  | \$102                                |  |                       |       |
| Hard Rock-Sioux City -- AGR   | \$92,871,132                 | \$87,298,864                                 | \$92,871,132                         | \$87,298,864                                 | \$0                   | 0.0%  |
| Gaming Tax  |                              | \$18,795,750                                 |                                      | \$18,795,750                                 |                       |       |
| Admissions  | 1,190,156                    |  | 1,190,156                            |  |                       |       |
| Win per Admission   | \$78                         |  | \$78                                 |  |                       |       |
| Grand Falls - AGR   | \$105,687,587                | \$97,232,580                                 | \$105,687,587                        | \$97,232,580                                 | \$0                   | 0.0%  |
| Gaming Tax  |                              | \$20,981,168                                 |                                      | \$20,981,168                                 |                       |       |
| Admissions  | 1,032,695                    |  | 1,032,695                            |  |                       |       |
| Win per Admission   | \$102                        |  | \$102                                |  |                       |       |
| WR-Emmetsburg - AGR   | \$31,524,221                 | \$28,687,041                                 | \$31,524,221                         | \$28,687,041                                 | \$0                   | 0.0%  |
| Gaming Tax  |                              | \$5,901,149                                  |                                      | \$5,901,149                                  |                       |       |
| Admissions  | 291,936                      |  | 291,936                              |  |                       |       |
| Win per Admission   | \$108                        |  | \$108                                |  |                       |       |
| WR-Jefferson - AGR  | \$37,086,401                 | \$34,119,489                                 | \$37,086,401                         | \$34,119,489                                 | \$0                   | 0.0%  |
| Gaming Tax  |                              | \$7,096,288                                  |                                      | \$7,096,288                                  |                       |       |
| Admissions  | 354,108                      |  | 354,108                              |  |                       |       |
| Win per Admission   | \$105                        |  | \$105                                |  |                       |       |
| DJ-Worth - AGR  | \$115,364,599                | \$107,289,077                                | \$115,364,599                        | \$107,289,077                                | \$0                   | 0.0%  |
| Gaming Tax  |                              | \$23,193,597                                 |                                      | \$23,193,597                                 |                       |       |
| Admissions  | 913,238                      |  | 913,238                              |  |                       |       |
| Win per Admission   | \$126                        |  | \$126                                |  |                       |       |
| Prairie Meadows - AGR   | \$250,932,524                | \$240,895,223                                | \$249,977,053                        | \$236,228,315                                | -\$955,471            | -0.4% |
| Gaming Tax  |                              | \$57,344,854                                 |                                      | \$56,224,796                                 |                       |       |
| Admissions  | 2,044,626                    |  | 2,035,792                            |  |                       |       |
| Win per Admission   | \$123                        |  | \$123                                |  |                       |       |
| Lakeside -- AGR   | \$50,461,621                 | \$45,415,459                                 | \$49,762,644                         | \$44,786,380                                 | -\$698,977            | -1.4% |
| Gaming Tax  |                              | \$9,581,401                                  |                                      | \$9,443,004                                  |                       |       |
| Admissions  | 330,889                      |  | 325,215                              |  |                       |       |
| Win per Admission   | \$153                        |  | \$153                                |  |                       |       |
| Casino Queen - AGR  | \$27,303,608                 | \$24,573,247                                 | \$26,783,439                         | \$24,105,096                                 | -\$520,169            | -1.9% |
| Gaming Tax  |                              | \$4,996,114                                  |                                      | \$4,893,121                                  |                       |       |
| Admissions  | 192,167                      |  | 187,502                              |  |                       |       |
| Win per Admission   | \$142                        |  | \$143                                |  |                       |       |
| DJ-Dubuque - AGR  | \$68,061,945                 | \$63,978,228                                 | \$65,593,864                         | \$61,658,232                                 | -\$2,468,081          | -3.6% |
| Gaming Tax  |                              | \$13,665,210                                 |                                      | \$13,154,811                                 |                       |       |
| Admissions  | 572,386                      |  | 550,657                              |  |                       |       |
| Win per Admission   | \$119                        |  | \$119                                |  |                       |       |
| Q Casino - AGR  | \$52,362,830                 | \$49,221,060                                 | \$51,748,957                         | \$48,644,020                                 | -\$613,873            | -1.2% |
| Gaming Tax  |                              | \$10,418,633                                 |                                      | \$10,291,684                                 |                       |       |
| Admissions  | 582,519                      |  | 574,828                              |  |                       |       |
| Win per Admission   | \$90                         |  | \$90                                 |  |                       |       |

(Continued on next page)



| Iowa Commercial Casinos<br>Projected Casino AGR & Admissions FY 2029<br>Baseline Forecast & Adjusted Forecast (w/Cedar Crossing Casino) |                              |  |                                      |  |                       |        |
|---|------------------------------|--|--------------------------------------|--|-----------------------|--------|
| Casino  | Baseline Forecast            |  | Adjusted Forecast (w/Cedar Crossing) |  | Cannibalization (AGR) | %      |
|   | Baseline Forecast<br>FY 2029 | Estimated AGR<br>net of free play<br>FY 2029 | Adjusted Forecast<br>FY 2029         | Estimated AGR<br>net of free play<br>FY 2029 |                       |        |
| WR - Clinton -- AGR   | \$30,719,467                 | \$27,647,520                                 | \$30,203,472                         | \$27,183,125                                 | -\$515,995            | -1.7%  |
| Gaming Tax  |                              | \$5,672,454                                  |                                      | \$5,570,287                                  |                       |        |
| Admissions  | 364,765                      |  | 358,755                              |  |                       |        |
| Win per Admission   | \$84                         |  | \$84                                 |  |                       |        |
| Isle-Waterloo -- AGR  | \$91,432,573                 | \$84,117,967                                 | \$82,645,804                         | \$74,381,223                                 | -\$8,786,769          | -9.6%  |
| Gaming Tax  |                              | \$18,095,953                                 |                                      | \$15,953,869                                 |                       |        |
| Admissions  | 676,835                      |  | 612,167                              |  |                       |        |
| Win per Admission   | \$135                        |  | \$135                                |  |                       |        |
| Riverside -- AGR  | \$130,865,864                | \$120,396,595                                | \$96,910,433                         | \$87,219,389                                 | -\$33,955,431         | -25.9% |
| Gaming Tax  |                              | \$26,077,251                                 |                                      | \$18,778,266                                 |                       |        |
| Admissions  | 1,418,846                    |  | 1,076,882                            |  |                       |        |
| Win per Admission   | \$92                         |  | \$90                                 |  |                       |        |
| Isle-Bettendorf -- AGR  | \$67,142,879                 | \$61,771,449                                 | \$65,501,713                         | \$60,261,576                                 | -\$1,641,166          | -2.4%  |
| Gaming Tax  |                              | \$13,179,719                                 |                                      | \$12,847,547                                 |                       |        |
| Admissions  | 617,408                      |  | 599,417                              |  |                       |        |
| Win per Admission   | \$109                        |  | \$109                                |  |                       |        |
| Rhythmn City -- AGR   | \$112,640,180                | \$101,376,162                                | \$109,711,348                        | \$98,740,213                                 | -\$2,928,832          | -2.6%  |
| Gaming Tax  |                              | \$21,892,756                                 |                                      | \$21,312,847                                 |                       |        |
| Admissions  | 1,200,079                    |  | 1,170,444                            |  |                       |        |
| Win per Admission   | \$94                         |  | \$94                                 |  |                       |        |
| Catfish Bend -- AGR   | \$43,919,424                 | \$39,527,482                                 | \$43,065,615                         | \$38,759,053                                 | -\$853,809            | -1.9%  |
| Gaming Tax  |                              | \$8,286,046                                  |                                      | \$8,116,992                                  |                       |        |
| Admissions  | 632,331                      |  | 621,021                              |  |                       |        |
| Win per Admission   | \$69                         |  | \$69                                 |  |                       |        |
| Horseshoe -- AGR  | \$151,671,510                | \$136,504,359                                | \$151,671,510                        | \$136,504,359                                | \$0                   | 0.0%   |
| Gaming Tax  |                              | \$32,291,046                                 |                                      | \$32,291,046                                 |                       |        |
| Admissions  | 1,180,296                    |  | 1,180,296                            |  |                       |        |
| Win per Admission   | \$129                        |  | \$129                                |  |                       |        |
| Harrah's -- AGR   | \$52,459,627                 | \$47,213,664                                 | \$52,459,627                         | \$47,213,664                                 | \$0                   | 0.0%   |
| Gaming Tax  |                              | \$9,977,006                                  |                                      | \$9,977,006                                  |                       |        |
| Admissions  | 506,856                      |  | 506,856                              |  |                       |        |
| Win per Admission   | \$104                        |  | \$104                                |  |                       |        |
| Ameristar -- AGR  | \$149,514,755                | \$134,563,280                                | \$149,514,755                        | \$134,563,280                                | \$0                   | 0.0%   |
| Gaming Tax  |                              | \$29,193,921                                 |                                      | \$29,193,921                                 |                       |        |
| Admissions  | 1,115,556                    |  | 1,115,556                            |  |                       |        |
| Win per Admission   | \$134                        |  | \$134                                |  |                       |        |
| <b>Total Statewide AGR</b>  | <b>\$1,662,022,747</b>       | <b>\$1,531,828,746</b>                       | <b>\$1,726,184,174</b>               | <b>\$1,581,164,977</b>                       |                       |        |
| <b>Gaming Tax</b>   |                              | <b>\$336,640,316</b>                         | <b>N/A</b>                           | <b>\$346,990,948</b>                         |                       |        |
| <b>Admissions</b>   | <b>15,217,692</b>            |  | <b>15,855,612</b>                    |  |                       |        |
| <b>Win per Admission</b>  | <b>\$109</b>                 |  | <b>\$109</b>                         |  |                       |        |

Source: Marquette Advisors

**Sensitivity Analysis** -- A summary of the projected financial performance and market impact of each proposal is presented on the following table. Also, commensurate with our agreement with IRGC, we have provided a summary of the anticipated impact of the possible increase in the size of the casino at 10%, 25% and 50% increments.

| <b>Proposed Cedar Rapids Casino Development<br/>Projected Performance &amp; Market Impact w/ Sensitivity Analysis</b> |   |                                      |                                      |                                      |
|---|---|--------------------------------------|--------------------------------------|--------------------------------------|
|   | <b>Cedar Crossing<br/>Baseline Proposal</b> | <b>Cedar Crossing<br/>10% Larger</b> | <b>Cedar Crossing<br/>25% Larger</b> | <b>Cedar Crossing<br/>50% Larger</b> |
| <b>Assumed Facilities</b>   |   |                                      |                                      |                                      |
| # of Gaming Positions   | 832   | 915                                  | 1,040                                | 1,248                                |
| # of Attached Hotel Rooms   | 0   | 0                                    | 0                                    | 0                                    |
| <b>Estimated Construction Cost</b>  |   |                                      |                                      |                                      |
|   | \$275,000,000                               | N/A                                  | N/A                                  | N/A                                  |
| <b>Projected Cedar Crossing Annual Admissions</b>   |   |                                      |                                      |                                      |
|   | 1,158,091                                   | 1,250,738                            | 1,413,334                            | 1,653,601                            |
| <b>Cedar Crossing AGR (Gross) (FY 2029)</b>   |   |                                      |                                      |                                      |
|   | <b>\$118,100,000</b>                        | <b>\$127,548,000</b>                 | <b>\$144,129,240</b>                 | <b>\$168,631,211</b>                 |
| AGR per Position/Day  | \$389                                       | \$382                                | \$380                                | \$370                                |
| AGR per Admission   | \$102                                       | \$102                                | \$102                                | \$102                                |
| <b>Projected AGR from Out of State Customers</b>  |   |                                      |                                      |                                      |
|   | \$6,477,000                                 | \$7,200,000                          | \$8,200,000                          | \$9,700,000                          |
| % of Casino Net Win   | 5.5%  | 5.6%                                 | 5.7%                                 | 5.8%                                 |
| <b>Projected "New" Statewide Incremental AGR (Gross)<br/>market growth (i.e. "new" commercial gaming revenue)</b>     |   |                                      |                                      |                                      |
|   | <b>\$64,160,000</b>                         | <b>\$67,548,000</b>                  | <b>\$76,379,240</b>                  | <b>\$89,381,211</b>                  |
| <b>Projected Incremental Iowa Gaming Tax Revenue</b>  |   |                                      |                                      |                                      |
|   | <b>\$10,350,000</b>                         | <b>\$13,597,412</b>                  | <b>\$15,375,141</b>                  | <b>\$17,992,438</b>                  |
| <b>Cannibalization Impact (IA comercial casinos)</b>  |   |                                      |                                      |                                      |
|   | <b>\$54,000,000</b>                         | <b>\$60,000,000</b>                  | <b>\$67,750,000</b>                  | <b>\$79,250,000</b>                  |
| <b>Cannibalization Impact per Casino<br/>(including commercial and tribal casinos)</b>                                |   |                                      |                                      |                                      |
| Riverside   | \$34,000,000                                | \$36,700,000                         | \$41,500,000                         | \$48,500,000                         |
| Isle-Waterloo   | \$8,800,000                                 | \$9,500,000                          | \$10,740,000                         | \$12,565,000                         |
| Meskw aki   | \$14,100,000                                | \$15,230,000                         | \$17,210,000                         | \$20,135,000                         |
| Others  | \$11,100,000                                | \$11,990,000                         | \$13,550,000                         | \$15,850,000                         |

Source: Marquette Advisors

**Economic Impact**

**Job Creation** -- We expect that a new Cedar Crossing Casino & Entertainment Center would have a major impact in terms of job creation on site. We evaluated the proposal and the sponsor’s estimates of job creation in comparison with the reported employment other Iowa casinos. This analysis suggests that the job creation impact as estimated the project sponsor is in fact very reasonable. Presented below is a summary of estimated based jobs at the proposed Cedar Crossing Casino, compared to current employment at a sampling of Iowa casinos of varying sizes. We evaluated the ratio of jobs provided both on a per-revenue basis, as well as jobs per gaming position. The subject proposal calls for 300 on-site jobs, which equates to 2.5 positions per \$1.0 million in AGR and 0.36 jobs per gaming position. These ratios are generally in line with the survey group and may in fact be somewhat conservative.

| Casino                         | Gaming Positions | Hotel Rooms | AGR (\$ Millions) | On-Site Employment | Jobs per Gaming Position | Jobs per \$1.0 m. in AGR |
|--------------------------------|------------------|-------------|-------------------|--------------------|--------------------------|--------------------------|
| <b>Cedar Crossing Proposal</b> | <b>832</b>       | <b>0</b>    | <b>\$118</b>      | <b>300</b>         | <b>0.36</b>              | <b>2.5</b>               |
| Riverside Casino               | 1,126            | 201         | \$129             | 701                | 0.62                     | 5.4                      |
| Isle-Waterloo                  | 975              | 195         | \$93              | 293                | 0.30                     | 3.2                      |
| Diamond Jo-Worth               | 978              | 162         | \$107             | 314                | 0.32                     | 2.9                      |
| Diamond Jo-Dubuque             | 881              | 0           | \$79              | 294                | 0.33                     | 3.7                      |
| Hard Rock-Sioux City           | 648              | 54          | \$93              | 350                | 0.54                     | 3.8                      |
| Lakeside                       | 640              | 150         | \$49              | 230                | 0.36                     | 4.7                      |
| Average-sample group           | 875              | 127         | \$92              | 364                | 0.41                     | 3.9                      |

\* Cedar Crossing employment estimate by project sponsor  
\*\* Other casino job counts sourced from IRGC and casino operators

To go along with this, however, it’s important to point out that job creation at the Cedar Crossing Casino will almost certainly be offset to some degree by cuts at other area casinos who are impacted by this development. For example, with a projected 26% reduction in AGR at Riverside, this operator will be hard pressed to support the current level of employment, which totals 701 jobs on site. Similarly, nearby Isle-Waterloo employs 293 workers and as such is one of the largest employers in Black Hawk County. A 9% to 10% reduction in AGR could also result in a re-sizing of the staff at this casino as well. While we did not analyze the staffing level at Meskwaki, we’ve noted a projected 11% reduction in AGR at this tribal casino. Such a reduction is very likely to result in job loss over time as this casino right-sizes its operations within the market.

We’re also aware of a very competitive labor market, despite recent job loss and rising unemployment rates in eastern Iowa. Staffing some positions at a casino can be challenging due to the unique skill set required. In a competitive market, a casino operator will seek out the best available staff, obviously, in order to provide the best possible customer experience and also for the purpose of operating efficiencies. The best casino employees are those with direct experience. Therefore it is very likely that in staffing 300 employees (perhaps more), the Cedar

Crossing Casino will attract some of its new employees from existing casino operations in the region. So, while “cannibalizing” AGR, a new casino will also have a similar impact on staffing of other casinos in the market to some degree.

### **Philanthropic Impacts – Cedar Crossing Casino**

Additionally, the new **Cedar Crossing Casino** would have a considerable impact through annual contributions to its non-profit partner, the Linn County Gaming Association (LCGA). The project sponsors have proposed an annual contribution to LCGA of 8% of AGR (net of gaming tax). The following is a summary of the casino’s projected FY 2029 contribution, which is estimated to total approximately **\$6,705,000 million**. According to LCGA, at least 10% of these funds will be used to fund projects and initiatives outside of Linn County.

#### **Cedar Crossing Casino Contribution to Non-Profit Partner**

|                                       |                    |
|---------------------------------------|--------------------|
| Projected FY 2029 AGR (net)           | \$106,290,000      |
| less: gaming tax                      | -\$22,473,800      |
| AGR after tax                         | \$83,816,200       |
| Contribution rate                     | 8.0%               |
| <b>Estimated Contribution to LCGA</b> | <b>\$6,705,296</b> |

### **Related Impact on Other Non-Profits**

We were also asked to assess the impact of AGR cannibalization by the Cedar Crossing Casino upon annual contributions by other casino operators who are so impacted. This impact is focused primarily on two commercial casinos in Iowa, Riverside and Isle-Waterloo, along with one tribal casino (Meskwaki). Below is a summary of the projected net effect of the Cedar Crossing Casino upon annual philanthropic contributions by Riverside and Isle-Waterloo. We were not able to obtain information pertaining to similar contributions by Meskwaki.

**Riverside Casino** makes regular contributions to its non-profit partner, the Washington County Riverboat Foundation (WCRF), based on the following rate schedule. These percentages are applied after AGR is reduced for gaming tax.

- 4.50% of the first \$20,000,000 of AGR annually,
- 4.75% of the next \$10,000,000, and
- 5.00% of AGR over \$30,000,000

Riverside Casino contributions to WCRF totaled \$5,015,000 last year. According to information provided by WCRF, the non-profit has made grants totaling \$50,279,000 since 2006. Just over \$8,700,000 of those grants (17%) were awarded outside of Washington County. According to our

conversations with WCRF staff, surrounding rural counties are increasingly dependent on their funding due to very limited funds and philanthropic organizations in the area’s rural counties.

We have estimated that the addition of Cedar Crossing to the market will result in the loss of about 26% of gross AGR at Riverside (-\$33 million). As shown on the following table, this is expected to result in a **net reduction of Riverside’s contribution to WCRF of just over \$1,320,000 per year**. This impact will be felt throughout the region, as the organization has historically allocated 17% of its grants to projects and initiatives outside Washington County.

**Net Impact: Riverside AGR Reduction Upon Annual Contribution to Non-Profit**

|  |                     |
|--|---------------------|
| Projected Net Decline in AGR                       | -\$33,955,000       |
| AGR tax adjustmet                                  | \$7,470,100         |
| Applicable AGR Impact (Net)                        | -\$26,484,900       |
| Contribution rate                                  | 5.0%                |
| <b>Estimated Reduction in Contribution to WCRF</b> | <b>-\$1,324,245</b> |

**Isle-Waterloo** also makes significant contributions to the community through its partner non-profit organization the Black Hawk County Gaming Association (BHC GA). Isle contributes 5.75% of AGR (not reduced for gaming tax) each year to the non-profit, totaling \$5,159,000 in FY 2024. BHC GA has awarded grants totaling \$76,200,000 since 2008, including more than \$25,500,000 over the past five years. According to our conversations with staff and information provided by BHC GA, 25% of these funds are earmarked for the Waterloo Development Corporation related to projects in the downtown Waterloo area. In distributing the remaining funds, BHC GA seeks to target 90% of those funds within Blackhawk County (50% to local gov’t and 40% to non-profits), with a target of 10% for projects and initiatives in nearby counties Bremer, Buchanan, Butler, Chickasaw, Grundy and Tama. The actual distribution varies somewhat from these targets depending upon where grant applications come from. BHC GA staff also noted that their funding is particularly important to rural communities in the area for many reasons, including the low number of other non-profits in the area.

We estimate that a new Cedar Crossing Casino in nearby Cedar Rapids will result in the loss of just under 10% of gross AGR at Isle-Waterloo (-\$8.8 million). As shown below, this is expected to result in a **net reduction of Isle-Waterloo’s contribution to BHC GA of approximately \$505,000 per year**.

**Net Impact: Isle-Waterloo AGR Reduction Upon Annual Contribution to Non-Profit**

|  |                   |
|--|-------------------|
| Projected Net Decline in AGR                         | -\$8,787,000      |
| Contribution rate                                    | 5.75%             |
| <b>Estimated Reduction in Contribution to BHC GA</b> | <b>-\$505,253</b> |



# **ADDENDA**

# Marquette Advisors

*International Hospitality and Gaming Consultants*



**Minneapolis Office:**

60 South 6th Street, Suite 2800 / Minneapolis, MN 55402  
Phone: 612.335.8888 / Fax: 612.334.3022

**Seattle Office:**

2723 California Ave SW / Seattle, WA 98116  
Phone: 425.392.7482 / Fax: 425.392.7330

**New York Office:**

1460 Broadway / New York, NY 10036  
Phone: 646.868.8025 / Fax: 612.334.3022

[www.marquetteadvisors.com](http://www.marquetteadvisors.com)



## **Firm Overview**

Marquette Advisors is the premier provider of financial and market analysis-based advisory services to the casino gaming industry in North America.

Marquette provides a broad range of consulting services tailored to meet the unique needs of the gaming and hospitality industries. We offer a team of experienced professionals to assist developers, lenders and government officials in making prudent business decisions regarding the market potential and financial feasibility of new developments and expansion projects.

Marquette Advisors is recognized as a distinguished market and financial expert in the North American gaming industry, spanning both commercial and Native American gaming. We are regularly called upon to evaluate destination commercial casino environments and tribal resort casinos, riverboat and dockside casinos and other traditional land-based casino developments. Our expertise in other segments of the hospitality industry extends to traditional hotels and resorts, varied forms of resort-residential, food service operations, convention centers, sports arenas, golf, themed-entertainment, RV parks, gas stations, travel centers, golf courses, and other recreation facilities.

Our client-oriented services include:

- Market and financial feasibility studies for casino gaming and resort development, expansion, and repositioning
- Investment Analysis and underwriting
- Going Concern Valuation services
- Market share analysis
- Business plan development
- Economic impact analysis
- Litigation support
- Operational analyses

Feasibility studies, impact studies and business plans prepared by Marquette Advisors have been used to attract financing and investment for a variety of client projects valued at over \$25 Billion.

We regularly execute assignments in all gaming jurisdictions across the United States, including Las Vegas, Atlantic City, and all other commercial and Tribal gaming markets.

# Marquette Advisors

*International Hospitality and Gaming Consultants*

## Feasibility Studies

Marquette Advisors can evaluate the market support for new or expanded casinos, hotels, golf, retail, themed entertainment, ice arenas and numerous other recreational facilities. Our research yields specific recommendations regarding the size and range of facilities best suited to a given market. We then prepare detailed financial projections for all facility components and compare the results to anticipated project cost and financing terms so as to determine project feasibility and measure return on investment.



## Valuation Services

We provide an array of Going Concern appraisal and valuation services for sales, financing, property tax appeals, condemnation proceedings, regulatory compliance and due diligence. Our clients include:

- Owners/developers
- Prospective buyers and sellers
- Attorneys
- Banks and institutional lenders
- Municipalities
- Hotel and gaming companies



## Operational Consulting

Operational consulting provides support to the owner/operator in making business decisions regarding property operations in such areas as: changes of franchise/affiliation, management company performance, market positioning, rate strategies, market penetration, and market share analysis. These services are designed to directly impact your bottom line by increasing revenues and reducing expenses.



## Financial Consulting

We are experts in underwriting and clarifying terms and conditions of bond issues for related parties including governmental entities. We assist lenders and receivers in disposing of or managing assets including the development of workout strategies, and assistance in selling, refinancing or negotiating interim management agreements.



# Marquette Advisors

International Hospitality and Gaming Consultants

## Economic and Social Impact Studies

Marquette Advisors regularly provides analyses and projections of the revenue potential and economic impact of individual gaming and resort projects or entire industries. Our impact studies assist public officials and policy makers in understanding the revenue potential of varied development scenarios, cannibalization issues, job creation, wages and direct expenditures, tax revenue generated tourism impact and indirect impact of “multiplier effects.”

## Business Plan Development and Execution

Our services include the preparation of full-scale business plans, to provide the complete package necessary to satisfy various lending, governmental and other business development requirements.



## Development Services

We have provided complete third-party development services on behalf of ownership, including the coordination of site selection, site approvals and permitting,

equity and debt financing, and project management and coordination.

## Site Selection and Project Management

We also provide site selection services for both lodging and gaming operations. Through our Corporate and Investment Group, we can also provide full construction oversight and administration services as required.



## Litigation Support

Our specialized hotel and casino expertise in market and financial analysis can be used to support damage claims due to various causes or analyze their reasonableness. We can provide expert testimony for these and related industry issues.





## **PROFESSIONAL QUALIFICATIONS OF LOUIS W. FRILLMAN**

---

*President*  
*MARQUETTE ADVISORS*

Louis W. Frillman has been engaged in the real estate business nationwide since 1975. During this time, he has completed counseling assignments dealing with significant decisions regarding real property utilized for real estate tax petitions, market and financial feasibility studies, valuations and disposition of major business properties, and investment analyses for acquisition of property by major pension accounts. In addition, he has provided counsel to real estate buyers, sellers, investors and lenders concerning virtually all types of real estate.

In the hospitality and gaming areas, Mr. Frillman has directed the execution of several thousand market and financial feasibility studies, going concern and real estate valuations, and has provided other counseling services to scores of hospitality and gaming projects throughout North America. Mr. Frillman is experienced at managing and overseeing large projects nationwide. His gaming experience spans North America and the Caribbean.

Mr. Frillman is a member of the American Gaming Association and an active supporter of the National Indian Gaming Association. He is a frequent guest lecturer and has participated in gaming panels, seminars, and trade shows throughout the United States. He is a member of the American Society of Real Estate Counselors, the real estate counseling affiliate of the National Association of Realtors. He is a member of the Appraisal Institute and has served on the MAI Demonstration Appraisal Reports Committee nationally, and was a member of the Board of Directors for the local Institute Chapter as well as on the local admissions committee.

He is a recognized expert on gaming development and is regularly retained to assist in conceptualization, and planning for new and redevelopment gaming projects. He has testified in multiple jurisdictions regarding gaming litigation issues.

Mr. Frillman has a Bachelor of Arts Degree in Finance from the College of St. Thomas. He has lectured and taught gaming market evaluation and valuation.

Finally, he is an invited member of Lambda Alpha, the international Land Economics Fraternity, and the Royal Institute of Chartered Surveyors. He is a recognized gaming and hospitality expert within these professional societies.

## **PROFESSIONAL QUALIFICATIONS OF BRENT E. WITTENBERG**

---

*Sr. Vice President  
MARQUETTE ADVISORS*

Mr. Wittenberg has more than 25 years of experience as a consultant in the real estate development industry, with a special expertise in gaming and hospitality projects, as well as commercial, residential and mixed-use real estate ventures. His diverse background has included market analyses, feasibility studies, and economic and fiscal impact studies. Brent has worked on a wide variety of gaming and real estate consulting assignments in 37 states, as well as Canada. Mr. Wittenberg has provided detailed utilization and financial projections for a wide variety of gaming and resort developments, including large and complex urban casino resort projects ranging up to \$3 billion. As well, he regularly provides financial projections and market studies for a full range of development projects and businesses such as restaurants, c-stores, truck stops and golf courses.

He is a known expert in the field of real estate research and has evaluated numerous property types on behalf of Marquette Advisors' clients. In addition to both Tribal and commercial casinos and hotels, Brent has provided feasibility studies and financial projections for numerous commercial real estate projects, multifamily housing, golf courses, marinas, RV Parks, convention and event centers, retail and shopping center developments, gas station/c-stores and full service travel plazas, community centers and health clubs.

Mr. Wittenberg has earned the designation of Counselor of Real Estate (CRE). He has been an invited speaker at several national conferences and seminars regarding both gaming and real estate issues throughout the U.S. He has also been an invited speaker and lecturer at colleges and universities. He is widely quoted in the local, regional and national press regarding issues pertaining to both the hospitality and multifamily housing industries.

Mr. Wittenberg holds a Master of City and Regional Planning Degree (MCRP) from Clemson University, where he was recognized by the American Institute of Certified Planners (AICP) for outstanding attainment in the study of planning. He earned a Bachelor of Arts Degree in Local and Urban Affairs at St. Cloud State University.