



**THE
INNOVATION
GROUP**

Iowa Statewide Gaming Market Assessment and Economic Impact Analysis

Prepared for:

IOWA RACING AND GAMING COMMISSION

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Iowa Gaming Market Assessment & Economic Impact Analysis

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EXECUTIVE SUMMARY

Introduction

The Innovation Group was retained by the Iowa Racing and Gaming Commission (IRGC) to conduct a statewide gaming market analysis and to assess the impact of the proposed Cedar Crossing casino. Voters in Linn County have signaled their approval for casino development, and officials in Cedar Rapids have been in support of development. This market study uses a drivetime gravity model to assess the impact on existing Iowa casinos and the net Iowa gain in gaming revenue from a Cedar Rapids casino.

Cedar Crossing is proposed to have 700 slot machines and 22 table games. Amenities include a Zach Johnson steakhouse and other food and beverage venues, a 1,500-seat entertainment center, and a cultural center.

The analysis first takes into account the impact of new casino development in adjacent states. A casino market is emerging in eastern Nebraska after voters approved a statewide referendum in November 2020. Temporary or early-phase casinos have opened in Grand Island, Lincoln, and Omaha, and a permanent casino in Columbus. The temporary WarHorse casino in Omaha opened in August 2024. In Illinois, the permanent Hard Rock casino in Rockford opened in August 2024, and construction has begun on a Ho-Chunk Nation casino in Beloit, Wisconsin.

Gaming Market Analysis

Coming out of Covid, adjusted gross revenue (AGR) in Iowa increased dramatically through FY2022 even as visitation declined even more dramatically. As a result, casino win per visit (WPV) has increased to more than \$100. Since peaking in FY2022, AGR has decreased by 1.2% per year.

Table 1: Iowa Commercial Casinos: Recent Trends

	AGR (MM)	Visits (000s)	WPV	Positions	WPP
FY 2019	\$1,457	19,863	\$73	17,953	\$222
FY 2021	\$1,575	16,395	\$96	18,008	\$240
<i>Change</i>	<i>8.1%</i>	<i>-17.5%</i>	<i>31.0%</i>	<i>0.3%</i>	<i>7.8%</i>
FY 2022	\$1,766	17,457	\$101	17,921	\$270
FY 2023	\$1,755	17,078	\$103	17,867	\$269
FY 2024	\$1,724	16,851	\$102	17,819	\$264
CAGR 24/22	-1.2%	-1.8%	0.5%	-0.3%	-1.1%

Source: IRGC. The Innovation Group

Temporary casinos in Columbus, Grand Island and Lincoln, Nebraska, and in Rockford, Illinois are reflected in the data above. The permanent casino in Columbus opened in May 2024. The

temporary Omaha casino and the permanent Hard Rock Rockford casino did not open until August 2024, so their impact is not reflected in the FY2024 data.

Baseline Calibration

The gravity model was calibrated for FY2024 using publicly reported data from the Iowa Racing & Gaming Commission and Illinois Gaming Board and proprietary player data from operators. Competitive casinos were input into the model as discussed in the Competitive Environment section.

Beginning with FY2022, it is possible to calculate the amount of free play by property to derive estimates for Net Gaming Revenue (AGR net of free play, or NGR). As of July 1, 2026, no amount of free play will be taxed. Therefore, for the purpose of assessing the net gain to state gaming taxes from the introduction of Cedar Crossing, it is necessary to calculate NGR for calibration of the gravity model later in the report.

The model was calibrated to the FY2024 NGR for each Iowa casino as shown in the following table.

Table 2: Iowa NGR FY2024 (000s)

Ameristar II	Casino Queen	Catfish Bend	D. Jo - Dubuque	D. Jo - Worth	Grand Falls	Hard Rock	Harrah's CB	Horseshoe CB	IOC - Bettendorf
\$165,847	\$17,787	\$38,870	\$74,165	\$98,948	\$90,421	\$86,789	\$67,496	\$175,087	\$61,136
IOC Waterloo	Lakeside	Prairie Meadows	Q Casino	Rhythm City	Riverside	Wild Rose - Clinton	Wild Rose - Emmets.	Wild Rose - Jefferson	Total
\$85,124	\$41,813	\$229,684	\$40,787	\$96,613	\$117,665	\$28,379	\$28,324	\$33,351	\$1,578,284

Source: IRGC, The Innovation Group. NGR=Net (of free play) Gaming Revenue.

Forecast Results

For the purpose of assessing the impact of Cedar Crossing on Iowa's casino market, we next modeled a future baseline scenario, accounting for the continued development in Nebraska, a full year of operation of the permanent Hard Rock casino in Rockford, and the addition of Ho-Chunk Gaming in Beloit, Wisconsin. It is expected that FY2028 would be the first full year of operation for Cedar Crossing; therefore, we use FY2028 for the future baseline model.

The following table shows the results of the baseline FY2028 model. To protect confidentiality, we have grouped the results by region rather than individual properties. Out-of-market impacts were assessed using player data to identify what other zip codes beyond the gravity model area are vulnerable to new casino development in Nebraska, Illinois and Wisconsin.

Table 3: Baseline Model FY2028 by Region (NGR in 000s)

	Council Bluffs	Northwest	North	Central	East Central	Southeast	Northeast	Total
Adjacent States	\$187,050	\$84,052	\$50,121	\$726	\$4,533	\$61,058	\$38,613	\$426,153
Iowa Markets	\$71,606	\$57,980	\$60,772	\$310,550	\$188,300	\$124,456	\$72,828	\$886,492
Subtotal Gravity	\$258,656	\$142,033	\$110,893	\$311,276	\$192,833	\$185,514	\$111,440	\$1,312,645
Out-of-Market	\$37,420	\$20,250	\$18,773	\$8,105	\$14,870	\$32,567	\$12,462	\$144,447
Total Revenues	\$296,076	\$162,283	\$129,666	\$319,382	\$207,702	\$218,081	\$123,903	\$1,457,092
<i>Gravity Model Visits</i>	2,608,876	1,410,939	1,101,477	3,078,852	1,952,476	1,933,089	1,142,325	13,228,033
<i>WPV</i>	\$99	\$101	\$101	\$101	\$99	\$96	\$98	\$99
Casinos Represented	Ameristar CB	Hard Rock Sioux City	Wild Rose Emmets-burg	Wild Rose Jefferson	Isle Waterloo	Catfish Bend	Diamond Jo Dubuque	
	Harrah's CB	Grand Falls	Diamond Jo Northwood	Lakeside	Riverside	Isle Bettendorf	Q Casino	
	Horseshoe CB			Prairie Meadows		Rhythm City	Casino Queen	
						Wild Rose Clinton		

Source: The Innovation Group

The following table shows the five-year forecast by region in the baseline scenario, based on the timing of the new competition as follows. FY2025: near-full year impact of temporary WarHorse Omaha and Phase II Lincoln, and near-full year impact of permanent Hard Rock Rockford. FY2026: impact of permanent casinos in Omaha, Lincoln, and Grand Island. FY2027: impact of Beloit Phase I. FY2028: WarHorse Atokad and Beloit Phase II.

Table 4: Five-Year Forecast by Region (NGR in 000s)

	FY2024	FY2025	FY2026	FY2027	FY2028
Council Bluffs	\$408,430	\$336,524	\$291,582	\$292,706	\$296,076
Northwest	\$177,210	\$175,418	\$170,940	\$174,359	\$162,283
North	\$127,272	\$126,565	\$126,329	\$126,093	\$129,666
Central	\$304,848	\$303,094	\$302,343	\$309,902	\$319,382
East Central	\$202,788	\$201,150	\$198,107	\$201,078	\$207,702
Southeast	\$224,997	\$219,810	\$220,156	\$218,772	\$218,081
Northeast	\$132,740	\$126,112	\$126,554	\$124,787	\$123,903
Total	\$1,578,284	\$1,488,672	\$1,436,010	\$1,447,696	\$1,457,092
Y-o-Y % Change					
Council Bluffs		-17.6%	-13.4%	0.4%	1.2%
Northwest		-1.0%	-2.6%	2.0%	-6.9%
North		-0.6%	-0.2%	-0.2%	2.8%
Central		-0.6%	-0.2%	2.5%	3.1%
East Central		-0.8%	-1.5%	1.5%	3.3%
Southeast		-2.3%	0.2%	-0.6%	-0.3%
Northeast		-5.0%	0.4%	-1.4%	-0.7%
Total		-5.7%	-3.5%	0.8%	0.6%

Source: The Innovation Group

Table 5 shows impact by region of Cedar Rapids on existing Iowa casinos. A Cedar Rapids casino is estimated to result in a \$56 million decline in NGR at existing Iowa casinos.

Table 5: Iowa FY2028 NGR by Region: Cedar Rapids Impact on Existing

000s	Baseline FY2028	Cedar Rapids Impact on Existing	Impact	% Impact
Council Bluffs	\$296,076	\$295,550	-\$526	0%
Northwest	\$162,283	\$162,163	-\$119	0%
North	\$129,666	\$128,549	-\$1,117	-1%
Central	\$319,382	\$316,139	-\$3,243	-1%
East Central	\$207,702	\$169,093	-\$38,609	-19%
Southeast	\$218,081	\$211,435	-\$6,646	-3%
Northeast	\$123,903	\$118,387	-\$5,516	-4%
Total	\$1,457,092	\$1,401,316	-\$55,776	-4%

Source: The Innovation Group

Including the NGR forecast for Cedar Rapids in the East Central region, total statewide commercial gaming revenue in Iowa is estimated to increase by \$60 million with the addition of a Cedar Rapids casino to the market.

Table 6: Iowa FY2028 NGR by Region: Results including Cedar Rapids

000s	Baseline FY2028	With Cedar Rapids Included	Impact	% Impact
Council Bluffs	\$296,076	\$295,550	-\$526	0%
Northwest	\$162,283	\$162,163	-\$119	0%
North	\$129,666	\$128,549	-\$1,117	-1%
Central	\$319,382	\$316,139	-\$3,243	-1%
East Central	\$207,702	\$285,096	\$77,394	37%
Southeast	\$218,081	\$211,435	-\$6,646	-3%
Northeast	\$123,903	\$118,387	-\$5,516	-4%
Total	\$1,457,092	\$1,517,318	\$60,226	4%

Source: The Innovation Group

Economic Impact Analysis

In summary, Cedar Crossing is forecast to generate over \$116 million in NGR in FY2028, assuming an opening by mid-2027,¹ with a little more than half of that representing new gaming revenue to the state.

¹ The IRGC vote on Cedar Crossing is scheduled for February 2025, and developers have indicated a 25-month development period to grand opening, which would make April 2027 potentially the first full month of operation.

Table 7: Cedar Crossing Net Gaming Revenue Summary FY2028 (000s)

Total Net Gaming Revenue	\$116,598
Total Cannibalization of Commercial Iowa Casinos	\$55,776
Cannibalization Rate of Commercial Iowa Casinos	47.8%
Net Gain to State Commercial Gaming Revenue	\$60,822
Net Gain from Out-of-State Markets and Tourism	\$3,370

Source: The Innovation Group

Cedar Crossing is proposed to have 700 slot machines and 22 table games. Amenities include a Zach Johnson steakhouse and other food and beverage venues, and a 1,500-seat entertainment center. We have conducted an operating and cost model based on that program to estimate non-gaming revenue, staffing, operating expenses, and construction costs for input into an economic impact analysis using IMPLAN software and data. The following table shows the inputs into the IMPLAN model for on-going operating impacts.

Table 8: Cedar Crossing Operating Inputs

Non-Gaming Revenue	\$12,822,819
Employment	421
Employee Compensation	\$25,541,524
Casino Expenditures	\$32,270,521

Source: The Innovation Group

The following table shows the inputs into the IMPLAN model for one-time construction impacts.

Table 9: Cedar Crossing Construction Cost Inputs

Construction	\$87,274,646
Architectural & Engineering	\$8,533,814
Non-gaming FF&E	\$21,981,477
Total	\$117,789,937

Source: The Innovation Group

Ongoing Impacts from Operations

The following table shows the total or gross economic impact of the Cedar Rapids casino on the local area.

Table 10: Cedar Crossing Casino Operating Gross Linn County Impacts – 2028 (\$MMs)

	Employment	Labor Income	Value Added	Output
Direct Effect	421	\$25.5	\$70.5	\$84.9
Indirect Effect	293	\$16.2	\$28.2	\$53.0
Induced Effect	156	\$8.3	\$16.0	\$27.5
Total	871	\$50.0	\$114.7	\$165.4

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

The following table shows the net statewide economic impact of the Cedar Rapids casino, factoring in the impacts on the existing Iowa casinos.

Table 11: Cedar Crossing Casino Net Statewide Operating Impacts – 2028 (\$MMs)

	Employment	Labor Income	Value Added	Output
Direct Effect	220	\$13.3	\$36.8	\$44.3
Indirect Effect	164	\$9.3	\$16.1	\$30.4
Induced Effect	99	\$5.2	\$10.0	\$17.3
Total	482	\$27.8	\$62.8	\$91.9

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

Gaming Tax Impact

The gaming tax schedule in Iowa is as follows:

First \$1,000,000—5%

Second \$2,000,000—10%

Above \$3,000,000—22%

The gaming taxes are then distributed as follows:

- City Tax—0.5% of taxable gaming revenue
- County Tax—0.5% of taxable gaming revenue
- Endowment Fund—0.8% of taxable gaming revenue
- State Miscellaneous Fund—0.2% of taxable gaming revenue
- State Wagering Tax—remainder

By FY2028, free play credits will not be subject to the tax schedule. As noted, the gaming revenue forecasts in this report are net of free play credits; therefore, we can apply the schedule above to the Cedar Crossing forecast on a gross basis and a net basis accounting for cannibalization of existing casinos, which we estimate to be \$55,776,077. The cannibalization would accrue at the top tax rate of 22%.

Table 12: Cedar Crossing Gaming Taxes FY2028

	Gross	Less Cannibalization	Net
City Tax	\$582,989	\$278,880	\$304,109
County Tax	\$582,989	\$278,880	\$304,109
Endowment Fund	\$932,783	\$446,209	\$486,574
State Miscellaneous Fund	\$233,196	\$111,552	\$121,644
State Wagering Tax	\$22,909,569	\$12,270,737	\$10,638,832

Source: IRGC, The Innovation Group.

One-Time Construction Impacts

Construction impacts are expressed on a single-year basis. Therefore, the employment figures, for example, represent person-year equivalents; for a construction period of two years, the actual number of workers onsite would be half the person-year equivalent.

The IMPLAN model estimates that construction of the Cedar Crossing casino will directly support 830 workers, with labor income equaling \$57.5 million and total added value to the economy of \$62.4 million. These direct impacts are estimated to drive a further \$52.8 million in added value to the economy and nearly 500 jobs from indirect and induced effects. In total, Iowa is estimated benefit from a one-time, single-year equivalent employment impact of 1,322 workers, \$86.0 million in labor income and \$115.2 million in total value added, as shown in the table below. These benefits are not subject to a substitution effect, although it should be noted that existing area casinos, including Meskwaki, could theoretically cancel capital improvement plans as a result of the impacts identified in the Gaming Market Analysis.

Table 13: Cedar Crossing Casino Construction Impacts – 2026 Dollars

Impact Type	Employment	Labor Income (\$M)	Value Added (\$M)	Output (\$)
Direct Effect	830	\$57.5	\$62.4	\$111.9
Indirect Effect	179	\$12.2	\$21.4	\$42.5
Induced Effect	313	\$16.3	\$31.4	\$54.3
Total	1,322	\$86.0	\$115.2	\$208.6

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

INTRODUCTION

The Innovation Group was retained by the Iowa Racing and Gaming Commission (IRGC) to conduct a statewide gaming market analysis and to assess the impact of the proposed Cedar Crossing casino. Voters in Linn County have signaled their approval for casino development, and officials in Cedar Rapids have been in support of development. This market study assesses the impact on existing Iowa casinos and the net Iowa gain in gaming revenue from a Cedar Rapids casino.

Cedar Crossing is proposed to have 700 slot machines and 22 table games. Amenities include a Zach Johnson steakhouse and other food and beverage venues, a 1,500-seat entertainment center, and a cultural center.

The Gaming Market Analysis is conducted with the use of a drivetime gravity model. Gravity models are commonly used in location studies for commercial developments, public facilities and residential developments. The model is an analytical tool that defines the behavior of a population based on travel distance and the availability of goods or services at various locations; it quantifies the effect of distance on the behavior of a potential patron and considers the impact of competing venues.

The analysis first takes into account the impact of new casino development in adjacent states. Nebraska voters approved casino development at licensed racetracks in November 2020. The existing licensed racetracks eligible for casino gaming are all in eastern Nebraska; currently four casinos are in operation, with three of those in temporary facilities. The two tracks of primary concern to Council Bluffs casinos are Horsemen's Park in Omaha and Lincoln Race Course, both of which operate as temporary or early phase casinos under the WarHorse brand, a subsidiary of Ho Chunk, Inc. Fonner Park in Grand Island is also still in early phase development. Columbus Exposition and Racing west of Omaha has opened its permanent casino. The other track of most concern to Iowa is Atokad Park, just across the border from Hard Rock Sioux City; construction on a \$50 million facility is to begin late 2025 or early 2026.

Two new casino developments in Rockford, Illinois and Beloit, Wisconsin have implications for eastern Iowa casinos. The permanent Hard Rock casino in Rockford opened in August 2024, and construction has begun on a Ho-Chunk Nation (Wisconsin tribe) casino in Beloit.

COMPETITIVE ENVIRONMENT

Iowa

The following casinos operate in Iowa:

Council Bluffs Market

Three commercial casinos operate in the Council Bluffs market, and a tribal casino owned by the Ponca Tribe of Nebraska operates just across the Missouri River in Carter Lake, Iowa. Additionally, the Council Bluffs casinos face new commercial competition in Nebraska, including the WarHorse casino in Omaha.

Ameristar Casino opened in January 1996 and is operated by Penn National Gaming. It is a riverboat casino with over 1,200 slots, 27 table games, a sportsbook and a 160-room hotel.

Harrah's Casino is one of two Council Bluffs properties operated by Caesars Entertainment. It opened in January 1996 and became land-based in 2013. It has approximately 650 slots, 16 table games, a sportsbook, and a 251-room hotel.

Horseshoe Casino is the larger of the Caesars' operations. It has approximately 1,200 slot machines, 54 table games, a sportsbook, and Hilton Garden Inn. It opened as a slots-only racetrack casino in March 1995. Table games were implemented in 2006 and greyhound racing ended in 2015.

Prairie Flower is a tribal casino that opened in November 2018. Because of a shift in the river, the casino is physically connected to Omaha but is technically in Carter Lake, Iowa. It currently is a small slots-only facility, but the Ponca Tribe of Nebraska is building a major expansion from the current 200 slot machines to 600 machines. The expansion will also feature electronic table games and two restaurants, including a sports bar with a sportsbook. Prairie Flower had planned for a larger development featuring 2,000 slot machines, 50 table games, and a 150-room hotel; it is unknown what the impact of commercial legalization will have on those plans.

Dubuque Market

Two commercial casinos operate in the Dubuque market. Video Gaming Terminals (VGTs) operate across the border in Illinois.

Diamond Jo Casino is operated by Boyd Gaming and opened as a riverboat in May 1994, becoming landbased in 2008. It has approximately 700 slots, 25 table games and a sportsbook.

Q Casino originally opened as a racetrack (greyhound) casino in December 1995. Table games were added in 2006 and the property was rebranded Q in March 2017. It has approximately 500 slot machines, 17 table games, a sportsbook, and a 116-room Hilton Garden Inn. There is a new on-site hotel, The Key Hotel, which was offer 90 rooms and is set to be completed in the fall of 2025.

Quad Cities Market

Two Iowa casinos operate in the Quad Cities market, competing with a casino across the Mississippi River in Rock Island, Illinois. Video Gaming Terminals (VGTs) also operate across the border in Illinois.

Isle Casino Bettendorf opened as a riverboat in April 1995, becoming land based in 2016. It has approximately 800 slot machines, 17 table games, a sportsbook, and a 514-room hotel.

Rhythm City Casino in Davenport opened as a riverboat in April 1991 as The President. It changed ownership in 2014 from Isle of Capri to Elite Casino Resorts, who built a new land-based casino on the western edge of Davenport in 2016. It has approximately 825 slot machines, 20 table games, a sportsbook, and a 106-room hotel.

Bally's Quad Cities Casino in Rock Island, Illinois, formerly Jumers, opened as a riverboat in April 1995, becoming effectively land based in 2008. It has approximately 780 slot machines, 15 table games, and a 216-room hotel.

Individual Markets

There are single-property casinos spread across most of the rest of Iowa.

Casino Queen Marquette opened in December 1994. A former Isle of Capri property, it became Casino Queen in June 2017. It has approximately 430 slot machines and 14 table games in an old riverboat. A new landbased casino is currently under construction, scheduled for completion in late 2025. Groundbreaking took place on October 1, 2024.

Catfish Bend Casino in Burlington opened in November 1994 and become landbased in 2007. It is part of a recreation and leisure complex called PZAZZ!, which has a major family-entertainment-center (FEC), indoor and outdoor waterparks, event center, spa, golf course, and three hotels. It has approximately 640 slot machines, 31 table games, a sportsbook, and a 40-room casino hotel (21 and over).

Diamond Jo Casino Worth, operated by Boyd Gaming, is in Worth County, near Northwood. It opened in April 2006 and has approximately 800 slot machines, 22 table games, and a sportsbook.

Grand Falls Casino, operated by Elite Casino Resorts, is in Larchwood and draws from the Sioux Falls, South Dakota market. It opened in June 2011 and has approximately 705 slot machines, 33 table games, a sportsbook, event center, golf course, and a 97-room hotel.

Hard Rock Casino in Sioux City is owned by Peninsula Pacific. The landbased casino opened in July 2014, replacing the Argosy riverboat casino that had operated since January 1993. It has approximately 666 slot machines, 18 table games, a sportsbook, an entertainment complex, and a 54-room hotel.

Isle Casino Waterloo became a Caesars property when Eldorado Resorts bought Caesars Entertainment. It opened in June 2007 and has approximately 820 slot machines, 23 table games, a sportsbook, and a 194-room hotel.

Lakeside Hotel Casino opened in January 2000 and is located 50 miles south Des Moines in Osceola, in a popular vacation area. It has approximately 615 slot machines, 10 table games, a sportsbook, RV park, and a 150-room hotel.

Prairie Meadows Casino in Altoona benefits by its proximity to Des Moines. It originally opened as a slots-only racetrack (thoroughbred) casino in April 1995, and table games were added in December 2004. It has approximately 1,200 slot machines, 40 table games, a sportsbook, and a 168-room hotel.

Riverside Casino, operated by Elite Casino Resorts, is south of Iowa City in Riverside. It opened in August 2006 and has approximately 900 slot machines, 42 table games, a sportsbook, a golf course, and a 201-room hotel.

Wild Rose Casino Clinton opened in June 1991, and the operation relocated to a landbased casino in 2008. It has approximately 490 slot machines, 9 table games, a sportsbook, and a 60-room hotel.

Wild Rose Casino Emmetsburg opened in May 2006 and has approximately 470 slot machines, 8 table games, a sportsbook, and a 70-room hotel.

Wild Rose Casino Jefferson opened in July 2015 and has approximately 520 slot machines, 12 table games, a sportsbook, and a 74-room hotel.

Tribal Casinos

In addition to the Prairie Flower casino near Council Bluffs already mentioned, there are two tribal casinos on the western edge of the state—Blackbird Bend and WinnaVegas—and one in the central part of the state—the Meskwaki casino. Blackbird Bend in Onawa does not have a hotel. WinnaVegas in Sloan has a 78-room hotel. The Meskwaki casino in Tama (west of Cedar Rapids) opened in 1992 and has 404 hotel rooms.

Iowa Historical Trends

Pre-pandemic and Recovery

In this section we examine trends beginning in 2014 as well as post-pandemic recovery, by comparing FY 2021 with FY 2019. Casinos were closed for more than two months in FY 2020.

Prior to the pandemic, Iowa adjusted gross gaming revenue (AGR) had grown at an annual rate of 1.4%, although several casinos had declining AGR. Since reopening, in June 2020, Iowa casinos have benefitted by AGR growth of 8.1% (FY 2021 compared to FY 2019), despite a decline in visitation of 17.5%. As a result, win per visit (WPV) has increased by 31%. Two casinos had

significant revenue declines in FY 2021 and two others had slight declines. All other properties had revenue growth, with several showing significant growth.

Several properties experienced revenue growth despite also reducing the number of gaming positions in operation. This phenomenon was experienced throughout the U.S., as casinos reopened with capacity restrictions while benefitting from pent-up demand.

It should be noted that the AGR figures in the tables below include the value of free play; therefore, trends showing declines or increases could be the result of operational decisions by management to increase or decrease free play awards.

Table 14: Iowa Historical Trends 1 of 2

	Ameristar	Marquette	Catfish Bend	Diamond Joe - Dubuque	Diamond Joe - Worth	Grand Falls	Hard Rock*	Harrah's	Horseshoe	IOC - Bettendorf
AGR (MM)										
2014	\$165	\$27	\$39	\$63	\$83	\$59	\$31	\$75	\$189	\$70
2015	\$170	\$28	\$44	\$66	\$86	\$57	\$79	\$72	\$178	\$69
2016	\$170	\$27	\$42	\$66	\$85	\$55	\$83	\$71	\$176	\$74
2017	\$172	\$25	\$40	\$69	\$86	\$56	\$79	\$74	\$174	\$73
2018	\$170	\$23	\$40	\$69	\$85	\$59	\$78	\$71	\$173	\$69
2019	\$159	\$21	\$40	\$71	\$85	\$63	\$77	\$72	\$173	\$63
CAGR	-0.7%	-4.6%	0.1%	2.5%	0.4%	1.3%	-0.5%	-0.9%	-1.8%	-1.9%
FY 2019	\$164	\$22	\$40	\$69	\$85	\$61	\$76	\$71	\$169	\$66
FY 2021	\$166	\$18	\$43	\$68	\$96	\$78	\$87	\$58	\$180	\$69
Change	1.2%	-16.3%	9.3%	-1.5%	13.4%	26.9%	14.6%	-18.4%	7.0%	3.9%
Visits (000s)										
FY 2019	1,611	206	612	917	999	947	1,542	1,025	1,799	825
FY 2021	1,396	133	623	602	956	862	1,426	675	1,596	650
Change	-13.4%	-35.3%	1.8%	-34.3%	-4.3%	-9.0%	-7.6%	-34.1%	-11.3%	-21.2%
WPV										
FY 2019	\$102	\$105	\$65	\$75	\$85	\$65	\$49	\$70	\$94	\$80
FY 2021	\$119	\$136	\$70	\$113	\$100	\$91	\$61	\$86	\$113	\$105
Change	16.8%	29.4%	7.3%	49.9%	18.6%	39.4%	24.0%	23.8%	20.6%	31.8%
Positions										
FY 2019	1,595	510	699	956	1,018	929	978	623	1,650	997
FY 2021	1,557	424	793	914	951	946	767	597	1,760	999
Change	-2.4%	-16.8%	13.5%	-4.4%	-6.6%	1.7%	-21.6%	-4.0%	6.7%	0.3%
WPP										
FY 2019	\$281	\$116	\$155	\$198	\$228	\$181	\$213	\$314	\$280	\$181
FY 2021	\$292	\$117	\$150	\$204	\$276	\$226	\$311	\$267	\$281	\$188
Change	3.7%	0.6%	-3.7%	3.0%	21.4%	24.7%	46.2%	-15.0%	0.3%	3.6%

Source: IRGC, The Innovation Group. *CAGR (compound annual growth rate) is on a first full year comparison. AGR=Adjusted Gross Revenue; WPV=Win per Visit; WPP=Win per Position per day.

Table 15: Iowa Historical Trends 2 of 2

	IOC Waterloo	Lakeside	Prairie Meadows	Q Casino	Rhythm City	Riverside	Wild Rose - Clinton	Wild Rose - Emmetsburg	Wild Rose - Jefferson*	Total
AGR (MM)										
2014	\$87	\$51	\$186	\$51	\$43	\$88	\$32	\$30	\$0	\$1,369
2015	\$89	\$50	\$183	\$49	\$43	\$84	\$34	\$30	\$13	\$1,424
2016	\$88	\$49	\$187	\$48	\$52	\$85	\$32	\$29	\$28	\$1,446
2017	\$87	\$47	\$195	\$47	\$65	\$88	\$31	\$28	\$28	\$1,463
2018	\$85	\$46	\$207	\$50	\$69	\$87	\$30	\$28	\$29	\$1,467
2019	\$83	\$50	\$208	\$50	\$75	\$93	\$29	\$27	\$29	\$1,468
CAGR	-0.8%	-0.5%	2.3%	-0.4%	11.6%	1.2%	-1.7%	-2.3%	0.3%	1.4%
FY 2019	\$84	\$47	\$207	\$50	\$71	\$90	\$29	\$27	\$29	\$1,457
FY 2021	\$88	\$48	\$207	\$50	\$110	\$116	\$33	\$27	\$32	\$1,575
Change	5.6%	1.0%	0.1%	-0.4%	54.9%	29.1%	12.4%	0.2%	11.0%	8.1%
Visits (000s)										
FY 2019	933	511	3,027	799	1,169	1,616	532	360	434	19,863
FY 2021	785	366	2,021	572	1,312	1,382	388	282	369	16,395
Change	-15.8%	-28.4%	-33.2%	-28.4%	12.2%	-14.4%	-27.1%	-21.5%	-15.2%	-17.5%
WPV										
FY 2019	\$90	\$92	\$68	\$63	\$61	\$56	\$55	\$76	\$67	\$73
FY 2021	\$113	\$130	\$102	\$88	\$84	\$84	\$85	\$97	\$88	\$96
Change	25.4%	41.1%	49.9%	39.1%	38.1%	50.9%	54.1%	27.7%	30.8%	31.0%
Positions										
FY 2019	1,061	645	1,838	878	904	1,048	571	504	549	17,953
FY 2021	944	674	1,584	828	905	1,052	587	526	586	18,008
Change	-11.0%	4.6%	-13.8%	-5.8%	0.1%	0.4%	2.8%	4.5%	6.6%	0.3%
WPP										
FY 2019	\$216	\$200	\$308	\$157	\$216	\$235	\$141	\$149	\$145	\$222
FY 2021	\$256	\$194	\$357	\$166	\$334	\$303	\$154	\$143	\$151	\$240
Change	18.7%	-3.4%	16.0%	5.7%	54.7%	28.7%	9.3%	-4.1%	4.1%	7.8%

Source: IRGC, The Innovation Group. *CAGR (compound annual growth rate) is on a first full year comparison. AGR=Adjusted Gross Revenue; WPV=Win per Visit; WPP=Win per Position per day.

Recent Trends

In this section we examine recent trends. The post-pandemic trends shown in the previous tables have generally continued, with win per visit (WPV) and daily win per position (WPP) both elevated over pre-pandemic levels.

Adjusted gross gaming revenue (AGR) has declined for the past two years after peaking at \$1.766 billion in FY 2022, although AGR still remains higher than in FY2021. Visitation shows a nearly identical trend.

Most properties experienced declining or flat revenue in FY 2024, although Grand Falls and the two Diamond Jo properties had strong growth. It should be noted that the AGR figures in the tables below include the value of free play; therefore, trends showing declines or increases could be the result of operational decisions by management to increase or decrease free play awards.

Table 16: Iowa Recent Trends 1 of 2

	Ameristar II	Casino Queen	Catfish Bend	D. Jo - Dubuque	D. Jo - Worth	Grand Falls	Hard Rock	Harrah's CB	Horseshoe CB	IOC - Bettendorf
AGR (MM)										
FY 2019	\$164	\$22	\$40	\$69	\$85	\$61	\$76	\$71	\$169	\$66
FY 2021	\$166	\$18	\$43	\$68	\$96	\$78	\$87	\$58	\$180	\$69
FY 2022	\$187	\$21	\$46	\$76	\$105	\$93	\$98	\$74	\$212	\$72
FY 2023	\$185	\$21	\$45	\$75	\$103	\$96	\$95	\$71	\$205	\$73
FY 2024	\$187	\$21	\$44	\$79	\$107	\$99	\$93	\$72	\$187	\$67
Change 2024/23	1.1%	-3.2%	-2.8%	5.9%	4.1%	3.9%	-2.4%	1.7%	-8.6%	-9.2%
Change 2024/19	13.9%	-4.2%	10.0%	14.4%	26.8%	61.8%	21.8%	0.9%	11.0%	1.0%
CAGR 2021-2024	4.0%	4.6%	0.2%	5.1%	3.8%	8.4%	2.1%	7.4%	1.2%	-0.9%
Visits (000s)										
FY 2019	1,611	206	612	917	999	947	1,542	1,025	1,799	825
FY 2021	1,396	133	623	602	956	862	1,426	675	1,596	650
FY 2022	1,566	156	674	694	889	917	1,354	802	1,763	716
FY 2023	1,534	155	679	685	860	973	1,263	749	1,657	718
FY 2024	1,502	155	680	703	881	1,050	1,265	750	1,580	665
Change 2024/23	-2.1%	-0.4%	0.2%	2.7%	2.5%	7.9%	0.2%	0.1%	-4.6%	-7.4%
Change 2024/19	-6.8%	-24.8%	11.2%	-23.3%	-11.8%	10.9%	-18.0%	-26.9%	-12.2%	-19.3%
CAGR 2021-2024	2.5%	5.2%	3.0%	5.3%	-2.7%	6.8%	-3.9%	3.5%	-0.3%	0.8%
WPV										
FY 2019	\$102	\$105	\$65	\$75	\$85	\$65	\$49	\$70	\$94	\$80
FY 2024	\$124	\$134	\$64	\$112	\$122	\$95	\$73	\$96	\$118	\$100
Change 2024/23	3.3%	-2.8%	-3.0%	3.1%	1.6%	-3.7%	-2.6%	1.6%	-4.2%	-1.9%
Change 2024/19	22.2%	27.4%	-1.1%	49.1%	43.8%	45.9%	48.5%	38.0%	26.4%	25.3%
CAGR 2021-2024	1.5%	-0.5%	-2.7%	-0.2%	6.7%	1.5%	6.2%	3.7%	1.6%	-1.7%
Positions										
FY 2019	1,595	510	699	956	1,018	929	978	623	1,650	997
FY 2024	1,525	407	797	885	941	945	754	604	1,763	997
Change 2024/23	-0.5%	-0.1%	0.4%	-1.0%	-0.3%	0.0%	-0.1%	0.3%	0.0%	-0.1%
Change 2024/19	-4.4%	-20.1%	14.0%	-7.5%	-7.6%	1.7%	-22.9%	-3.1%	6.9%	0.0%
CAGR 2021-2024	-0.7%	-1.3%	0.1%	-1.1%	-0.3%	0.0%	-0.6%	0.3%	0.1%	-0.1%
WPP										
FY 2019	\$281	\$116	\$155	\$198	\$228	\$181	\$213	\$314	\$280	\$181
FY 2024	\$334	\$139	\$150	\$244	\$311	\$287	\$335	\$326	\$290	\$183
Change 2024/23	1.4%	-3.3%	-3.4%	6.6%	4.2%	3.6%	-2.5%	1.1%	-8.8%	-9.4%
Change 2024/19	18.8%	19.6%	-3.7%	23.3%	36.8%	58.7%	57.6%	3.8%	3.6%	0.7%
CAGR 2021-2024	4.7%	5.9%	0.0%	6.2%	4.1%	8.4%	2.5%	6.9%	1.1%	-0.9%

Source: IRGC, The Innovation Group. AGR=Adjusted Gross Revenue; WPV=Win per Visit; WPP=Win per Position per day.

Table 17: Iowa Recent Trends 2 of 2

	IOC Waterloo	Lakeside	Prairie Meadows	Q Casino	Rhythm City	Riverside	Wild Rose - Clinton	Wild Rose - Emmetsburg	Wild Rose - Jefferson	Total
AGR (MM)										
FY 2019	\$84	\$47	\$207	\$50	\$71	\$90	\$29	\$27	\$29	\$1,457
FY 2021	\$88	\$48	\$207	\$50	\$110	\$116	\$33	\$27	\$32	\$1,575
FY 2022	\$101	\$53	\$228	\$52	\$118	\$128	\$34	\$31	\$36	\$1,766
FY 2023	\$98	\$51	\$241	\$51	\$115	\$130	\$33	\$31	\$37	\$1,755
FY 2024	\$93	\$49	\$240	\$44	\$112	\$129	\$33	\$32	\$37	\$1,724
Change 2024/23	-4.6%	-4.2%	-0.3%	-13.0%	-2.9%	-0.6%	-1.1%	0.6%	0.4%	-1.8%
Change 2024/19	11.5%	3.2%	16.3%	-12.9%	57.2%	43.5%	12.4%	15.2%	25.9%	18.3%
CAGR 2021-2024	1.8%	0.7%	5.2%	-4.4%	0.5%	3.6%	0.0%	4.8%	4.3%	3.0%
Visits (000s)										
FY 2019	933	511	3,027	799	1,169	1,616	532	360	434	19,863
FY 2021	785	366	2,021	572	1,312	1,382	388	282	369	16,395
FY 2022	823	381	2,080	641	1,378	1,494	402	313	413	17,457
FY 2023	764	360	2,104	606	1,337	1,532	402	314	386	17,078
FY 2024	708	345	2,111	551	1,296	1,502	416	314	377	16,851
Change 2024/23	-7.4%	-4.2%	0.3%	-9.0%	-3.1%	-2.0%	3.5%	0.2%	-2.3%	-1.3%
Change 2024/19	-24.1%	-32.6%	-30.3%	-31.0%	10.9%	-7.1%	-21.7%	-12.6%	-13.3%	-15.2%
CAGR 2021-2024	-3.4%	-2.0%	1.5%	-1.2%	-0.4%	2.8%	2.4%	3.7%	0.7%	0.9%
WPV										
FY 2019	\$90	\$92	\$68	\$63	\$61	\$56	\$55	\$76	\$67	\$73
FY 2024	\$132	\$141	\$114	\$80	\$86	\$86	\$79	\$100	\$97	\$102
Change 2024/23	3.0%	0.0%	-0.6%	-4.4%	0.2%	1.4%	-4.4%	0.3%	2.8%	-0.4%
Change 2024/19	47.0%	53.1%	66.9%	26.2%	41.8%	54.4%	43.4%	31.8%	45.1%	39.4%
CAGR 2021-2024	5.4%	2.8%	3.6%	-3.2%	0.9%	0.8%	-2.4%	1.1%	3.5%	2.1%
Positions										
FY 2019	1,061	645	1,838	878	904	1,048	571	504	549	17,953
FY 2024	942	671	1,516	826	900	1,049	585	524	584	17,819
Change 2024/23	0.0%	-0.1%	-1.4%	-0.1%	-0.2%	-0.1%	0.0%	-0.2%	-0.2%	-0.3%
Change 2024/19	-11.2%	4.1%	-17.5%	-6.0%	-0.4%	0.0%	2.5%	3.9%	6.3%	-0.7%
CAGR 2021-2024	-0.1%	-0.1%	-1.5%	-0.1%	-0.2%	-0.1%	-0.1%	-0.2%	-0.1%	-0.4%
WPP										
FY 2019	\$216	\$200	\$308	\$157	\$216	\$235	\$141	\$149	\$145	\$222
FY 2024	\$271	\$198	\$433	\$145	\$340	\$337	\$154	\$165	\$172	\$264
Change 2024/23	-4.8%	-4.3%	0.9%	-13.1%	-3.0%	-0.8%	-1.4%	0.5%	0.3%	-1.8%
Change 2024/19	25.3%	-1.1%	40.6%	-7.6%	57.4%	43.0%	9.3%	10.6%	18.1%	18.9%
CAGR 2021-2024	1.8%	0.8%	6.6%	-4.4%	0.6%	3.6%	0.0%	4.9%	4.3%	3.3%

Source: IRGC, The Innovation Group. AGR=Adjusted Gross Revenue; WPV=Win per Visit; WPP=Win per Position per day.

Beginning with FY 2022, it is possible to calculate the amount of free play by property to derive estimates for Net Gaming Revenue (AGR net of free play, or NGR). As of July 1, 2026, no amount of free play will be taxed. Therefore, for the purpose of assessing the net gain to state gaming taxes from the introduction of Cedar Crossing, it is necessary to calculate NGR for calibration of the gravity model later in the report.

The taxing of free play (or promotional play) is being phased out over five years, according to the following schedule:

3. a. Notwithstanding any provision of this section to the contrary, the tax rate imposed on a licensee each fiscal year on any amount of promotional play receipts on gambling games included as adjusted gross receipts shall be determined by multiplying the adjusted percentage by the wagering tax applicable to the licensee pursuant to subsection 2.

b. For purposes of this subsection, “adjusted percentage” means as follows:

(1) For the fiscal year beginning July 1, 2021, and ending June 30, 2022, eighty-three and one-third percent (meaning 83.34% of free play is taxed).

(2) For the fiscal year beginning July 1, 2022, and ending June 30, 2023, sixty-six and two-thirds percent.

(3) For the fiscal year beginning July 1, 2023, and ending June 30, 2024, fifty percent.

(4) For the fiscal year beginning July 1, 2024, and ending June 30, 2025, thirty-three and one-third percent.

(5) For the fiscal year beginning July 1, 2025, and ending June 30, 2026, sixteen and two-thirds percent.

c. This subsection is repealed July 1, 2026.

NGR has declined by 2.8% since FY2022, with Q Casino and Horseshoe Council Bluffs experiencing double-digit declines. Most properties experienced declining or flat revenue in FY 2024, although Grand Falls and the two Diamond Jo properties had strong growth.

We also looked at September and October results to gauge preliminary impacts from the temporary Omaha casino and the permanent Rockford casino. NGR has declined at every Iowa casino on a year-over-year basis.

Table 18: Iowa Net Gaming Revenue (NGR)

\$000s	Ameristar II	Casino Queen	Catfish Bend	D. Jo - Dubuque	D. Jo - Worth	Grand Falls	Hard Rock	Harrah's CB	Horseshoe CB	IOC - Bettendorf
FY2022	\$168,213	\$18,791	\$40,794	\$71,892	\$97,119	\$84,461	\$92,589	\$68,572	\$197,615	\$65,512
FY2023	\$164,762	\$18,428	\$39,913	\$70,137	\$95,247	\$86,997	\$89,399	\$64,998	\$189,760	\$65,017
FY2024	\$165,847	\$17,787	\$38,870	\$74,165	\$98,948	\$90,421	\$86,789	\$67,496	\$175,087	\$61,136
2024/2022	-1.4%	-5.3%	-4.7%	3.2%	1.9%	7.1%	-6.3%	-1.6%	-11.4%	-6.7%
Sep-Oct 23	\$26,689	\$3,286	\$6,576	\$12,101	\$16,149	\$14,551	\$14,030	\$11,710	\$27,819	\$10,309
Sep-Oct 24	\$24,045	\$2,881	\$6,225	\$11,464	\$15,909	\$14,289	\$13,350	\$9,296	\$25,469	\$9,203
Change	-9.9%	-12.3%	-5.3%	-5.3%	-1.5%	-1.8%	-4.8%	-20.6%	-8.4%	-10.7%

	IOC Waterloo	Lakeside	Prairie Meadows	Q Casino	Rhythm City	Riverside	Wild Rose - Clinton	Wild Rose - Emmetsburg	Wild Rose - Jefferson	Total
FY2022	\$92,932	\$45,528	\$218,820	\$49,005	\$103,678	\$117,683	\$29,700	\$27,676	\$32,549	\$1,623,130
FY2023	\$88,938	\$43,697	\$230,829	\$47,235	\$99,624	\$119,057	\$29,351	\$28,255	\$33,179	\$1,604,822
FY2024	\$85,124	\$41,813	\$229,684	\$40,787	\$96,613	\$117,665	\$28,379	\$28,324	\$33,351	\$1,578,284
2024/2022	-8.4%	-8.2%	5.0%	-16.8%	-6.8%	0.0%	-4.4%	2.3%	2.5%	-2.8%
Sep-Oct 23	\$13,667	\$6,697	\$37,898	\$6,651	\$15,341	\$18,798	\$4,718	\$4,633	\$5,377	\$256,997
Sep-Oct 24	\$12,944	\$6,627	\$35,290	\$6,406	\$14,986	\$18,323	\$4,089	\$4,544	\$5,147	\$240,486
Change	-5.3%	-1.0%	-6.9%	-3.7%	-2.3%	-2.5%	-13.3%	-1.9%	-4.3%	-6.4%

Source: IRGC, The Innovation Group. NGR=Net (of free play) Gaming Revenue.

The drastic decline at the Q Casino was counterbalanced by growth at Diamond Jo-Dubuque, which reduces the impact of Hard Rock Rockford (discussed later in the report) on the Dubuque total market to just under 5% in FY 2024. The impact of Nebraska casinos is apparent in the Council Bluffs data.

Table 19: Iowa NGR Combined Markets

\$000s	Council Bluffs	Dubuque	Quad Cities
FY2022	\$434,401	\$120,897	\$169,190
FY2023	\$419,519	\$117,372	\$164,641
FY2024	\$408,430	\$114,953	\$157,748
2024/2022	-6.0%	-4.9%	-6.8%
Sep-Oct 23	\$66,218	\$18,752	\$25,650
Sep-Oct 24	\$58,811	\$17,870	\$24,189
Change	-11.2%	-4.7%	-5.7%

Source: IRGC, The Innovation Group. NGR=Net (of free play) Gaming Revenue.

Gaming Taxes

Gaming taxes from gambling games (excluding sports betting and racing) rose steadily through 2019 and accelerated after the pandemic before falling in 2023 and FY2024.

Table 20: Historical Trends in Iowa Gaming Taxes from Gambling Games (Slots and Tables)

CY	City Tax	County Tax	County			Total
			Endowment	State Misc.	State Gaming Tax	
2014	\$6,799,149	\$6,799,149	\$10,878,634	\$2,719,658	\$273,466,148	\$300,662,738
2015	\$7,121,740	\$7,121,740	\$11,394,783	\$2,848,696	\$284,169,103	\$312,656,062
2016	\$7,230,798	\$7,230,798	\$11,569,281	\$2,892,322	\$288,578,149	\$317,501,348
2017	\$7,281,563	\$7,281,563	\$11,650,502	\$2,912,626	\$290,703,637	\$319,829,891
2018	\$7,322,710	\$7,322,710	\$11,716,336	\$2,929,041	\$292,577,364	\$321,868,161
2019	\$7,340,216	\$7,340,216	\$11,741,496	\$2,938,939	\$293,323,798	\$322,684,665
2020	\$5,631,783	\$5,631,783	\$9,009,255	\$2,254,312	\$222,926,170	\$245,453,303
2021	\$8,669,254	\$8,669,254	\$13,870,805	\$3,467,702	\$347,531,419	\$382,208,434
2022	\$8,638,740	\$8,638,740	\$13,821,983	\$3,455,496	\$346,686,935	\$381,241,893
2023	\$8,417,646	\$8,417,646	\$13,468,233	\$3,367,058	\$337,754,490	\$371,425,072

Source: IRGC Annual Reports, The Innovation Group.

The following table shows gaming taxes for FY2024 by property.

Table 21: Iowa Gaming Taxes from Gambling Games (Slots and Tables) FY2024 by Property

	City Tax	County Tax	County			State Gaming Tax
			Endowment	State Misc.		
Ameristar	\$881,181	\$881,181	\$1,409,890	\$352,473	\$34,861,789	
Casino Queen	\$96,326	\$96,326	\$154,122	\$38,530	\$3,472,298	
Catfish Bend	\$206,202	\$206,202	\$329,923	\$82,481	\$7,861,070	
Diamond Jo Dubuque	\$383,140	\$383,140	\$613,023	\$153,256	\$14,929,603	
Diamond Jo Worth	\$515,462	\$515,462	\$824,740	\$206,185	\$20,223,834	
Grand Falls	\$474,714	\$474,714	\$759,542	\$189,885	\$18,598,019	
Hard Rock	\$448,319	\$448,319	\$717,310	\$179,328	\$17,536,038	
Harrah's	\$348,507	\$348,507	\$557,611	\$557,611	\$13,545,676	
Horseshoe	\$905,457	\$905,457	\$1,448,731	\$1,448,731	\$39,391,611	
Isle Waterloo	\$446,177	\$446,177	\$713,884	\$713,884	\$17,450,630	
Isle Bettendorf	\$319,516	\$319,516	\$511,226	\$511,226	\$12,387,135	
Lakeside	\$226,245	\$226,245	\$361,993	\$361,993	\$8,665,762	
Prairie Meadows	\$1,174,930	\$1,174,930	\$1,879,888	\$1,879,888	\$51,240,719	
Q Casino	\$211,870	\$211,870	\$338,992	\$338,992	\$8,081,248	
Rhythm City	\$521,263	\$521,263	\$834,021	\$208,505	\$20,468,521	
Riverside	\$617,195	\$617,195	\$987,513	\$246,878	\$24,296,502	
Wild Rose Clinton	\$153,257	\$153,257	\$245,212	\$61,303	\$5,746,345	
Wild Rose Emmetsburg	\$149,656	\$149,656	\$239,450	\$59,863	\$5,598,027	
Wild Rose Jefferson	\$175,070	\$175,070	\$280,112	\$70,028	\$6,614,479	
Total	\$8,254,487	\$8,254,487	\$13,207,183	\$7,661,040	\$330,969,306	

Source: IRGC, The Innovation Group.

Sports Betting

Sports betting was implemented in Iowa beginning August 2019. Over 90% of wagering occurred on the internet in 2022 and 2023. Retail sports betting is a small percentage of casino revenue, less than 1.5% of slot and table AGR in 2022 and 2023 on a statewide basis.

Table 22: Iowa Sports Betting Trends

	Total Net Receipts	Total Handle	Retail Receipts	Retail Handle	Internet Receipts	Internet Handle
2019	\$19,283,689	\$212,225,629	\$10,800,795	\$93,705,087	\$8,482,893	\$118,520,542
2020	\$41,643,980	\$575,248,473	\$14,396,900	\$170,027,902	\$27,229,077	\$405,220,571
2021	\$123,774,769	\$2,051,952,381	\$26,672,523	\$243,991,527	\$97,102,247	\$1,807,960,854
2022	\$164,677,563	\$2,325,238,997	\$22,736,849	\$230,963,400	\$141,940,714	\$2,094,275,597
2023	\$201,933,444	\$2,416,844,228	\$17,958,462	\$214,488,817	\$183,974,982	\$2,202,355,411

Source: IRGC, The Innovation Group.

Nebraska

Nevada voters approved casino development at licensed racetracks in November 2020. The six existing licensed racetracks eligible for casino gaming are all in eastern Nebraska. The two tracks of primary concern to Council Bluffs casino are Horsemen’s Park in Omaha and Lincoln Race Course. The other track of most concern to Iowa is Atokad Park, just across the border from Hard Rock Sioux City. The three other licenses are Columbus Exposition and Racing west of Omaha, Fonner Park in Grand Island, and Fairplay Park in Hastings. The Nebraska Racing & Gaming Commission (NRGC) is the regulatory body. NRGC has approved the relocation of the Hastings license to Ogallala.

The first casino opened in September 2022 in Lincoln. The Nebraska market is its incipient stage, with three casinos in temporary or still-expanding facilities and two licenses yet to be developed.

Commercial Casinos

WarHorse Casino Lincoln was the first commercial facility in the state when it opened as a temporary casino in September 2022 with 433 slot machines, a sportsbook, and one restaurant. Phase Two of the expansion began in late 2023 and opened November 4, 2024 with a total of 833 slot machines and 10 table games. A planned Phase Three, to open in 2025, will add 500 more gaming positions and a 196-room hotel and event center. WarHorse casinos are owned by Ho-Chunk Inc., an enterprise of the Winnebago Tribe of Nebraska.

Harrah’s Columbus opened a temporary facility in June 2023 followed by a permanent casino in May 2024. The permanent casino offers 400 slot machines, 11 table games, a sportsbook, and a Brew Brothers restaurant.

Grand Island Casino at Fonner Park is a temporary facility with 325 slot machines, seven table games, and two food and beverage options. The permanent casino is set to open in late-2025 and include 650 slot machines, 20 table games, a sportsbook, and a 116-room hotel.

WarHorse Casino Omaha opened phase 1 on August 6, 2024 with 800 slot machines and 19 table games. A second phase is expected to open in April 2025 to contain a total of 1,300 slot machines, 20 tables games, a sportsbook, and several dining options.

South Sioux City (proposed)

Ho-Chunk Inc. was awarded a license for South Sioux City, NE on a 100-acre site a mile away from Atokad Park. According to Ho-Chunk Inc., construction on a \$50 million facility is to begin late 2025 or early 2026.

Ogallala (proposed)

The Nebraska Racing & Gaming Commission has given permission for the Hastings license to move to Ogallala. No building program or timeline has been announced.

Since opening in August 2026, WarHorse Omaha has emerged as the market leader in the state, with monthly gaming revenue of approximately \$6 million compared to \$4 million in Lincoln.

Table 23: Nebraska Gaming Revenue* Monthly Results 2024

	Columbus	Grand Island	Lincoln	Omaha	S. Sioux City	Ogallala	Total
Jan	\$762,435	\$2,517,016	\$3,584,999	\$0	\$0	\$0	\$6,864,451
Feb	\$1,108,613	\$3,009,659	\$4,376,977	\$0	\$0	\$0	\$8,495,250
Mar	\$703,329	\$3,692,441	\$5,163,342	\$0	\$0	\$0	\$9,559,112
Apr	\$1,552	\$3,360,638	\$4,550,585	\$0	\$0	\$0	\$7,912,774
May	\$1,823,351	\$2,993,382	\$4,550,446	\$0	\$0	\$0	\$9,367,180
Jun	\$2,257,356	\$2,583,667	\$4,346,698	\$0	\$0	\$0	\$9,187,722
Jul	\$2,011,486	\$2,678,005	\$4,221,995	\$0	\$0	\$0	\$8,911,485
Aug	\$2,046,541	\$2,484,212	\$4,455,763	\$6,800,856	\$0	\$0	\$15,787,372
Sep	\$1,937,938	\$3,044,556	\$4,179,255	\$5,968,749	\$0	\$0	\$15,130,497
<i>Positions</i>	370	367	433	914			2,084
<i>WPP</i>	\$150	\$263	\$334	\$254			\$250

Source: NRCG, The Innovation Group. *Slot and table gaming revenue (excluding sports betting); WPP=Win per Position per day.

Sports betting accounts for 1%-5% of total gaming revenue, depending on the property and the sports season.

Table 24: Nebraska Gaming and Sports Betting Revenue Results YTD 2024 (September)

Slot Rev	ETG Rev	Poker Rev	Table Rev	Subtotal*	SB Rev	Total Rev
\$85,356,386	\$1,203,682	\$0	\$4,655,776	\$91,215,843	\$3,071,458	\$94,287,301

Source: NRCG, The Innovation Group. *Slot and table gaming revenue (excluding sports betting).

Tribal Casinos

Ohiya Casino & Resort is located in Niobrara, NE. It offers 368 slot machines, three food and beverage venues, and a 45-room hotel.

Rosebud Casino is a casino located in Valentine, NE. It offers 250 slot machines, six table games, one food and beverage option, a 60-room hotel, and an RV park.

Native Star Casino, situated in Winnebago, NE, is a small facility that offers 90 slot machines and one restaurant option.

Lucky 77 Casino is a casino located in Walthill, NE. It offers 100 slot machines and one food and beverage option.

Iron Horse Bar & Casino is a casino located in Emerson, NE. It offers 89 slot machines and one food and beverage venue.

Other Adjacent States

Of adjacent states, only Illinois, Missouri and South Dakota currently have commercial casinos, with Illinois having the most overlap with Iowa. Commercial casinos in South Dakota are limited to the far western side of the state in the Black Hills. There are also tribal casinos in South Dakota but with minimal overlap with Iowa casinos and there is no revenue data reported. In the southeastern corner of the state, the Royal River casino in Flandreau, SD has 427 slot machines and 18 table games, and the Fort Randall Casino and Hotel in Lake Andes, SD has 350 slots and 8 tables.

Tribal casinos in Minnesota and Wisconsin compete with northern and eastern Iowa casinos but there is no revenue data reported. The major competitors include Jackpot Junction, Mystic Lake and Treasure Island in Minnesota and Ho-Chunk Nation casinos in Tomah, Wisconsin Dells and Madison. Jackpot Junction is in Morton, MN and has 1,250 slots and 24 tables. Mystic Lake is a large resort casino on the southern edge of Minneapolis, featuring over 4,000 slots and 100 tables. Treasure Island is to the southeast of the Twin Cities and has 2,200 slots and 56 tables. HCG Madison is a Class II casino with 1,200 machines. HCG Wisconsin Dells is a resort property with 2,200 slots and 48 tables. HCG Tomah is a small travel plaza with 96 slots. Ho-Chunk has broken ground on a \$405 million casino project in Beloit, to feature 1,500 slot machines, 44 table games, and a sportsbook.

Illinois

Unlike most gaming markets, individual Illinois casinos have not regained pre-COVID revenue levels, although the apparent declines are at least partly due to a change in the tax structure: effective January 1, 2020, free play is no longer taxed in Illinois whereas previous revenue reports included the value of free play credits. The two historical casinos closest to Iowa—Rock Island and Par-a-Dice—have both seen declining revenue. Rock Island has been impacted by

improvements and increased market share at Rhythm City, and Par-a-Dice by a proliferation of VGTs in the Peoria area.

Table 25: Illinois AGR Trends

	Illinois Total	Rock Island	Par-a-Dice
2010	\$1,370,944,000	\$79,406,000	\$115,250,000
2011	\$1,477,601,000	\$85,826,000	\$115,460,000
2012	\$1,638,169,000	\$87,835,000	\$116,308,000
2013	\$1,551,311,771	\$81,548,136	\$107,412,644
2014	\$1,463,418,256	\$76,655,771	\$93,953,203
2015	\$1,438,029,353	\$76,711,264	\$89,948,193
2016	\$1,413,478,308	\$75,609,430	\$82,442,601
2017	\$1,407,993,343	\$70,485,998	\$78,809,962
2018	\$1,373,455,618	\$68,161,732	\$76,112,280
2019	\$1,354,198,408	\$66,284,682	\$72,679,624
2020	\$617,847,522	\$27,680,900	\$33,870,676
2021	\$1,187,308,324	\$41,561,853	\$60,984,397
2022	\$1,348,662,504	\$54,551,196	\$60,704,160
2023	\$1,521,540,973	\$61,550,028	\$63,464,957
% Change 2024/23	12.8%	12.8%	4.5%

Source: Illinois Gaming Board, The Innovation Group. Note: beginning in 2020, revenue is Net of free play

On a statewide basis, gaming revenue has increased dramatically to over \$1.5 billion as a result of the opening of new casinos in the Chicago area and elsewhere in the state, including in Rockford.

Rockford Casino: A Hard Rock Opening Act opened on November 10, 2021 as a temporary casino along I-90 with 635 slots and no tables. Six tables were added in April 2023, increasing to 10 tables by November 2023, and the number of slot machines were reduced. The following table shows the first full two years of operation and the last 12 months through June 2024.

Table 26: Temporary Hard Rock Rockford Performance

Year	Slots	Slot Win	Tables	Table Win	Total AGR*	Total Positions	Win Per Position
2022	634	\$54,747,268	0	\$0	\$54,747,268	634	\$237
2023	595	\$65,427,723	6	\$3,697,167	\$69,124,890	629	\$301
Change 2023/2022	-6.1%	19.5%	100.0%	100.0%	26.3%	-0.7%	27.1%
1H 2023	608	\$32,499,208	4	\$1,125,335	\$33,624,543	630	\$295
1H 2024	582	\$34,292,746	10	\$3,592,387	\$37,885,133	643	\$326
% Change	-4.28%	5.52%	172.73%	219.23%	12.67%	2.09%	10.36%

Source: The Innovation Group, IGB; * Adjusted Gross Revenue.

The permanent Hard Rock Rockford facility opened August 29, 2024 with nearly 1,300 slot machines, 50 table games, a sportsbook, six restaurants, and a 2,000-seat Hard Rock Live entertainment venue. In a future phase, a 250-room hotel may be included. Gaming revenue in the first month (September) reached \$13.7 million.

Missouri

Missouri gaming revenue recovered dramatically in 2021, but it has since fallen back to pre-COVID levels. The southern market for Iowa's Catfish Bend overlaps with Missouri's Mark Twain Casino, which shows a similar trend.

Table 27: Missouri AGR Trends

	Missouri Total	Mark Twain
2010	\$1,787,415,763	\$37,866,886
2011	\$1,805,361,711	\$38,249,018
2012	\$1,767,885,869	\$39,151,917
2013	\$1,706,772,901	\$37,354,917
2014	\$1,660,096,597	\$36,429,077
2015	\$1,701,887,158	\$36,547,167
2016	\$1,714,952,776	\$34,689,480
2017	\$1,737,935,417	\$33,515,455
2018	\$1,754,454,593	\$33,281,737
2019	\$1,729,492,133	\$32,119,008
2020	\$1,263,003,845	\$28,120,239
2021	\$1,893,709,795	\$40,858,643
2022	\$1,748,427,037	\$36,885,109
2023	\$1,769,094,887	\$36,564,130
<i>% Change 2024/23</i>	<i>1.2%</i>	<i>-0.9%</i>

Source: Missouri Gaming Commission, The Innovation Group.

PREVIOUS STUDIES

Cedar Rapids Applications

TMG Consulting 2017

TMG Consulting released a report in January 2017 for Cedar Rapids Development LLC assessing the gaming revenue potential casino in Cedar Rapids, Iowa under two scenarios: 1) 840 slots and 30 tables; and 2) 550 slots and 15 tables. Local gaming revenue was projected at \$80.8 million in Scenario 1 and \$59.6 million in Scenario 2. The impact on existing Iowa casinos was calculated by comparing actual gaming revenue at existing casinos for 2016 with a 2020 gravity model that includes Cedar Rapids. The following table illustrates:

Table 28: TMG 2017 Estimated Impact of Cedar Rapids

	Actual 2016	Scenario 1	% Impact	Scenario 2	% Impact
Cedar Rapids		\$83,765,349		\$63,024,903	
Riverside	\$84,533,728	\$77,906,626	-7.80%	\$80,586,178	-4.70%
Waterloo	\$88,412,939	\$76,937,619	-13.00%	\$86,421,837	-2.30%
Tama	\$129,444,000	\$122,471,822	-5.40%	\$124,796,077	-3.60%
Dubuque	\$115,740,749	\$113,307,260	-2.10%	\$114,166,857	-1.40%

Source: TMG; The Innovation Group

This is not a valid comparison. The standard industry methodology is to assess the impact against a same-year forecast without the new property. In other words, what gaming revenue would incumbent casinos earn in 2020 “but for” a Cedar Rapids casino? The TMG modeling in effect attributed all the organic growth over four years to a Cedar Rapids casino that would not be in operation yet. This has the effect of invalidly diminishing the impact of Cedar Rapids on the four casinos in its analysis. Moreover, notably the analysis did not assess any impact on other Iowa casinos even though there are several within a similar distance as Dubuque.

Convergence Strategy Group 2024

Convergence Strategy Group (CSG) released a report in July 2024 for Peninsula Pacific Entertainment’s proposed Cedar Crossing development. One of the two founding partners of Convergence performed the TMG analysis discussed above. The assumed building program included 722 slots and 22 table games. The gravity modeling was based on a 150-minute drivetime market area.

This 2024 analysis uses a differently flawed method of assessing impacts on existing Iowa casinos than the 2017 analysis. First, despite stating that market growth attributable to the Cedar Rapids casino was limited to “the Cedar Rapids Primary market area, and to a lesser degree in three neighboring market areas: Riverside Primary, Secondary Southwest and Secondary East” (p. 30),

the forecast increased frequency in nine other market areas (highlighted in **bold**), including in the highly populated Prairie Meadows market:

Table 29: CSG Annual Frequency Rates

	Freq Base	Freq Forecast	Growth
Cedar Rapids Primary	10.4	14.2	3.8
Riverside Primary	13.3	13.8	0.5
Secondary SW	11.4	12.0	0.6
Secondary East	11.7	12.3	0.6
Meskwaki Primary	16.3	16.6	0.3
Waterloo	12.4	12.6	0.2
2 Hour NE	11.6	12.3	0.7
Casino Queen Primary	12.0	12.5	0.5
Dubuque Primary	16.8	16.8	0
Quad Cities Clinton Primary	13.0	13.0	0
2 Hour SE	9.4	9.6	0.2
Catfish Bend	12.4	12.4	0
2 Hour SW	10.4	10.6	0.2
Prairie Meadows	10.4	10.8	0.4
2 Hour NW	8.7	8.9	0.2

Source: CSG; The Innovation Group

The false claim that market growth attributable to the Cedar Rapids casino was limited to the top four markets in the table above is repeated later in the report:

As discussed above, our modeling assumptions for the expansion scenario included increases in gaming participation rates for the Primary Cedar Rapids and the Riverside Primary market areas, with no changes in gaming participation rates for our other 13 defined market areas. (p. 33)

To proceed in our analysis of the flaws in the CSG report, we have to explore the implications for total market gaming visits from the changes in gaming rates from the baseline to the forecast models. The CSG report was not fully transparent, but it is possible to calculate total market gaming visits by applying the report’s stated propensity and frequency to the gaming age population listed in the report’s Table 10. The increase in gaming participation rates results in an increase in gaming visits of 8% or 752,695.

Table 30: CSG Implied Total Market Gaming Visits 2027

	Gamer Pop 2027	Prop Base	Freq Base	Visits Base	Prop Forecast	Freq Forecast	Visits Forecast	% Growth
Cedar Rapids Primary	200,442	34.60%	10.4	721,270	43.30%	14.2	1,232,438	71%
Riverside Primary	161,140	42.50%	13.3	910,844	43.60%	13.8	969,547	6%
Secondary SW	12,182	37.50%	11.4	52,078	39.40%	12.0	57,596	11%
Secondary East	49,891	40.00%	11.7	233,490	42.00%	12.3	257,737	10%
Meskwaki Primary	54,467	48.80%	16.3	433,252	48.80%	16.6	441,226	2%
Waterloo	156,216	39.60%	12.4	767,083	39.60%	12.6	779,455	2%
2 Hour NE	40,099	31.00%	11.6	144,196	31.00%	12.3	152,897	6%
Casino Queen Primary	33,702	30.00%	12.0	121,327	32.30%	12.5	136,072	12%
Dubuque Primary	117,551	42.50%	16.8	839,314	42.50%	16.8	839,314	0%
Quad Cities Clinton Primary	306,970	44.20%	13.0	1,763,850	44.20%	13.0	1,763,850	0%
2 Hour SE	65,739	35.00%	9.4	216,281	35.00%	9.6	220,883	2%
Catfish Bend	71,419	42.10%	12.4	372,836	42.10%	12.4	372,836	0%
2 Hour SW	105,942	34.40%	10.4	379,018	34.40%	10.6	386,307	2%
Prairie Meadows	508,534	43.20%	10.4	2,284,742	43.20%	10.8	2,372,616	4%
2 Hour NW	135,355	35.10%	8.7	413,334	35.10%	8.9	422,835	2%
Total	2,019,649			9,652,915			10,405,610	8%

Source: CSG; The Innovation Group

In eight market areas, the growth in gaming visits exceeds the capture by Cedar Crossing. For example, the Casino Queen Primary market area increases by 14,745 visits whereas Cedar Crossing only captures 646 visits from that market, and the Prairie Meadows market area increases by 87,875 visits despite Cedar Crossing only capturing 16,641 visits from that market area. This has the effect of invalidly diminishing the impact on incumbent casinos and inflating the percentage of net new revenue to Iowa attributable to Cedar Crossing.

Table 31: CSG Gaming Visit Comparison Base v. Forecast

	Visits Base	Visits Forecast	% Growth	A. Visits Growth	B. Cedar Rapids Visits	A-B
Cedar Rapids Primary	721,270	1,232,438	71%	511,167	862,814	
Riverside Primary	910,844	969,547	6%	58,703	55,188	3,515
Secondary SW	52,078	57,596	11%	5,518	6,084	
Secondary East	233,490	257,737	10%	24,247	22,186	2,061
Meskwaki Primary	433,252	441,226	2%	7,974	6,121	1,853
Waterloo	767,083	779,455	2%	12,372	29,718	
2 Hour NE	144,196	152,897	6%	8,701	4,453	4,248
Casino Queen Primary	121,327	136,072	12%	14,745	646	14,099
Dubuque Primary	839,314	839,314	0%	0	3,570	
Quad Cities Clinton Primary	1,763,850	1,763,850	0%	0	14,737	
2 Hour SE	216,281	220,883	2%	4,602	825	3,777
Catfish Bend	372,836	372,836	0%	0	4,333	
2 Hour SW	379,018	386,307	2%	7,289	10,090	
Prairie Meadows	2,284,742	2,372,616	4%	87,875	16,641	71,234
2 Hour NW	413,334	422,835	2%	9,502	3,555	5,947
Total	9,652,915	10,405,610	8%	752,695	1,040,959	106,734

Source: CSG; The Innovation Group

In total, the CSG analysis erroneously increases gaming visits by 106,734 more than what Cedar Crossing captures. Adjusting for this error reduces by 11.2 percentage points (to 62.1%) the portion of projected Cedar Crossing local market visits attributable to market growth.

Table 32: Market Growth as a % of Local Cedar Crossing Visits

	Visits	Growth as % of CC total visits
Cedar Crossing Local Visits	1,040,959	
CSG Local Growth	752,695	72.3%
Less Erroneous Growth	106,734	
Adjusted Growth	645,962	62.1%

Source: CSG; The Innovation Group

Further, adjusting for the error increases the impact on existing casinos by 37%, to 4.1% from 3.0%.

Table 33: CSG Gravity Model Implied Impact on Existing Casinos

	Baseline	Forecast	Impact	Change
Total Visits	9,652,915	10,405,610	752,695	7.8%
Cedar Crossing Visits	0	1,040,959		
Existing Casinos	9,652,915	9,364,651	-288,264	-3.0%
Less Erroneous Growth		106,734		
Existing Casinos Adjusted	9,652,915	9,257,918	-394,997	-4.1%

Source: CSG; The Innovation Group

Finally, CSG only attributes impacts to four existing commercial Iowa properties: the two Dubuque casinos (combined), Riverside, and Waterloo. The following bullets are the sum total of detail the report provides regarding the impact on other Iowa commercial casinos.

- Riverside: -11.6%, or \$16.6 million
- Isle Waterloo: -5.8%, or \$6.2 million
- Dubuque casinos (combined): -3.6%, or \$5.0 million

The report concludes:

Collectively, we therefore project diversion of \$27.8 million in projected 2029 AGR from other commercial casinos in Iowa casinos to Cedar Crossing. Therefore, we project that \$80.2 million of the \$108.0 million in potential 2029 AGR for Cedar Crossing would be new to Iowa as taxable revenue. (p. 32)

There are six other commercial Iowa casinos within CSG’s defined Cedar Crossing market area, some of which are closer to Cedar Rapids than are the Dubuque casinos. CSG justifies this omission by claiming that the four above are the only ones “for which we project the negative impact on AGR would be greater than 3% (relative to our stabilized 2029 projections).” (p 33)

The 3% is an arbitrary cutoff. To provide a picture of the magnitude of this omission, if the other six casinos are impacted by an average of just 1% (based on 2023 revenue), the “net new” gaming revenue to the state would be reduced by over \$5 million.

Furthermore, as noted, the gravity model understates the impact on incumbents’ local gaming revenue by at least 37%. We say “at least” because the impact analysis does not show the impacts by market area, nor does it show the math behind its conversion from the 2027-based gravity model analysis to their “stabilized 2029 projections.”

The CSG analysis could be interpreted, adjusting for omissions and erroneous growth, to show a \$45 million impact on existing commercial Iowa casinos, as shown in the following table.

Table 34: Adjusted Impact on Existing Iowa Commercial Casinos

CSG Impact on 4 Casinos	\$27,846,154
Attribution of 1% impact to the other 6 Casinos	\$5,264,592
Total	\$33,110,746
Adjusted for 37% Underestimate	\$45,361,721

Source: CSG; The Innovation Group

The following table shows CSG’s net fiscal impact to the State from Cedar Crossing side by side with an adjusted estimate based on their report. By 2029, Iowa casinos will not be paying taxes on free play. CSG uses an estimate of free play of 7% of gross gaming revenue. However, in FY2024 the free play rate statewide averaged 8.4%, and even higher in the two main competitors (Waterloo and Riverside). With these adjustments, the net gain to state gaming taxes is \$11.2 million compared to CSG’s estimate of \$15.7 million. Moreover, the CGS analysis does not take into account the gaming tax schedule in Iowa, where the first \$3 million in revenue is taxed at a lower rate than the 22% top rate. The first \$1 million of taxable revenue at Cedar Crossing will be taxed at a 5% rate and the second \$2 million at a 10% rate, whereas the cannibalized revenue would have been taxed at a rate of 22% at the existing casinos (see Table 76 later in this report).

Table 35: Unadjusted CSG and Adjusted Net Gain to State Gaming Taxes

	Unadjusted	Adjusted
Year 3 Projected AGR	\$108,010,000	\$108,010,000
Year 3 Projected AGR Net of 7% / 8.4% Free Play	\$100,449,300	\$98,937,160
Statutory Gaming Tax Share to State of Iowa 19.5%	\$21,094,353	\$19,292,746
Fiscal Impact from AGR Δ at existing properties -25.8% / - 42.0%	(\$5,430,000)	(\$8,102,511)
Net Incremental to State of Iowa	\$15,664,353	\$11,190,236

Source: CSG; The Innovation Group

One further note: CSG claims that its use of cell phone data allows them “to calibrate our gravity and out-of-market models to a degree of accuracy that has before been unseen in the gaming industry.” It is not correct to say, “before been unseen in the gaming industry.” As discussed in our 2021 report for the IRGC and later in this report, we had access to the player databases for the

Iowa casinos. These databases show not just where gaming patrons are coming from, but also how much they spend, which the cell phone data does not show. Consultants working on behalf of the IRGC have been analyzing Iowa player databases since at least 2004,² and the Innovation Group has utilized Iowa player databases since 2008.

Historical Cannibalization Analysis

The IRGC has commissioned market and cannibalization studies for the six casinos that have opened in Iowa in the past twenty years. In this section, we assess the accuracy of the relevant studies by comparing forecasts with actual results in terms of the property’s total gaming revenue and its net new revenue (total revenue minus the impact on existing Iowa commercial casinos).

Table 36: Impact Studies for New Casinos since 2020

	Opened	AGR First Full Year of Operation	Relevant Study
Diamond Jo Worth	April 2006	\$73,029,818	Cummings 2005
Emmetsburg	May 2006	\$26,020,306	Cummings 2005
Riverside	August 2006	\$86,686,991	Cummings 2005; TIG 2004*
Waterloo	June 2007	\$77,414,479	Cummings 2003 & 2005
Grand Falls	June 2011	\$58,055,224	Marquette 2009; TIG 2009
Jefferson	July 2015	\$28,462,074	Marquette 2014; Union 2014

Source: The Innovation Group; *for applicant

It is important to note that the cannibalization forecasts in these studies are same-year estimates to answer the question: what would revenue at the existing facilities have been ‘but for’ the opening of a new casino? The estimates were made to isolate the impacts attributable solely to new competition, apart from organic growth, and to help the IRGC assess the net impact to State revenue from approving a new casino. The cannibalization estimates are not on a Year-over-Year (YoY) basis, which makes it a challenge to compare cannibalization forecasts with actual results since you cannot go back in time to perform a counterfactual experiment. The only way to identify impacts on existing casinos are to examine YoY trends in the months and years following the opening of a new casino, and therefore it is appropriate to examine prior revenue trends since the impact may show up as a decline in growth rather than an absolute decline.

² Kenneth Stone, Daniel Otto and Harvey Siegelman, “Analysis of the Iowa Casino Gaming Industry: Market Patterns, Economic Impact and the Likely Effects of an Expansion in the Number of Licensees,” an Analysis Presented to the Iowa Legislature, February 2004.

Diamond Jo Worth

The Diamond Jo Worth casino opened in April 2006. The IRGC had commissioned Cummings Associates in 2005 to assess the net gain in state gaming revenue for several proposals, including Worth County, on the Minnesota border. Gaming revenue at the casino in Marquette decreased by \$4.5 million in the first 12 months of Diamond Jo’s operation, whereas the previous trend at Marquette had been slightly positive.

Table 37: Marquette AGR Trend (12 months thru March)

	AGR	% Change
2005	\$43,153,462	2.2%
2006	\$43,454,978	0.7%
2007*	\$38,925,167	-10.4%
YoY	(\$4,529,811)	

Source: The Innovation Group; IRGC. * First 12 months of impact

Cummings estimated a 5% cannibalization or 95% net new rate. While Diamond Jo’s total revenue far exceeded the forecast, Cummings net new rate was highly accurate.

Table 38: Diamond Jo Worth County Comparison

\$000s	Total AGR	Net New	Net New Rate
Cummings 2005	\$34,198	\$32,348	95%
Actual	\$73,030	\$68,500	94%

Source: The Innovation Group; Cummings Associates 2005; IRGC

Marquette continued to experience declining revenue for four years after the opening of Diamond Jo Worth; the Isle of Capri Waterloo opened in June 2007 contributing to the impacts in 2008-2010 ending March. Impact years are shown in bold preceded by the pre-impact trend in italics.

Table 39: Marquette AGR First 5 Years of Impact (12 months thru March)

	AGR	% Change
<i>2005</i>	<i>\$43,153,462</i>	<i>2.2%</i>
<i>2006</i>	<i>\$43,454,978</i>	<i>0.7%</i>
2007	\$38,925,167	-10.4%
2008	\$35,330,209	-9.2%
2009	\$32,561,857	-7.8%
2010	\$29,676,730	-8.9%
2011	\$29,680,845	0.0%

Source: The Innovation Group; IRGC

Wild Rose-Emmetsburg

The Cummings Associates study in 2005 also assessed the impact of the Wild Rose casino in Emmetsburg, which opened in May 2006. Gaming revenue at the casino in Sioux City decreased by \$593,000 in the second full year of Emmetsburg’s operation, whereas the previous trend had

been strong after Argosy the property opened a major expansion in September 2004. It is possible that the ramp up of marketing at the Emmetsburg casino had finally made an impact on Sioux City.

Table 40: Argosy Sioux City AGR Trend (12 months thru April)

	AGR	% Change
2005	\$53,054,852	20.7%
2006	\$55,728,053	5.0%
2007*	\$57,575,319	3.3%
2008	\$56,982,006	-1.0%
YoY	(\$593,313)	

Source: The Innovation Group; IRGC. * First 12 months of impact

Cummings estimated a 7% cannibalization rate, which may have been an overestimate although it is difficult to assess what Argosy’s 2007 AGR would have been without the impact of Emmetsburg.

Table 41: Wild Rose Emmetsburg Comparison

\$000s	Total AGR	Net New	Net New Rate
Cummings 2005	\$22,311	\$20,850	93%
Actual	\$26,020	\$25,427	98%

Source: The Innovation Group; Cummings Associates 2005; IRGC

Argosy Sioux City continued to have flat revenue for another two years before finally rebounding in year five of impact with 2.9% growth. Impact years are shown in bold preceded by the pre-impact trend in italics.

Table 42: Argosy Sioux City AGR First 5 Years of Impact (12 months thru April)

	AGR	% Change
<i>2005</i>	<i>\$53,054,852</i>	<i>20.7%</i>
<i>2006</i>	<i>\$55,728,053</i>	<i>5.0%</i>
2007	\$57,575,319	3.3%
2008	\$56,982,006	-1.0%
2009	\$57,269,239	0.5%
2010	\$57,710,215	0.8%
2011	\$59,364,338	2.9%

Source: The Innovation Group; IRGC

Riverside

The Cummings Associates study in 2005 also assessed the impact of Riverside, which opened in August 2006. The Innovation Group also performed an assessment on behalf of the Riverside applicant. We estimated that Riverside would effectively cannibalize \$20.094 million from other

commercial Iowa casinos within 75 miles. This estimate was performed for a no-Waterloo scenario, and thus effectively isolates the estimated impact Riverside could be expected to have on existing competitors in Iowa. Riverside operated for nine full months (September 2006-May 2007) before Waterloo opened. Comparing results from September 2005-May 2006 (Before) with September 2006-May 2007 (After), the four existing operations in Iowa experienced a \$15.704 loss after the opening of Riverside. Annualized,³ this represents an actual impact of \$20.994 million.

Table 43: Southeast Iowa AGR Trend (9 months thru May)

\$000s	Before	After	Loss (Gain)	Impact Annualized
Bettendorf	\$72.902	\$66.378	\$6.524	\$8.722
Davenport	\$57.419	\$48.890	\$8.529	\$11.403
Catfish Bend	\$23.071	\$21.720	\$1.351	\$1.806
Clinton	\$20.463	\$21.163	(\$0.700)	-\$0.936
Total			\$15.704	\$20.994

Source: The Innovation Group; IRGC

Cummings estimates were also extremely accurate.

Table 44: Riverside Comparison

\$000s	Total AGR	Net New	Net New Rate
Cummings 2005	\$81,983	\$62,661	76%
TIG 2004	\$84,626	\$64,532	76%
Actual	\$86,142	\$65,198	76%

Source: The Innovation Group; Cummings Associates 2005; IRGC

Waterloo

The Cummings Associates study in 2005 (and 2003) also assessed the impact of the Isle of Capri casino in Waterloo, which opened in June 2007. Gaming revenue at the casinos in Dubuque and Marquette decreased by \$4.9 million in the first 12 months of Waterloo's operation.

Table 45: Dubuque + Marquette AGR Trend (12 months thru May)

	AGR	% Change
2005	\$138,655,708	-1.9%
2006	\$154,064,517	11.1%
2007	\$151,959,530	-1.4%
2008*	\$146,989,471	-3.3%
YoY	(\$4,970,059)	

Source: The Innovation Group; IRGC. * First 12 months of impact

³ June-August accounted for 25.2% of Iowa riverboat revenues in 2006.

Cummings estimated a 11% cannibalization rate in its 2003 report and a 13% rate in its 2005 report, both of which appear to have been slight overestimates.

Table 46: Waterloo Comparison

\$000s	Total AGR	Net New	Net New Rate
Cummings 2003	\$71,316	\$63,174	89%
Cummings 2005	\$96,752	\$84,621	87%
Actual	\$77,414	\$72,444	94%

Source: The Innovation Group; Cummings Associates 2003, 2005; IRGC

The Dubuque and Marquette combined market rebounded in year two of impact as Diamond Jo – Dubuque had a major expansion in January 2009. Impact years are shown in bold preceded by the pre-impact trend in italics.

Table 47: Dubuque + Marquette AGR First 5 Years of Impact (12 months thru May)

	AGR	% Change
<i>2005</i>	<i>\$138,655,708</i>	<i>-1.9%</i>
<i>2006</i>	<i>\$154,064,517</i>	<i>11.1%</i>
2007	\$151,959,530	-1.4%
2009	\$158,614,386	7.9%
2010	\$159,529,578	0.6%
2011	\$160,616,406	0.7%
2012	\$158,266,260	-1.5%

Source: The Innovation Group; IRGC

Grand Falls

In 2008, the IRGC commissioned Marquette Advisors and the Innovation Group to assess the impact of several proposed locations, including the Grand Falls project in Lyon County, which opened in June 2011. Reports were presented in 2009. Revenue growth at Argosy Sioux City was 3.4% in the year prior to the first full year of Grand Falls operation (July 2011-June 2012) compared to just 2% after Grand Falls opened. In addition to this first-year impact on Sioux City's growth, the impact of Grand Falls may have carried over into the 2012-2013 period, as revenue fell by 8.1% during Grand Falls' second year of operation.

Table 48: Argosy Sioux City AGR Trend (12 months thru June)

	AGR	Change
2010	\$57,839,568	2.1%
2011	\$59,819,155	3.4%
2012*	\$60,998,701	2.0%
2013	\$56,050,207	-8.1%
2013/2011	(\$3,768,948)	

Source: The Innovation Group; IRGC. *First 12 months of impact

While Marquette’s cannibalization rate of 25% rate was a significant overestimate, the Innovation Group’s estimate of 7% was highly accurate.

Table 49: Grand Falls Comparison

\$000s	Total AGR	Net New	Net New Rate
Marquette 2009	\$60,000	\$45,000	75%
TIG 2009	\$57,229	\$53,074	93%
Actual	\$58,055	\$54,286	94%

Source: The Innovation Group; Marquette Advisors; IRGC

The Argosy closed July 30, 2014, to make way for the opening of the Hard Rock Sioux City landbased casino; therefore, a five-year trend is not available.

Wild Rose-Jefferson

In 2013, the IRGC commissioned Marquette Advisors and Union Gaming to assess the impact of several proposed locations, including the Wild Rose-Jefferson project in Greene County, which opened in July 2015. Reports were presented in 2014. Revenue at Council Bluffs, Prairie Meadows, and Emmetsburg declined by a combined \$14.4 million in the first full year of Jefferson operation (August 2015-July 2016).

Table 50: Central-Western Iowa AGR (12 months thru July)

\$000s	Council Bluffs	Prairie		Total
		Meadows	Emmetsburg	
2014	\$432,635	\$184,179	\$31,053	\$647,867
2015	\$426,063	\$186,022	\$30,576	\$642,661
2016	\$416,195	\$183,121	\$28,925	\$628,242
Change	-\$9,867	-\$2,901	-\$1,651	-\$14,419

Source: The Innovation Group; IRGC

However, Council Bluffs and Emmetsburg had declined in the year prior to the opening of the Jefferson casino. A trend-adjusted analysis shows a “but-for” impact of \$9.3 million.

Table 51: Central-Western Iowa AGR: Trend-Adjusted (12 months thru July)

\$000s	Prairie			Total
	Council Bluffs	Meadows	Emmetsburg	
2015/2014	-1.5%	1.0%	-1.5%	-0.8%
2016 Trend Adjusted	\$419,590	\$187,883	\$30,106	\$637,579
2016 Actual	\$416,195	\$183,121	\$28,925	\$628,242
Change	-\$3,395	-\$4,762	-\$1,181	-\$9,338

Source: The Innovation Group; IRGC

Jefferson’s actual cannibalization rate ranges from 33% to 51%, depending on whether one uses the YoY or the trend-adjusted results. Marquette’s revenue forecast of \$28 million for Jefferson was extremely accurate; however, the report’s cannibalization rate of 79% rate was a significant overestimate. The Union Gaming report employed an unusual impact methodology, with four alternative methods, one of which actually exceeded its \$33.2 million revenue forecast for Jefferson resulting in a cannibalization rate of 133%. Two other methods produced a huge range of impacts, from a cannibalization rate of just 26% to a rate of 72%. The Innovation Group did not assess the Jefferson project; however, in our 2009 report we did assess a Webster County location, which is not far from Jefferson. Our cannibalization rate for Webster County of 43% is well within the range of Jefferson’s actual results.

Table 52: Jefferson Comparison

\$000s	Total AGR	Net New	Net New Rate
Marquette 2014	\$28,000	\$6,000	21%
Union 2014 Low Impact	\$33,200	\$24,650	74%
Union 2014 High Impact	\$33,200	\$9,370	28%
Actual (Y-o-Y impact)	\$28,462	\$19,124	67%
Actual (trend adjusted impact)	\$28,462	\$14,043	49%
<i>TIG 2009 (Webster Co.)</i>	\$39,583	\$22,375	57%

Source: The Innovation Group; Marquette Advisors; Union Gaming; IRGC

Conclusion

While several impact estimates were far off the mark, Cummings Associates and the Innovation Group produced highly accurate estimates for how much “net new” revenue the State could expect from new casino development. In a press event in September, CSG claimed that “previous cannibalization projections from state-commissioned studies have never materialized.” As the analysis above demonstrates, this is not a correct statement.

GAMING MARKET ANALYSIS

Methodology

In developing this analysis a gravity model was employed. Gravity models are commonly used in location studies for commercial developments, public facilities and residential developments. First formulated in 1929 and later refined in the 1940s, the gravity model is an analytical tool that defines the behavior of a population based on travel distance and the availability of goods or services at various locations. The general form of the equation is that attraction is directly related to a measure of availability such as square feet and inversely related to the square of the travel distance. Thus the gravity model quantifies the effect of distance on the behavior of a potential patron, and considers the impact of competing venues.

The basic formulation is that the interaction between two or more gaming venues is based on Newton's Law of Universal Gravitation: two bodies in the universe attract each other in proportion to the product of their “masses” – here, gaming positions – and inversely as the square distance between them. Thus, expected interaction between gaming venue i and market area j is shown as:

$$k \times \frac{N_i \times P_j}{d_{ij}^2}$$

where N_i = the number of gaming positions in gaming venue i , P_j = the population (21+) in market area j , d_{ij} = the distance between market area j and gaming venue i , and k = an attraction factor relating to the quality and amenities to be found at each gaming venue in comparison to the competing set of venues. When this formulation is applied to each gaming venue gaming trips generated from any given zip code are then distributed among all the competing venues.

The gravity model included the identification of 27 discrete market areas based on drive times and other geographic features and the competitive environment. Using our GIS software and ESRI database⁴, the adult population (21 and over), latitude and longitude, and average household income is collected for each zip code.

Each of these market areas is assigned a unique set of propensity and frequency factors. Gamer visits are then generated from zip codes within each of the areas based on these factors. The gamer visits thus generated are then distributed among the competitors based upon the size of each facility, its attractiveness and the relative distance from the zip code in question. The gravity

⁴The GIS software used was ArcGIS. This software allows for custom data generally in a tabular format with a geographic identification code (census tract, zip code, latitude and longitude, or similar identifier) to be mapped or displayed and integrated with other geographic census based information such as location of specific population or roadways. ArcGIS is the most widely used programs in the geographic information systems industry; the data source behind the mapping program is Esri. Esri provides census demographic and psychographic data on a variety of geographic levels of detail ranging from census block groups and counties to postal zip codes. The data is updated annually and includes a current year estimate and a five year forecast for the future.

model then calculates the probabilistic distribution of gamer visits from each market area to each of the gaming locations in the market.

Each travel distance/time is evaluated to determine the likely alternative gaming choices for residents of the region. The model is constructed to include only those alternative venues that are considered to be within a reasonable travel time. These include competing casinos that have the potential to attract patrons, or siphon off visits from the market. Travel distances and time have been developed through use of our GIS system.

The following section provides a description and definition of the various components of the model.

Gamer Visits

This measure is used to specify the number of patron trips to a gaming market, where an individual can make any number of separate visits in the course of a year. In order to estimate the gamer visits, market penetration rates, made up of the separate measures of propensity and frequency, are applied to the adult population in each zip code. A gamer visit can include more than one visit to a casino.

Propensity

Propensity measures the percentage of adults who will participate in casino gaming within the zip code. This varies based upon a number of factors, which includes the number of gaming venues, their type (i.e. landbased versus riverboat), games permitted, availability of other entertainment and leisure options, and most importantly distance from a gaming venue. Propensity in the inner market areas from 0-50 miles can vary between the high thirty per cent range in a single riverboat market to the fifty percent range for multiple land based casinos with a well-developed array of amenities. Propensity has fallen since casinos re-opened from the pandemic closures; this is confirmed by admissions data as well as numerous operators noting the loss of a significant portion of their client base.

Frequency

This measures the average number of visits that an adult will make annually to casinos in the subject market. Frequency is a function of annual gaming budget as indicated by income variations, the number of venues in the market, the type of gaming facility and most importantly distance from a gaming venue.

MPI (Market Potential Index)

Propensity also varies as a function of each market's average market potential index (MPI) score. MPI scores are generated by Simmons Survey, a respected consumer research firm that conducts a nationwide survey of consumer behavior, including propensity to gamble at a casino. This score is an indication of the degree of likelihood that a person will participate in gaming based upon their lifestyle type. The MPI score inflates or discounts the participation rate of each zip code. For example, if a market area has an overall participation rate of 4.0 (propensity of 40% times frequency of 10), an MPI score of 120 for a particular zip code would effectively inflate the participation rate of that zip code to 4.8 (4.0 times 120%). The overall MPI score for the market area is a weighted average of all the zip codes within the area.

Win per Visit (WPV)

Win per visit is the amount of wagering retained or “won” by the casino. It varies not only by gaming jurisdiction, but also in some cases by individual facilities. Normatively, win per visit is a function of distance and income. Gamers traveling greater distances tend to spend more per visit, typically making fewer gamer visits on average. As discussed in the Historical Trends section, WPV has risen dramatically in the post-COVID era.

Attraction Factors

Attraction factors measure the relative attraction of one gaming venue in relation to others in the market. Attraction factors are applied to the size of the gaming venue as measured by the number of positions it has in the market. Positions are defined as the number of gaming machines plus the number of seats at gaming tables. A normative attraction factor would be one. When this is applied to the number of positions in a gaming venue there is no change in the size of the gaming venue as calculated by the model and hence its attraction to potential patrons. A value of less than one adjusts the size of the gaming venue downwards and conversely a value greater than one indicates that the gaming venue has characteristics that make it more attractive. Attraction factors can be based on a number of components including branding, the level and effectiveness of marketing efforts, and the level of quality and amenities of a facility. Attraction factors are also adjusted to model the presence of natural and man-made boundaries which impact ease of access and convenience of travel in the market area.

The sensitivity of the model to changes in these factors is not in the nature of a direct multiplication. For example, a doubling of the attraction factor will not lead to a doubling of the gamer visits attracted to the site. It will however cause a doubling of the attractive power of the gaming venue, which is then translated via non-linear equations into an increase in the number of gamer visits attracted to the gaming venue. This is based upon the location, size and number of competing gaming venues and their relationship to the market area to which the equation is applied. The variation of these factors is based upon The Innovation Group’s experience in developing and applying these models, and consideration of the existing visitation and revenues. The latter represents the calibration of the model and has been accomplished by adjusting attraction factors to force the model to recreate the existing revenues and patron counts. In this case attraction factors have been adjusted for each casino for each market area. This is based upon known visitation patterns.

Market Area Definitions

The Iowa market has been grouped into 27 distinct market areas, from which different participation rates may be expected depending on the level and location of competition that is present in the market. The following map and table show the market areas and their respective adult population (21 and over) and average household income.

Figure 1: Iowa Statewide Market Area Definitions

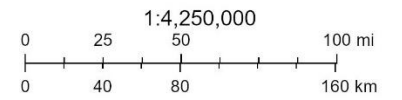
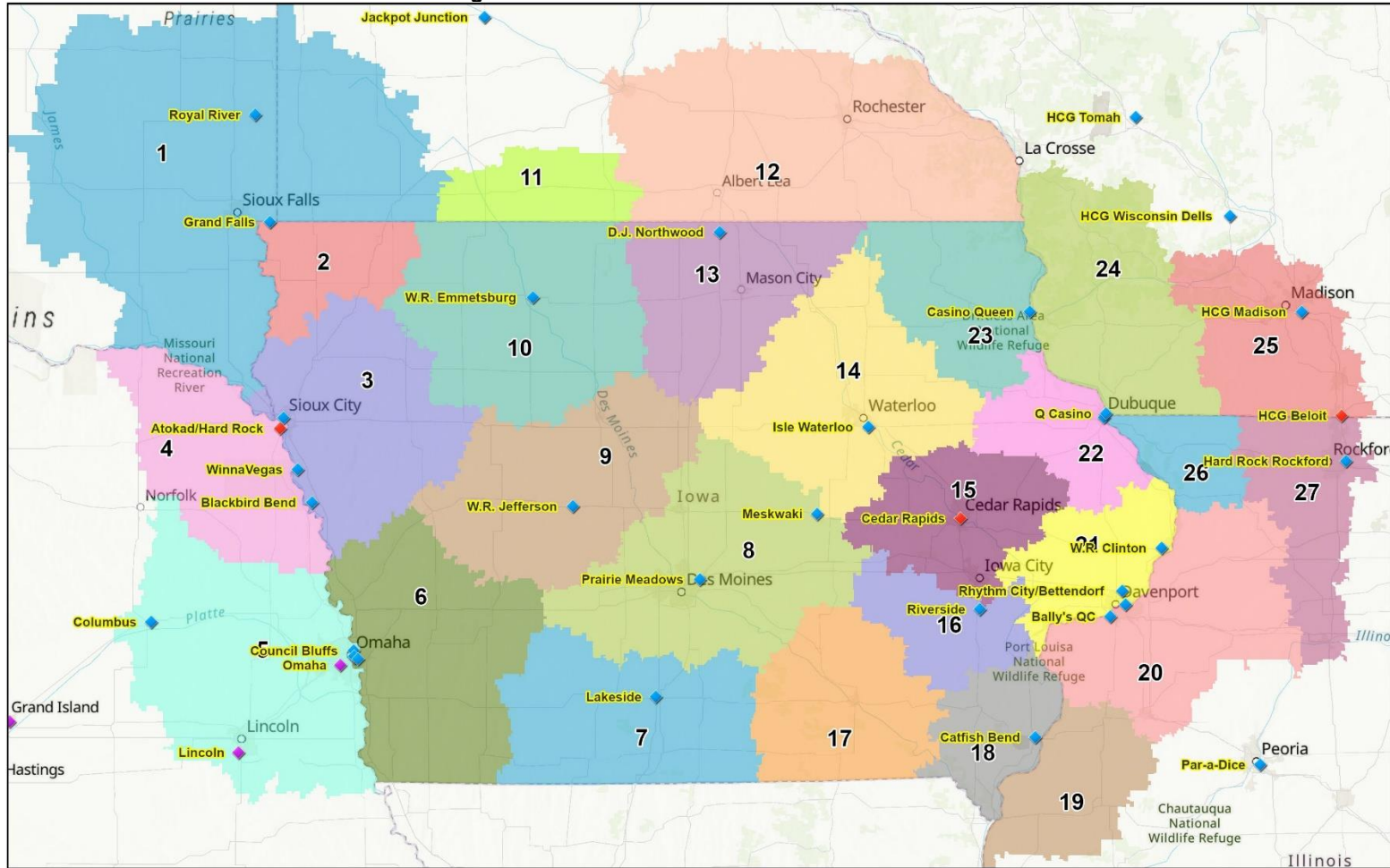


Table 53: Iowa Market Area Demographics

	Adult Pop 2024	Adult Pop 2029	CAGR 2024-2029	Average HHI 2024	Average HHI 2029	CAGR 2024-2029
1. Sioux Falls/SW MN	352,330	377,340	1.4%	\$101,099	\$116,122	2.8%
2. Grand Falls	34,275	35,364	0.6%	\$100,223	\$113,204	2.5%
3. Sioux City	135,257	138,547	0.5%	\$98,123	\$112,152	2.7%
4. South Sioux City	48,118	48,847	0.3%	\$85,726	\$97,338	2.6%
5. Omaha	948,849	992,836	0.9%	\$110,410	\$128,408	3.1%
6. Council Bluffs	135,809	137,427	0.2%	\$92,752	\$105,954	2.7%
7. Lakeside	50,509	51,360	0.3%	\$84,844	\$96,567	2.6%
8. Prairie Meadows	671,082	711,457	1.2%	\$112,634	\$129,422	2.8%
9. Jefferson	111,168	112,927	0.3%	\$88,957	\$101,727	2.7%
10. Emmetsburg	84,492	85,525	0.2%	\$90,502	\$103,086	2.6%
11. South MN	26,239	26,266	0.0%	\$87,408	\$100,459	2.8%
12. Southeast MN	408,363	421,008	0.6%	\$106,166	\$121,697	2.8%
13. Northwood	77,569	77,680	0.0%	\$89,889	\$102,607	2.7%
14. Waterloo	189,814	191,494	0.2%	\$90,773	\$103,956	2.7%
15. Cedar Rapids	325,054	336,477	0.7%	\$104,402	\$120,002	2.8%
16. Riverside	40,569	41,357	0.4%	\$93,712	\$107,569	2.8%
17. Ottumwa	82,328	83,083	0.2%	\$81,104	\$93,063	2.8%
18. Catfish Bend	73,856	73,892	0.0%	\$83,255	\$95,736	2.8%
19. Macomb	51,266	50,262	-0.4%	\$77,632	\$87,706	2.5%
20. Quad Cities - IL	270,828	268,347	-0.2%	\$85,509	\$97,030	2.6%
21. Quad Cities - IA	205,257	208,867	0.3%	\$94,753	\$108,895	2.8%
22. Dubuque	100,732	102,498	0.3%	\$102,664	\$117,518	2.7%
23. Marquette	48,949	49,163	0.1%	\$90,149	\$102,368	2.6%
24. Southwest WI	106,010	107,968	0.4%	\$86,336	\$98,358	2.6%
25. Madison/Beloit	611,782	635,645	0.8%	\$116,689	\$134,538	2.9%
26. Northwest IL	30,362	29,976	-0.3%	\$89,717	\$100,583	2.3%
27. Rockford	341,798	343,830	0.1%	\$91,370	\$104,180	2.7%
Average/Total	5,562,665	5,739,443	0.6%	\$102,014	\$117,456	2.9%
<i>National</i>	<i>252,909,013</i>	<i>261,852,483</i>	<i>0.7%</i>	<i>\$113,185</i>	<i>\$130,581</i>	<i>2.9%</i>

Source: ArcGIS/ESRI; The Innovation Group; CAGR=Compound Annual Growth Rate

Linn County Income Comparison

Linn County has slightly higher income levels than the state average. Compared to other casino counties in Iowa, Linn County generally falls toward the middle of the peer set. We typically do not find much variation in propensity or frequency resulting from income differences other than what is captured by the market potential index as discussed above, although the gravity model does adjust for income in setting win per visit.

Table 54: Per-capita Personal Income 2023

Iowa	\$62,779
Black Hawk	\$55,529
Clarke	\$50,014
Clayton	\$65,588
Clinton	\$53,442
Des Moines	\$58,928
Dubuque	\$63,435
Greene	\$59,822
Linn	\$63,407
Lyon	\$68,302
Palo Alto	\$59,206
Polk	\$66,761
Pottawattamie	\$58,306
Scott	\$66,748
Tama	\$56,041
Washington	\$80,062
Woodbury	\$53,685
Worth	\$56,008

Source: U.S. Bureau of Economic Analysis, "CAINC1 County and MSA personal income summary: personal income, population, per capita personal income" (accessed Monday, November 18, 2024).

Table 55: Median Household Disposable Income 2024

Iowa	\$59,890
Black Hawk	\$52,007
Clarke	\$54,760
Clayton	\$53,658
Clinton	\$54,227
Des Moines	\$51,755
Dubuque	\$63,702
Greene	\$51,157
Linn	\$62,453
Lyon	\$58,091
Palo Alto	\$57,306
Polk	\$66,717
Pottawattamie	\$59,888
Scott	\$57,524
Tama	\$56,693
Washington	\$59,938
Woodbury	\$57,606
Worth	\$59,823

Source: ArcGIS/ESRI

Model Calibration FY2024

Calibration Results

The gravity model was calibrated for FY2024 using publicly reported data from the Iowa Racing & Gaming Commission and Illinois Gaming Board and proprietary player data from operators. Competitive casinos were input into the model as discussed in the Competitive Environment section above.

The following table shows the rates for propensity, frequency, and win per visit by market area that were used to re-create the actual conditions in the Base FY2024 model. Win has been varied based on differences between market areas in average household income and travel time. The table reflects total gaming visits and Net Gaming Revenue from the defined market area in FY2024.

Table 56: Gravity Model Calibration Base FY2024

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	NGR (\$M)
1. Sioux Falls/SW MN	352,330	27.2%	9.5	96	880,607	\$102	\$90.1
2. Grand Falls	34,275	32.3%	11.2	94	116,575	\$100	\$11.6
3. Sioux City	135,257	37.4%	13.6	97	666,601	\$96	\$64.0
4. South Sioux City	48,118	33.6%	11.9	92	177,138	\$96	\$17.0
5. Omaha	948,849	31.9%	12.1	98	3,602,393	\$101	\$365.6
6. Council Bluffs	135,809	42.9%	15.4	96	863,639	\$91	\$79.0
7. Lakeside	50,509	33.4%	11.7	94	185,745	\$96	\$17.8
8. Prairie Meadows	671,082	34.4%	12.6	97	2,814,325	\$101	\$283.9
9. Jefferson	111,168	34.5%	12.1	96	443,792	\$96	\$42.7
10. Emmetsburg	84,492	37.4%	13.1	96	395,126	\$95	\$37.5
11. South MN	26,239	25.7%	8.5	98	56,449	\$100	\$5.7
12. Southeast MN	408,363	25.9%	8.5	97	875,676	\$104	\$91.4
13. Northwood	77,569	34.8%	12.4	96	323,220	\$96	\$31.0
14. Waterloo	189,814	36.3%	13.1	96	864,153	\$95	\$82.3
15. Cedar Rapids	325,054	31.9%	11.2	97	1,127,063	\$101	\$113.6
16. Riverside	40,569	36.9%	13.4	93	186,890	\$95	\$17.8
17. Ottumwa	82,328	29.9%	9.7	94	223,729	\$97	\$21.8
18. Catfish Bend	73,856	38.1%	14.0	96	378,276	\$92	\$34.9
19. Macomb	51,266	31.9%	7.7	96	121,465	\$97	\$11.8
20. Quad Cities - IL	270,828	34.5%	10.7	97	969,323	\$96	\$93.5
21. Quad Cities - IA	205,257	40.6%	15.0	98	1,226,722	\$93	\$114.1
22. Dubuque	100,732	42.8%	15.7	98	660,237	\$93	\$61.6
23. Marquette	48,949	31.6%	11.0	93	157,573	\$98	\$15.4
24. Southwest WI	106,010	29.7%	10.0	94	294,694	\$98	\$29.0
25. Madison/Beloit	611,782	22.0%	12.0	98	1,580,213	\$106	\$167.1
26. Northwest IL	30,362	31.6%	10.9	97	101,176	\$98	\$9.9
27. Rockford	341,798	23.3%	7.0	97	544,196	\$102	\$55.7
Total	5,562,665				19,836,998	\$99	\$1,965.8

Source: The Innovation Group

Iowa commercial casinos are estimated to have captured 72% of the defined gravity model revenue, or \$1.4 billion of the market total of \$1.97 billion. To protect confidentiality, we have grouped the results by region rather than individual properties. Gravity model results have been broken down into in-state markets and adjacent-state markets (Nebraska, South Dakota, Minnesota, Wisconsin and Illinois). Iowa casinos also generate visitation and revenue from beyond the defined gravity model market area. This out-of-market gaming demand represents visits driven by reasons other than proximity of permanent residence, such as traffic intercept, tourism, visiting friends and family, seasonal residence, and variety of gaming experience. Gravity model versus out-of-market revenue was identified using player data provided by operators.

Table 57: Model Calibration FY2024 by Region (NGR in 000s)

	Council Bluffs	Northwest	North	Central	East Central	Southeast	Northeast	Total
Adjacent States	\$271,943	\$88,515	\$48,494	\$1,097	\$4,989	\$67,869	\$46,581	\$529,488
In-State	\$84,866	\$66,583	\$60,352	\$296,015	\$183,281	\$123,528	\$72,808	\$887,432
Subtotal Gravity	\$356,809	\$155,097	\$108,846	\$297,111	\$188,271	\$191,397	\$119,388	\$1,416,920
Out-of-Market	\$51,620	\$22,112	\$18,427	\$7,736	\$14,518	\$33,600	\$13,351	\$161,364
Total Revenues	\$408,430	\$177,210	\$127,272	\$304,848	\$202,788	\$224,997	\$132,740	\$1,578,284
<i>Gravity Model Visits</i>	3,596,468	1,564,865	1,097,059	2,981,703	1,934,280	2,019,394	1,235,698	14,429,467
<i>WPV</i>	\$99	\$99	\$99	\$100	\$97	\$95	\$97	\$98
Casinos Represented	Ameristar CB	Hard Rock Sioux City	Wild Rose Emmets-burg	Wild Rose Jefferson	Isle Waterloo	Catfish Bend	Diamond Jo Dubuque	
	Harrah's CB	Grand Falls	Diamond Jo Northwood	Lakeside	Riverside	Isle Bettendorf	Q Casino	
	Horseshoe CB			Prairie Meadows		Rhythm City	Casino Queen	
						Wild Rose Clinton		

Source: The Innovation Group

Saturation Analysis

To examine the level of market saturation in Iowa, we have ranked the Iowa market areas from the gravity model calibration (FY2024) by annual Win per Adult (WPA), which is calculated as NGR divided by the gaming-age population. Only two market areas in our defined gravity model market do not host a casino: Cedar Rapids and Ottumwa.

The Dubuque, Council Bluffs, and Quad Cities market area (21) have the highest WPA, which is understandable since there are multiple casinos in those areas. Marquette has the lowest WPA of any market area that hosts a casino. Although Cedar Rapids does not host a casino, it is surrounded on all sides by casinos and thus has a higher WPA than two areas that do host a casino—Grand Falls and Marquette—and it is nearly tied with Lakeside.

Table 58: Iowa Demand Ranking by Market Area, Calibration Model

Gravity Model #	Gamer Pop	NGR	Win per Adult
22. Dubuque	100,732	\$61,570,966	\$611
6. Council Bluffs	135,809	\$78,974,766	\$582
21. Quad Cities - IA	205,257	\$114,146,511	\$556
3. Sioux City	135,257	\$63,992,845	\$473
18. Catfish Bend	73,856	\$34,922,679	\$473
10. Emmetsburg	84,492	\$37,482,575	\$444
16. Riverside	40,569	\$17,825,126	\$439
14. Waterloo	189,814	\$82,287,975	\$434
8. Prairie Meadows	671,082	\$283,869,662	\$423
13. Northwood	77,569	\$31,027,535	\$400
9. Jefferson	111,168	\$42,658,340	\$384
7. Lakeside	50,509	\$17,796,205	\$352
15. Cedar Rapids	325,054	\$113,648,918	\$350
2. Grand Falls	34,275	\$11,637,129	\$340
23. Marquette	48,949	\$15,435,465	\$315
17. Ottumwa	82,328	\$21,755,604	\$264
Average	2,366,720	\$1,029,032,301	\$435

Source: The Innovation Group.

Forecast

Baseline FY2028

For the purpose of assessing the impact of Cedar Crossing on Iowa’s casino market, we have next modeled a future baseline scenario, accounting for the continued development in Nebraska, a full year of operation of the permanent Hard Rock casino in Rockford, and the addition of Ho-Chunk Gaming in Beloit, Wisconsin. It is expected that FY2028 would be the first full year of operation for Cedar Crossing; therefore, we use FY2028 for the future baseline model.

The following table shows baseline FY2028 net gaming revenue without Cedar Crossing. The addition of new and expanded casinos to the market would lead to increases in propensity and frequency for those market areas closest to the relevant facilities. WPV would be expected to decline slightly in conjunction with increases in frequency, as gamers make more frequent trips to a casino.

Table 59: Gravity Model Baseline FY2028

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	NGR (\$M)
1. Sioux Falls/SW MN	372,093	27.2%	9.5	96	930,555	\$104	\$96.6
2. Grand Falls	35,142	32.3%	11.2	94	119,510	\$101	\$12.1
3. Sioux City	137,876	37.4%	13.6	97	679,642	\$97	\$66.2
4. South Sioux City	48,699	35.6%	12.8	92	203,975	\$96	\$19.6
5. Omaha	983,536	35.1%	13.1	98	4,451,766	\$101	\$450.3
6. Council Bluffs	137,101	42.9%	15.4	96	871,965	\$93	\$81.0
7. Lakeside	51,186	33.4%	11.7	94	188,243	\$97	\$18.3
8. Prairie Meadows	703,095	34.4%	12.6	97	2,949,044	\$102	\$301.6
9. Jefferson	112,563	34.5%	12.1	95	449,124	\$98	\$43.8
10. Emmetsburg	85,314	37.4%	13.1	96	399,048	\$96	\$38.4
11. South MN	26,260	25.7%	8.5	98	56,489	\$102	\$5.7
12. Southeast MN	418,441	25.9%	8.5	97	897,422	\$106	\$94.9
13. Northwood	77,657	34.8%	12.4	96	323,577	\$97	\$31.5
14. Waterloo	191,154	36.3%	13.1	96	870,359	\$97	\$84.1
15. Cedar Rapids	334,142	31.9%	11.2	97	1,158,139	\$102	\$118.4
16. Riverside	41,197	36.9%	13.4	93	189,886	\$97	\$18.4
17. Ottumwa	82,930	29.9%	9.7	94	225,362	\$99	\$22.2
18. Catfish Bend	73,884	38.1%	14.0	96	378,455	\$94	\$35.5
19. Macomb	50,461	31.9%	7.7	96	119,560	\$99	\$11.8
20. Quad Cities - IL	268,839	34.5%	10.7	97	962,297	\$98	\$94.2
21. Quad Cities - IA	208,137	40.6%	15.0	98	1,244,179	\$94	\$117.5
22. Dubuque	102,139	42.8%	15.7	98	669,485	\$95	\$63.4
23. Marquette	49,120	32.3%	11.2	93	164,620	\$99	\$16.3
24. Southwest WI	107,572	29.7%	10.0	94	299,020	\$100	\$29.8
25. Madison/Beloit	630,774	25.7%	13.3	98	2,111,993	\$105	\$222.4
26. Northwest IL	30,052	31.6%	10.9	97	100,142	\$99	\$9.9
27. Rockford	343,404	38.2%	9.8	97	1,254,879	\$99	\$124.2
Total	5,702,768				22,268,737	\$100	\$2,228.0

Source: The Innovation Group

The capture by Iowa commercial casinos of the defined gravity model revenue is estimated to decline to 59% after Nebraska is fully developed combined with the full impact of the permanent Hard Rock Rockford and the opening of Ho-Chunk Beloit. Council Bluffs is projected to be hit the hardest, while the Northeast is projected to be the hardest hit by the Rockford and Beloit developments. Out-of-market impacts were assessed using player data to identify what other zip codes beyond the gravity model area are vulnerable to new casino development in Nebraska, Illinois and Wisconsin.

Table 60: Baseline Model FY2028 by Region (NGR in 000s)

	Council Bluffs	Northwest	North	Central	East Central	Southeast	Northeast	Total
Adjacent States	\$187,050	\$84,052	\$50,121	\$726	\$4,533	\$61,058	\$38,613	\$426,153
In-State	\$71,606	\$57,980	\$60,772	\$310,550	\$188,300	\$124,456	\$72,828	\$886,492
Subtotal Gravity	\$258,656	\$142,033	\$110,893	\$311,276	\$192,833	\$185,514	\$111,440	\$1,312,645
Out-of-Market	\$37,420	\$20,250	\$18,773	\$8,105	\$14,870	\$32,567	\$12,462	\$144,447
Total Revenues	\$296,076	\$162,283	\$129,666	\$319,382	\$207,702	\$218,081	\$123,903	\$1,457,092
<i>Gravity Model Visits</i>	2,608,876	1,410,939	1,101,477	3,078,852	1,952,476	1,933,089	1,142,325	13,228,033
<i>WPV</i>	\$99	\$101	\$101	\$101	\$99	\$96	\$98	\$99
Casinos Represented	Ameristar CB	Hard Rock Sioux City	Wild Rose Emmetsburg	Wild Rose Jefferson	Isle Waterloo	Catfish Bend	Diamond Jo Dubuque	
	Harrah's CB	Grand Falls	Diamond Jo Northwood	Lakeside	Riverside	Isle Bettendorf	Q Casino	
	Horseshoe CB			Prairie Meadows		Rhythm City	Casino Queen	
						Wild Rose Clinton		

Source: The Innovation Group

The following table shows the five-year forecast by region in the baseline scenario, based on the timing of the expanded and new competition as follows. FY2025: near-full year impact of temporary WarHorse Omaha and Phase II Lincoln, and near-full year impact of permanent Hard Rock Rockford. FY2026: impact of permanent casinos in Omaha, Lincoln, and Grand Island. FY2027: Beloit Phase I. FY2028: WarHorse Atokad and Beloit Phase II.

Table 61: Five-Year Forecast by Region (NGR in 000s)

	FY2024	FY2025	FY2026	FY2027	FY2028
Council Bluffs	\$408,430	\$336,524	\$291,582	\$292,706	\$296,076
Northwest	\$177,210	\$175,418	\$170,940	\$174,359	\$162,283
North	\$127,272	\$126,565	\$126,329	\$126,093	\$129,666
Central	\$304,848	\$303,094	\$302,343	\$309,902	\$319,382
East Central	\$202,788	\$201,150	\$198,107	\$201,078	\$207,702
Southeast	\$224,997	\$219,810	\$220,156	\$218,772	\$218,081
Northeast	\$132,740	\$126,112	\$126,554	\$124,787	\$123,903
Total	\$1,578,284	\$1,488,672	\$1,436,010	\$1,447,696	\$1,457,092
Y-o-Y % Change					
Council Bluffs		-17.6%	-13.4%	0.4%	1.2%
Northwest		-1.0%	-2.6%	2.0%	-6.9%
North		-0.6%	-0.2%	-0.2%	2.8%
Central		-0.6%	-0.2%	2.5%	3.1%
East Central		-0.8%	-1.5%	1.5%	3.3%
Southeast		-2.3%	0.2%	-0.6%	-0.3%
Northeast		-5.0%	0.4%	-1.4%	-0.7%
Total		-5.7%	-3.5%	0.8%	0.6%

Source: The Innovation Group

Cedar Rapids Impact

The addition of a Cedar Rapids casino to the market would lead to increases in propensity and frequency in market 15. WPV would be expected to decline slightly in conjunction with increases in frequency, as gamers make more frequent trips to a casino. The following table shows the participation rates and total market gaming visits with Cedar Rapids.

Table 62: Gravity Model Forecast FY2028: Addition of Cedar Rapids

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	NGR (\$M)
1. Sioux Falls/SW MN	372,093	27.2%	9.5	96	930,555	\$104	\$96.6
2. Grand Falls	35,142	32.3%	11.2	94	119,510	\$101	\$12.1
3. Sioux City	137,876	37.4%	13.6	97	679,642	\$97	\$66.2
4. South Sioux City	48,699	35.6%	12.8	92	203,975	\$96	\$19.6
5. Omaha	983,536	35.1%	13.1	98	4,451,766	\$101	\$450.3
6. Council Bluffs	137,101	42.9%	15.4	96	871,965	\$93	\$81.0
7. Lakeside	51,186	33.4%	11.7	94	188,243	\$97	\$18.3
8. Prairie Meadows	703,095	34.4%	12.6	97	2,949,044	\$102	\$301.6
9. Jefferson	112,563	34.5%	12.1	95	449,124	\$98	\$43.8
10. Emmetsburg	85,314	37.4%	13.1	96	399,048	\$96	\$38.4
11. South MN	26,260	25.7%	8.5	98	56,489	\$102	\$5.7
12. Southeast MN	418,441	25.9%	8.5	97	897,422	\$106	\$94.9
13. Northwood	77,657	34.8%	12.4	96	323,577	\$97	\$31.5
14. Waterloo	191,154	36.3%	13.1	96	870,359	\$97	\$84.1
15. Cedar Rapids	334,142	36.9%	13.4	97	1,610,070	\$97	\$156.2
16. Riverside	41,197	36.9%	13.4	93	189,886	\$97	\$18.4
17. Ottumwa	82,930	29.9%	9.7	94	225,362	\$99	\$22.2
18. Catfish Bend	73,884	38.1%	14.0	96	378,455	\$94	\$35.5
19. Macomb	50,461	31.9%	7.7	96	119,560	\$99	\$11.8
20. Quad Cities - IL	268,839	34.5%	10.7	97	962,297	\$98	\$94.2
21. Quad Cities - IA	208,137	40.6%	15.0	98	1,244,179	\$94	\$117.5
22. Dubuque	102,139	42.8%	15.7	98	669,485	\$95	\$63.4
23. Marquette	49,120	32.3%	11.2	93	164,620	\$99	\$16.3
24. Southwest WI	107,572	29.7%	10.0	94	299,020	\$100	\$29.8
25. Madison/Beloit	630,774	25.7%	13.3	98	2,111,993	\$105	\$222.4
26. Northwest IL	30,052	31.6%	10.9	97	100,142	\$99	\$9.9
27. Rockford	343,404	38.2%	9.8	97	1,254,879	\$99	\$124.2
Total	5,702,768				22,720,668	\$100	\$2,265.9

Source: The Innovation Group

Cedar Crossing is estimated to capture 5% of the local market visits for net gaming revenue of \$110.3 million.

Table 63: Cedar Rapids Local Market Capture FY2028

	Total Market Gaming Visits	Capture Rate	Gaming Visits	WPV	NGR (\$M)
1. Sioux Falls/SW MN	930,555	0.01%	63	\$104	\$0.006
2. Grand Falls	119,510	0.01%	12	\$101	\$0.001
3. Sioux City	679,642	0.00%	24	\$97	\$0.002
4. South Sioux City	203,975	0.01%	13	\$96	\$0.001
5. Omaha	4,451,766	0.00%	74	\$101	\$0.007
6. Council Bluffs	871,965	0.01%	56	\$93	\$0.005
7. Lakeside	188,243	0.26%	496	\$97	\$0.048
8. Prairie Meadows	2,949,044	0.64%	18,855	\$102	\$1.928
9. Jefferson	449,124	0.24%	1,083	\$98	\$0.106
10. Emmetsburg	399,048	0.02%	60	\$96	\$0.006
11. South MN	56,489	0.03%	17	\$102	\$0.002
12. Southeast MN	897,422	0.25%	2,239	\$106	\$0.237
13. Northwood	323,577	1.68%	5,436	\$97	\$0.529
14. Waterloo	870,359	6.04%	52,538	\$97	\$5.076
15. Cedar Rapids	1,610,070	58.25%	937,941	\$97	\$91.018
16. Riverside	189,886	16.54%	31,402	\$97	\$3.039
17. Ottumwa	225,362	1.60%	3,602	\$99	\$0.355
18. Catfish Bend	378,455	1.01%	3,825	\$94	\$0.359
19. Macomb	119,560	1.01%	1,209	\$99	\$0.119
20. Quad Cities - IL	962,297	1.00%	9,666	\$98	\$0.946
21. Quad Cities - IA	1,244,179	3.36%	41,758	\$94	\$3.944
22. Dubuque	669,485	2.81%	18,839	\$95	\$1.783
23. Marquette	164,620	3.05%	5,028	\$99	\$0.498
24. Southwest WI	299,020	0.05%	163	\$100	\$0.016
25. Madison/Beloit	2,111,993	0.02%	458	\$105	\$0.048
26. Northwest IL	100,142	0.57%	571	\$99	\$0.057
27. Rockford	1,254,879	0.10%	1,224	\$99	\$0.121
Total	22,720,668	5.00%	1,136,651	\$97	\$110.260

Source: The Innovation Group

According to the Iowa Economic Development Authority, Iowa hosted 44.1 million visitors in FY2023, generating total spending of \$7.3 billion and lodging expenditures of \$1.4 billion, with Linn County accounting for 6.6% of total spending and 6.3% of lodging expenditures. The gravity model extends across the entire state of Iowa and into adjacent states, which would account for the large majority of visitors. The portion coming from outside is estimated at approximately 12% of total visitors to Linn County.

Table 64: Linn County Visitor Estimates

	Total spending		Total Visitors	Out-of-Market Visitors
	(MMs)	Lodging (MMs)		
State	\$7,300	\$1,400	44,100,000	5,319,342
Linn County	\$481.8	\$87.8	2,910,600	351,077
% of state	6.6%	6.3%	6.6%	6.6%

Source: Iowa Economic Development Authority Annual Report 2023; The Innovation Group

Capture by Cedar Crossing of existing out-of-market visitors is estimated at 10% and a WPV of \$102. Additionally, casinos typically attract long-distance gamers for a variety of reasons that are effectively random (or stochastic). Some gamers just like to travel and try their luck at different casinos, while others may not have local casino options. We have witnessed this effect in dozens of player databases at casinos throughout the country, including in Iowa. Based on the proposed amenity program at Cedar Crossing, we would anticipate normative rates of cannibalization and capture of tourists/out-of-market gamers for a property without a hotel.

Table 65: Cedar Crossing Total Gaming Visitation and Revenue FY2028

	Gamer Visits	Win per Visit	Net Gaming Revenue (MMs)
Local Market	1,136,651	\$97.00	\$110.3
Stochastic Distance Gamers	26,995	\$102.11	\$2.8
Tourism Market	35,108	\$102.00	\$3.6
Total	1,198,754	\$97.27	\$116.6

Source: The Innovation Group

The following table shows the breakdown of gaming revenue for Cedar Crossing by source and cannibalization. Most tourism revenue is expected to represent net growth to the state, while most of the stochastic revenue would otherwise accrue to existing casinos.

Table 66: Cedar Crossing Net Gaming Revenue Summary FY2028 (000s)

Iowa Markets (Gravity Model)

Growth	\$37,838
Cannibalization of Commercial Iowa Casinos	\$52,025
Cannibalization of Tribal Iowa Casinos	\$15,971
Repatriation from Out-of-State Casinos	\$2,865

Total Iowa Markets Gravity Model \$108,699

Out-of-State Markets (Gravity Model)

Cannibalization of Commercial Iowa Casinos	\$774
Cannibalization of Tribal Iowa Casinos	\$778
Capture from Out-of-State Casinos	\$10

Total Out-of-State Markets Gravity Model \$1,562

Tourism

Growth	\$3,223
Cannibalization of Commercial Iowa Casinos	\$358

Total Tourism \$3,581

Stochastic Long Distance

Growth	\$138
Cannibalization of Commercial Iowa Casinos	\$2,619

Total Stochastic \$2,757

Total Net Gaming Revenue \$116,598

Total Cannibalization of Commercial Iowa Casinos	\$55,776
Cannibalization Rate of Commercial Iowa Casinos	47.8%
Net Gain to State Commercial Gaming Revenue	\$60,822

Source: The Innovation Group

The following table shows the impact on existing Iowa commercial casinos by region. The East Central casinos (Riverside and Isle Waterloo) are projected to be hit the hardest, followed by the Northeast and Southeast. In total, statewide gaming revenue at existing casinos is estimated to decline by \$56 million.

Table 67: Impact of Cedar Rapids on Existing Iowa Commercial Casinos

\$000s	Baseline FY2028	Cedar Rapids Impact on Existing	Impact	% Impact
Council Bluffs				
Adjacent States	\$187,050	\$187,044	-\$5	0%
In-State	\$71,606	\$71,085	-\$521	-1%
Subtotal Gravity	\$258,656	\$258,129	-\$526	0%
Out-of-Market	\$37,420	\$37,420	\$0	0%
Total Revenues	\$296,076	\$295,550	-\$526	0%
Northwest				
Adjacent States	\$84,052	\$84,046	-\$6	0%
In-State	\$57,980	\$57,867	-\$113	0%
Subtotal Gravity	\$142,033	\$141,913	-\$119	0%
Out-of-Market	\$20,250	\$20,250	\$0	0%
Total Revenues	\$162,283	\$162,163	-\$119	0%
North				
Adjacent States	\$50,121	\$50,008	-\$113	0%
In-State	\$60,772	\$59,857	-\$915	-2%
Subtotal Gravity	\$110,893	\$109,865	-\$1,028	-1%
Out-of-Market	\$18,773	\$18,684	-\$89	0%
Total Revenues	\$129,666	\$128,549	-\$1,117	-1%
Central				
Adjacent States	\$726	\$726	-\$1	0%
In-State	\$310,550	\$307,367	-\$3,183	-1%
Subtotal Gravity	\$311,276	\$308,093	-\$3,183	-1%
Out-of-Market	\$8,105	\$8,046	-\$60	-1%
Total Revenues	\$319,382	\$316,139	-\$3,243	-1%
East Central				
Adjacent States	\$4,533	\$4,493	-\$40	-1%
In-State	\$188,300	\$152,112	-\$36,188	-19%
Subtotal Gravity	\$192,833	\$156,605	-\$36,228	-19%
Out-of-Market	\$14,870	\$12,488	-\$2,381	-16%
Total Revenues	\$207,702	\$169,093	-\$38,609	-19%
Southeast				
Adjacent States	\$61,058	\$60,507	-\$551	-1%
In-State	\$124,456	\$118,658	-\$5,797	-5%
Subtotal Gravity	\$185,514	\$179,166	-\$6,348	-3%
Out-of-Market	\$32,567	\$32,269	-\$298	-1%
Total Revenues	\$218,081	\$211,435	-\$6,646	-3%
Northeast				
Adjacent States	\$38,613	\$38,554	-\$59	0%
In-State	\$72,828	\$67,520	-\$5,308	-7%
Subtotal Gravity	\$111,440	\$106,074	-\$5,367	-5%
Out-of-Market	\$12,462	\$12,314	-\$149	-1%
Total Revenues	\$123,903	\$118,387	-\$5,516	-4%
Total				
Adjacent States	\$426,153	\$425,379	-\$774	0%
In-State	\$886,492	\$834,466	-\$52,025	-6%
Subtotal Gravity	\$1,312,645	\$1,259,846	-\$52,799	-4%
Out-of-Market	\$144,447	\$141,470	-\$2,977	-2%
Total Revenues	\$1,457,092	\$1,401,316	-\$55,776	-4%

Source: The Innovation Group

The following table shows the impact on the Iowa gaming market including Cedar Rapids' revenue forecast in the East Central region. In total, statewide commercial gaming revenue in Iowa is estimated to increase by \$60 million with the addition of a Cedar Rapids casino to the market.

Table 68: Impact of Cedar Rapids on Iowa Commercial Casinos: Cedar Rapids Included

\$000s	Baseline FY2028	With Cedar Rapids Included	Impact	% Impact
Council Bluffs				
Adjacent States	\$187,050	\$187,044	-\$5	0%
In-State	\$71,606	\$71,085	-\$521	-1%
Subtotal Gravity	\$258,656	\$258,129	-\$526	0%
Out-of-Market	\$37,420	\$37,420	\$0	0%
Total Revenues	\$296,076	\$295,550	-\$526	0%
Northwest				
Adjacent States	\$84,052	\$84,046	-\$6	0%
In-State	\$57,980	\$57,867	-\$113	0%
Subtotal Gravity	\$142,033	\$141,913	-\$119	0%
Out-of-Market	\$20,250	\$20,250	\$0	0%
Total Revenues	\$162,283	\$162,163	-\$119	0%
North				
Adjacent States	\$50,121	\$50,008	-\$113	0%
In-State	\$60,772	\$59,857	-\$915	-2%
Subtotal Gravity	\$110,893	\$109,865	-\$1,028	-1%
Out-of-Market	\$18,773	\$18,684	-\$89	0%
Total Revenues	\$129,666	\$128,549	-\$1,117	-1%
Central				
Adjacent States	\$726	\$726	-\$1	0%
In-State	\$310,550	\$307,367	-\$3,183	-1%
Subtotal Gravity	\$311,276	\$308,093	-\$3,183	-1%
Out-of-Market	\$8,105	\$8,046	-\$60	-1%
Total Revenues	\$319,382	\$316,139	-\$3,243	-1%
East Central				
Adjacent States	\$4,533	\$6,055	\$1,522	34%
In-State	\$188,300	\$260,811	\$72,511	39%
Subtotal Gravity	\$192,833	\$266,866	\$74,033	38%
Out-of-Market	\$14,870	\$18,230	\$3,361	23%
Total Revenues	\$207,702	\$285,096	\$77,394	37%
Southeast				
Adjacent States	\$61,058	\$60,507	-\$551	-1%
In-State	\$124,456	\$118,658	-\$5,797	-5%
Subtotal Gravity	\$185,514	\$179,166	-\$6,348	-3%
Out-of-Market	\$32,567	\$32,269	-\$298	-1%
Total Revenues	\$218,081	\$211,435	-\$6,646	-3%
Northeast				
Adjacent States	\$38,613	\$38,554	-\$59	0%
In-State	\$72,828	\$67,520	-\$5,308	-7%
Subtotal Gravity	\$111,440	\$106,074	-\$5,367	-5%
Out-of-Market	\$12,462	\$12,314	-\$149	-1%
Total Revenues	\$123,903	\$118,387	-\$5,516	-4%
Total				
Adjacent States	\$426,153	\$426,941	\$787	0%
In-State	\$886,492	\$943,165	\$56,674	6%
Subtotal Gravity	\$1,312,645	\$1,370,106	\$57,461	4%
Out-of-Market	\$144,447	\$147,212	\$2,765	2%
Total Revenues	\$1,457,092	\$1,517,318	\$60,226	4%

Source: The Innovation Group

Sensitivity Analysis

The IRGC asked for a sensitivity analysis showing the impacts if Cedar Crossing were to increase the number of gaming positions above the proposed program by 10%, 25%, and 50%. The proposed program calls for 700 slot machines and 22 table games. Table 69 shows the gravity model results. The tourism and stochastic segments are not expected to be impacted by an increase in gaming positions.

Table 69: Cedar Rapids Sensitivity Analysis Gravity Model (000s)

Casino Size	Cannibalization of Commercial Casinos	Net State Commercial Growth	Total NGR	Net Growth Rate
As Proposed	\$52,799	\$57,461	\$110,260	52.1%
10% increase	\$54,363	\$57,910	\$112,272	51.6%
25% increase	\$56,623	\$58,553	\$115,176	50.8%
50% increase	\$60,190	\$59,556	\$119,745	49.7%

Source: The Innovation Group

ECONOMIC IMPACT ANALYSIS

Economic Impact Analysis Overview

The economic benefits—the revenues, jobs, and earnings—that accrue from the annual operations of an enterprise are termed **ongoing** impacts. The construction phase of a project is considered a **one-time** benefit to an area. This refers to the fact that these dollars will be introduced into the economy only during construction; construction impacts are expressed in single-year equivalence to be consistent in presentation with ongoing annual impacts.

The economic impact of an industry consists of three layers of impacts:

1. Direct effects
2. Indirect effects
3. Induced effects

The **direct effect** is the economic activity that occurs within the industry itself. The direct effect for casino operations represents the expenditures made by the facility in the form of employee compensation and purchases of goods and services (direct expenditures), which ultimately derive from patron spending on the casino floor, and patron spending on non-gaming amenities is an additional direct effect.

Indirect effects are the impact of the direct expenditures on other business sectors: for example, the advertising firm who handles a casino's local media marketing. Indirect effects reflect the economic spin-off that is made possible by the direct purchases of a casino. Firms providing goods and services to a casino have incomes partially attributable to the casino.

Finally, the **induced effects** result from the spending of labor income: for example, casino employees using their income to purchase consumer goods locally. As household incomes are affected by direct employment and spending, this money is recirculated through the household spending patterns causing further local economic activity.

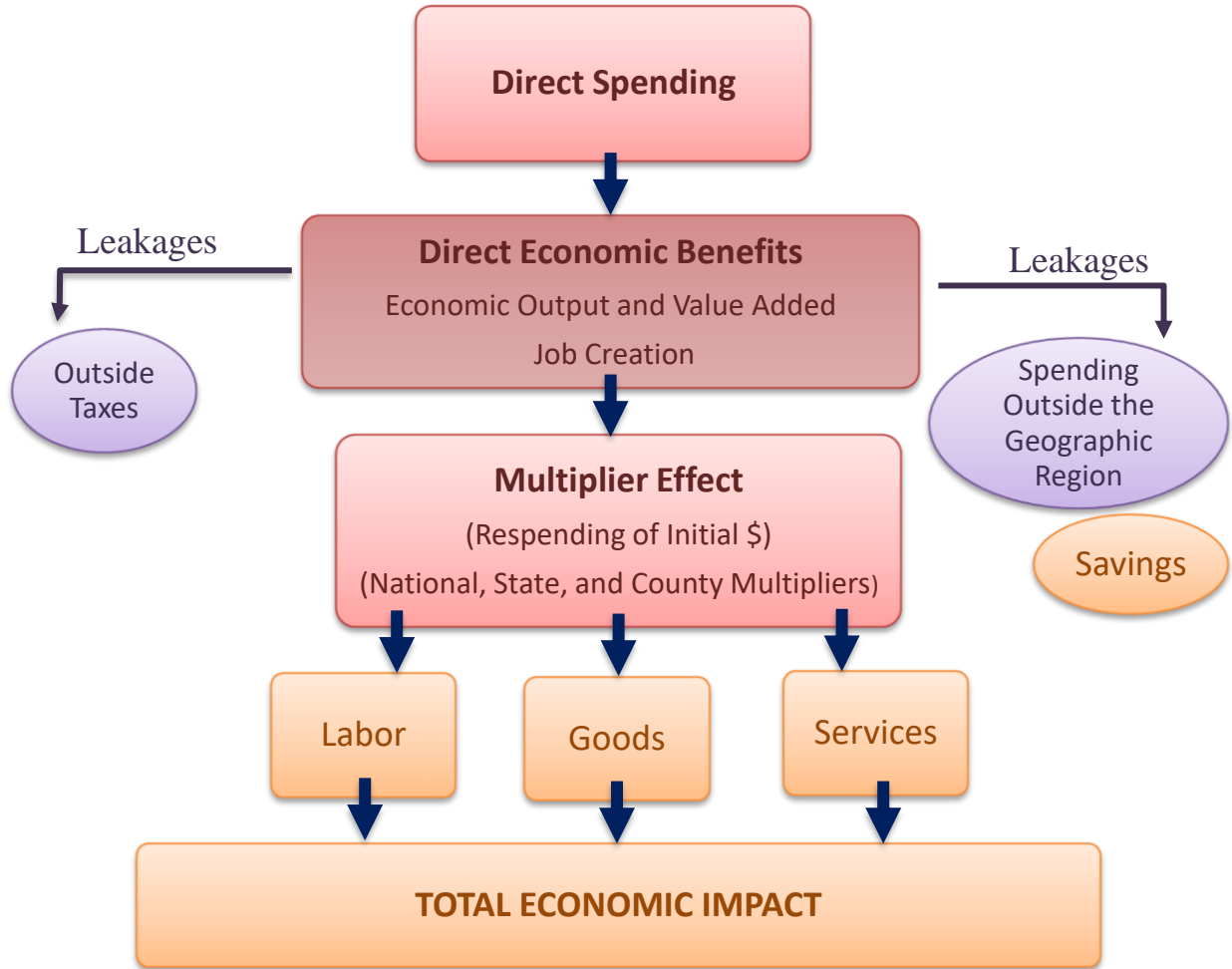
The **total** economic impact of an industry is the sum of the three components.

Determining the direct economic impact is a critical first step in conducting a valid economic impact analysis. Once the direct expenditures are identified, the indirect and induced effects are calculated using multipliers derived from an input-output model⁵ of the economy. The IMPLAN input-output model identifies the relationships between various industries. The model is then used to estimate the effects of expenditures by one industry on other industries so that the total impact can be determined. Industry multipliers are developed based on U.S. Census data. IMPLAN

⁵ IMPLAN Online software and data were utilized for this study.

accounts closely follow the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis.

The following flow-chart shows how the economic impact model operates.



Economic Impact Modeling

The IMPLAN tools utilized to model direct effects vary according to the type of data collected for each input segment. There are six types of economic activity changes, or functions, that IMPLAN is designed to model for: industry, commodity, labor income, household income, industry spending pattern, and institutional (government) spending patterns. The most commonly used activity is an industry change, as the business generating a change in revenue, labor, or employment is often known and attributable to a specific industry sector.

The IMPLAN sectoring scheme is based on the 6-digit North American Industry Classification System (NAICS), developed under the auspices of the Office of Management and Budget (OMB), which classifies business establishments based on the activities they are primarily engaged in or

the commodities they create. IMPLAN's current sectoring scheme aggregates the 2017 version of the NAICS classification scheme down to just 536 industry sectors. When an industry and the commodity produced by the industry have the same name, the commodity is considered the primary product of that industry and will share the same sector code. Other commodities produced by that industry are considered secondary products of that industry. Therefore, it is possible for more than one industry to produce a specific good or service.

When using the industry change function, the direct effect values are entered into IMPLAN using the appropriate sector and IMPLAN calculates the multiplier effects resulting from that direct spending. A commodity change will distribute the total demand or sales for the good or service as an industry change across all producing industries or institutions, based on their regional market share distribution of that commodity. An industry spending pattern models the effects from expenditures within a particular industry.

For gaming-related operating impacts, it was determined to use the Analysis-by-Parts technique to avoid potentially over-estimating the multiplier effects of casino operations.

Analysis-by-Parts for Gaming-Related Operating Impacts

The Analysis-by-Parts (ABP) differs from the traditional Industry Change Activity, as it separates out the multiplier effects into individual impact components, Intermediate Expenditure (indirect impacts from Type I multipliers) and Labor Income (induced impacts from Type II multipliers).⁶ This allows for more flexibility and customization capabilities in the analysis to model actual business operations.

For the Labor Income (LI) component we used a Labor Income Change activity to analyze the impact of the payroll of casino operations necessary to meet the demand or production level. The direct input for Labor Income in the casino analysis consisted of Employee Headcounts and Employee Compensation (including tips) as reported by the Iowa gaming industry.

For Intermediate Expenditures (IE), we import an Industry Spending Pattern to specify the goods and services of industry purchases needed for the sector 503 - Gambling industries (except casino hotels) in order to satisfy projected casino revenues. The purchase of these goods and services from local sources actually represents the first round of indirect purchases by the casino industry. The coefficients listed in an Industry Spending Pattern represent the amount spent on each commodity to produce one dollar of the industry's output, while the sum of all commodity coefficients equals total intermediate expenditures used by that industry sector.

Since the ABP technique shifts the direct inputs to indirect and induced impact results, the direct effects of employment and labor income are imputed using the data reported by the Iowa gaming

⁶ Economic impact multipliers consist of Type I, which measures only business-to-business purchases (indirect). Type II multipliers in the Bureau of Economic Analysis method measure the effects of local Household spending (induced). SAM (social accounting matrix) multipliers in the IMPLAN systems measure the combined indirect and induced effects.

industry. IMPLAN generates an estimate direct effect for value added and output based on the labor income change direct effect inputs.

Multipliers

As shown in the following table, the standard data from IMPLAN for Sector 503-Gambling Industries (Except Casino Hotels) at the state level showed Other Property Income (OPI) at approximately 39.3% of total Output per Worker. Based on our experience analyzing the economic impacts of gaming within states that have existing casino resort operations and our knowledge of casino industry profitability, The Innovation Group believes this is an appropriate OPI to total Output per Worker ratio. We believe the Iowa state data within IMPLAN will provides realistic estimate of casino profitability and the corresponding economic impacts that will flow through the state’s economy due to the introduction of gaming.

Table 70: IMPLAN Industry Sector 503 – Iowa State Data

Industry Ratio	Value	%
Employment Compensation (EC)	\$42,846	20.2%
Proprietor Income (PI)	\$20,360	9.6%
Other Property Income (OPI)	\$83,402	39.3%
Tax on Production & Imports (TOPI)	\$46,734	22.0%
Value Added	\$193,342	91.1%
Intermediate Expenditures (IE)	\$18,928	8.9%
Output per worker	\$212,270	

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

Compared to other industries with lower profitability levels, the gaming industry’s multipliers are lower since more of the output is shifted away from Intermediate Expenditures into Other Property Income (OPI). Multipliers are not applied to OPI in an economic impact analysis since it does not stimulate any additional impacts that can be attributed to the study area. For example, corporate profits from a casino operation may accrue to a company based in another state, effectively a leakage from the model. In other words, by generating higher OPI, more of the Output is effectively leaked out of state, and the multiplier effect is reduced. Figure 2 illustrates.

Figure 2: IMPLAN Modeling Components

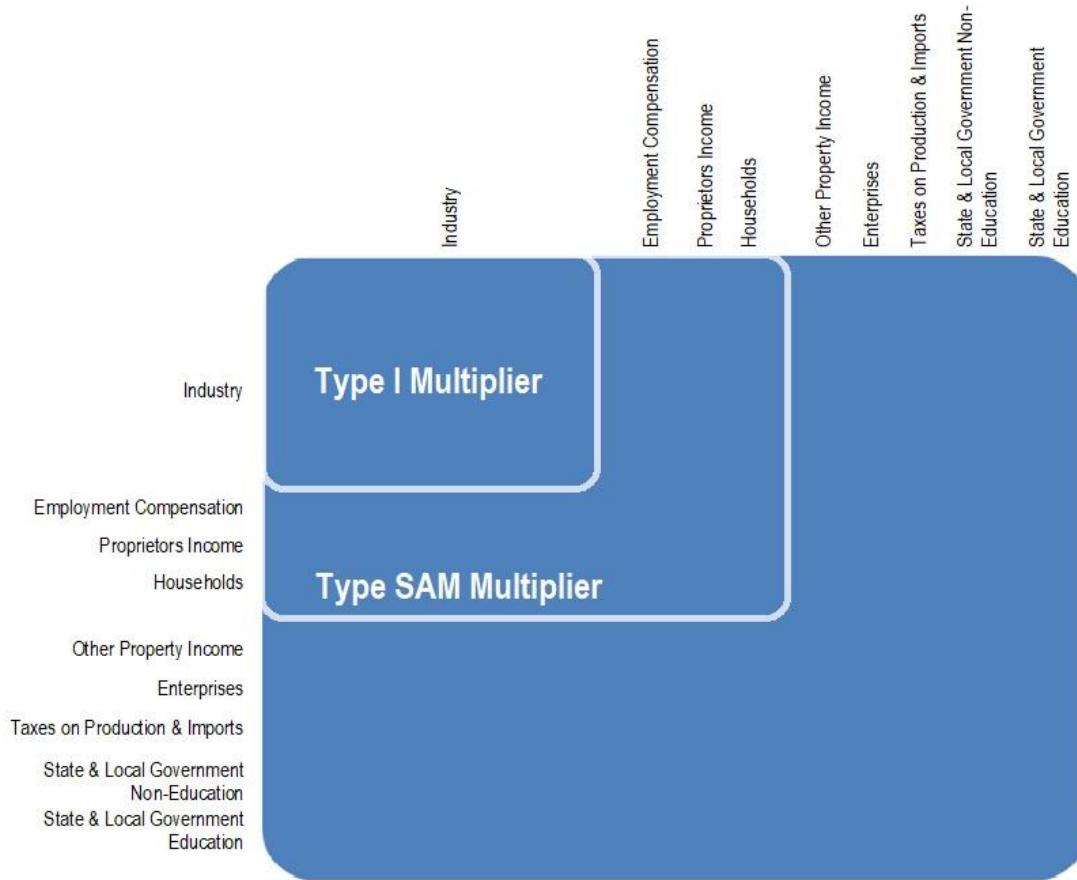


Table 71 shows the output multipliers for the Iowa state model for industry sector 503, Gambling Industries (Except Casino Hotels). To illustrate, an increase in direct effect of \$1,000,000 would produce a total effect of \$1,322,000 in the model.

Table 71: Output Multipliers for IMPLAN Industry Sector 503 – Iowa State

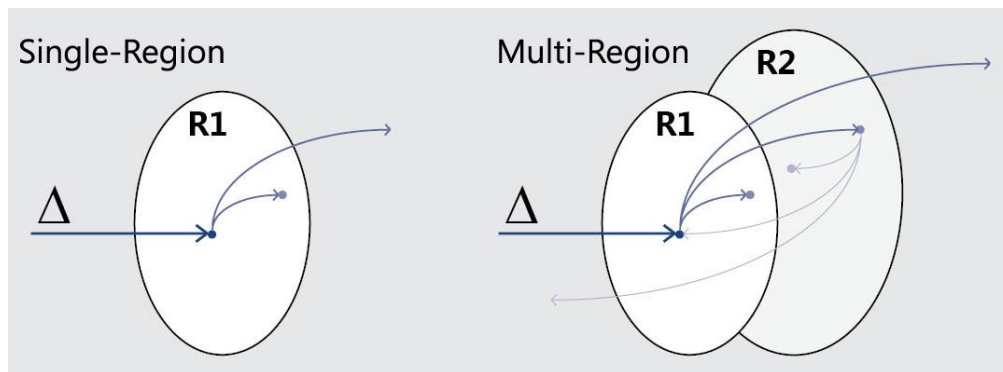
Multiplier	Standard Model
Type I	0.165
Type II	0.156
Total (SAM)	0.322

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

The Analysis-by-Parts method results in a much more conservative and we believe realistic estimate of the indirect and induced (or multiplier) effects of the operation of the casino component. The inputs into the IMPLAN casino model consist solely of the employee headcounts and compensation as well as purchases by the casino of goods and services. Operating profit and gaming taxes are excluded from the multiplier effect, although they are included in the displays of direct effects.

Multi-Regional Analysis

Since the analysis estimates the impacts on a local and statewide level, we relied upon the multi-regional input-output (MRIO) analysis method available in the IMPLAN Online software. In this process, we enter the direct spending associated with the construction and operation of the facility into a study area model. Then, the study area or regional model is linked to a model of all remaining jurisdictions within the state. This allows our analysis to capture impacts from purchases and employment that would have otherwise occurred outside the study area but within Iowa. This allows our analysis to capture impacts from purchases and employment that would have otherwise occurred outside the study area but within Iowa. IMPLAN models estimate the additional impact using existing trade flow patterns and data on each industry's supply chain, identifying linkages between industries from one region to another.



Our analysis of these linked models yields direct, indirect, and induced effects for the study area, as well as indirect and induced effects for the balance of the state; direct effects occur *only* in the study area as all purchases and employment associated with construction, employment, and operations occur there. The multi-regional analysis thus results in impacts for the study area (“Host Region” or Linn County) and the rest of Iowa (termed “Rest of State” in the table headings in this report).

Interpreting Results

The IMPLAN analysis expresses impacts (direct, indirect, and induced) for the following four economic variables:

Employment is measured in IMPLAN and by the U.S. Census as headcount, in other words the number of full and part-time workers supported by an economic activity.

Labor Income (LI) is compensation to all workers both employees and owners in terms of wages and salaries as well as benefits and payroll taxes. Profits from self-employed businesses can also be included in this category as compensation to the owner. These are known as employment compensation (EC) and proprietor income (PI) in IMPLAN. $LI = EC + PI$

Value-Added (VA) measures the industry or event’s contribution to Gross Domestic Product (GDP). It consists of labor income (as described above), taxes on production and imports (TOPI), and other property income (OPI, such as corporate profits, rent payments, and royalties). It is the difference between a business or industry’s total sales and the cost of all input materials or intermediate expenditures. $VA = LI + TOPI + OPI$

Output is the total value of industry production; it consists of value-added plus intermediate expenditures (IE). Output is frequently the total price paid by consumers for a good or service. $Output = VA + IE$

Value-Added is the most appropriate measure of economic impact because it excludes intermediate inputs, which are the goods and services (including energy, raw materials, semi-finished goods, and services purchased from all sources) used in the production process to produce *other* goods or services rather than for *final* consumption. For example, the paper stock used in a magazine publication is an intermediate input whereas paper stock sold in an office-supply store is the final product sold to the consumer. The value of producing the magazine’s paper stock is accounted for in measures of GDP within the Paper Manufacturing sector, not in the Publishing sector.

Ongoing Operations

Operating Inputs

Direct effect inputs for casino operations account for the workers employed at the facility and the compensation they earn as well as the purchases of goods and services. Staffing and employment compensation estimates were based on The Innovation Group’s operating pro forma model and input into the IMPLAN software. An estimate of tips for table dealers and food and beverage servers is included in addition to payroll. Our staffing model has been calibrated to actual operating data from existing casinos and is on a Full-Time Equivalent (“FTE”) basis. These FTEs were converted into total number of employees (Full and Part-time) using IMPLAN’s conversion matrix, which for the casino sector is 0.82136 FTEs for each employee on a headcount basis.

Table 72: Direct Effect Inputs Cedar Crossing – Ongoing Operations (\$MMs)

Industry Spending Pattern & Labor Change	Expenditures	Employment	Labor Income
503 Gambling industries (except casino hotels)	\$32,270.5		
5001 Employment Compensation		282	\$18,830.4
Industry Change	Revenue	Employment	Labor Income
509 Full-service restaurants	\$12,822.8	139	\$6,711.2

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group.

Annual Economic Impacts from Operations

The results in the following section represent total impacts (direct, indirect and induced) of ongoing operations using the multi-regional analysis (MRIO).

The following table shows the total or gross economic impact of the Cedar Rapids casino on the local area and statewide.

Table 73: Casino Operating Gross Impacts (\$MMs)

	Employment	Labor Income	Value Added	Output
Host Region Impact				
Direct Effect	421	\$25.5	\$70.5	\$84.9
Indirect Effect	293	\$16.2	\$28.2	\$53.0
Induced Effect	156	\$8.3	\$16.0	\$27.5
Total	871	\$50.0	\$114.7	\$165.4
Rest of State Impact				
Direct Effect	-	-	-	-
Indirect Effect	21	\$1.7	\$2.6	\$5.2
Induced Effect	33	\$1.7	\$3.2	\$5.6
Total	54	\$3.3	\$5.8	\$10.9
Total Statewide Impact				
Direct Effect	421	\$25.5	\$70.5	\$84.9
Indirect Effect	314	\$17.8	\$30.8	\$58.3
Induced Effect	189	\$10.0	\$19.2	\$33.1
Total	925	\$53.4	\$120.4	\$176.2

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

The following table shows the net statewide economic impact of the Cedar Rapids casino, factoring in the impacts on the existing Iowa casinos.

Table 74: Casino Operating Net Impacts (\$MMs)

	Employment	Labor Income	Value Added	Output
Total Statewide Impact				
Direct Effect	220	\$13.3	\$36.8	\$44.3
Indirect Effect	164	\$9.3	\$16.1	\$30.4
Induced Effect	99	\$5.2	\$10.0	\$17.3
Total	482	\$27.8	\$62.8	\$91.9

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

Tourism Impacts

The following table shows the incremental tourism impact based on the inducement of out-of-state gamers to the facility.

Table 75: Cedar Crossing Out-of-State Inducement

Net new out-of-state tourists	1,446
*Spend per	\$166
Spending	\$239,399

Source: *Iowa Economic Development Authority Annual Report 2023; The Innovation Group

Fiscal Impacts

The gaming tax schedule in Iowa is as follows:

First \$1,000,000—5%
 Second \$2,000,000—10%
 Above \$3,000,000—22%

The gaming taxes are then distributed as follows:

- City Tax—0.5% of taxable gaming revenue
- County Tax—0.5% of taxable gaming revenue
- Endowment Fund—0.8% of taxable gaming revenue
- State Miscellaneous Fund—0.2% of taxable gaming revenue
- State Wagering Tax—remainder

By FY2028, free play credits will not be subject to the tax schedule. As noted, the gaming revenue forecasts in this report are net of free play credits; therefore, we can apply the schedule above to the Cedar Crossing forecast on a gross basis and a net basis accounting for cannibalization of existing casinos, which we estimate to be \$55,776,077. The cannibalization would accrue at the top tax rate of 22%.

Table 76: Gaming Taxes and Contributions FY2028

	Gross	Less Cannibalization	Net
Statutory Taxes			
City Tax	\$582,989	\$278,880	\$304,109
County Tax	\$582,989	\$278,880	\$304,109
Endowment Fund	\$932,783	\$446,209	\$486,574
State Miscellaneous Fund	\$233,196	\$111,552	\$121,644
State Wagering Tax	\$22,909,569	\$12,270,737	\$10,638,832
Additional Pledges			
City of Cedar Rapids	\$2,046,292		
License Fee (Annual for 5 Years)	\$4,000,000		

Source: IRGC, The Innovation Group.

Cedar Crossing is to make additional payments as follows:

- City of Cedar Rapids—2.25% of Net AGR (which is defined as gaming revenue minus statutory taxes)
- A \$20 million license fee to the state, with five annual payments of \$4,000,000.

Fiscal impacts resulting from IMPLAN include business taxes (including sales taxes), payroll taxes, property taxes, and other relevant taxes both locally and statewide.

Table 77: Local Gross Tax Impact: Cedar Crossing Ongoing Operations (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$0.0	\$0.0	\$0.0	\$0.0
Social Insurance Tax- Employer Contribution	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Sales Tax	\$1,556.0	\$120.3	\$83.2	\$1,759.4
TOPI: Property Tax	\$10,336.5	\$814.4	\$577.2	\$11,728.0
TOPI: Motor Vehicle License	\$14.1	\$1.1	\$0.8	\$16.0
TOPI: Other Taxes	\$149.3	\$11.6	\$8.0	\$168.9
TOPI: Special Assessments	\$42.3	\$3.3	\$2.3	\$47.9
OPI: Corporate Profits Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Income Tax	\$20.2	\$12.8	\$7.2	\$40.2
Personal Tax: Motor Vehicle License	\$1.1	\$0.7	\$0.4	\$2.2
Personal Tax: Other Tax (Fish/Hunt)	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$12,119.4	\$964.1	\$679.1	\$13,762.7

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

Table 78: State Net Tax Impact: Cedar Crossing Ongoing Operations (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$0.6	\$0.4	\$0.2	\$1.2
Social Insurance Tax- Employer Contribution	\$0.6	\$0.4	\$0.2	\$1.2
TOPI: Sales Tax	\$4,794.1	\$380.1	\$271.6	\$5,445.9
TOPI: Property Tax	\$1.7	\$0.1	\$0.1	\$2.0
TOPI: Motor Vehicle License	\$222.9	\$17.7	\$12.7	\$253.2
TOPI: Other Taxes	\$255.5	\$20.3	\$14.5	\$290.3
TOPI: Special Assessments	\$0.0	\$0.0	\$0.0	\$0.0
OPI: Corporate Profits Tax	\$145.8	\$56.7	\$40.4	\$242.9
Personal Tax: Income Tax	\$286.6	\$186.3	\$106.0	\$579.0
Personal Tax: Motor Vehicle License	\$27.0	\$17.0	\$9.7	\$53.7
Personal Tax: Other Tax (Fish/Hunt)	\$10.0	\$6.6	\$3.7	\$20.3
Total	\$5,744.9	\$685.6	\$459.1	\$6,889.6

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

Construction

The one-time impact of construction only relates to expenditures made directly by the development company to design, build and outfit the physical structure. For construction and architectural and engineering impacts, the Industry Change function using sector 57-Construction of New Commercial Structures was most appropriate for modeling the costs associated with land improvements and building related costs while sector 457 Architectural, Engineering, and Related Services was most appropriated for modeling architectural and engineering costs. Costs associated with purchases of Furniture, Fixtures and Equipment (FF&E) were modeled using the Commodity Change function sectors 3395-Wholesale Trade Distribution Services and 3394 -All other miscellaneous manufactured products.

Construction impacts are expressed on a single-year basis. Therefore, the employment figures, for example, represent person-year equivalents; for a construction period of two years, the actual number of workers onsite would be half the person-year equivalent.

Construction Inputs

Based on high-level construction capital costs estimated by the Innovation Group, the following table outlines the final inputs used to calculate the economic impact by sector. The cost of slot machines was excluded from the other FF&E as it is a very specialized product and is not expected to be available within the region. IMPLAN estimates what percentage of the purchases will originate from within the study area based on its Social Accounting Matrix (SAM).

Table 79: Estimated Construction Cost Inputs (\$MM)

Component	Scenario 1
Industry Change	
57 Construction of New Commercial Structures	\$87.3
457 Architectural, engineering, and related services	\$8.5
Commodity Change	
3395 Wholesale trade distribution services	\$22.0
Total Direct	\$117.8

IMPLAN Group, LLC, IMPLAN System; The Innovation Group

Economic Impacts from Construction

The following table shows the one-time economic benefits from construction of the proposed Cedar Crossing casino. These benefits are not subject to a substitution effect, although it should be noted that existing area casinos, including Meskwaki, could theoretically cancel capital improvement plans as a result of the impacts identified in the Gaming Market Analysis.

Table 80: Casino Construction Impacts (\$MMs)

	Employment	Labor Income	Value Added	Output
Host Region Impact				
Direct Effect	830	\$57.5	\$62.4	\$111.9
Indirect Effect	152	\$10.1	\$17.8	\$34.4
Induced Effect	253	\$13.3	\$25.6	\$44.1
Total	1,234	\$80.9	\$105.9	\$190.3
Rest of State Impact				
Direct Effect	-	-	-	-
Indirect Effect	28	\$2.1	\$3.6	\$8.1
Induced Effect	60	\$3.0	\$5.8	\$10.2
Total	88	\$5.2	\$9.4	\$18.3
Total Statewide Impact				
Direct Effect	830	\$57.5	\$62.4	\$111.9
Indirect Effect	179	\$12.2	\$21.4	\$42.5
Induced Effect	313	\$16.3	\$31.4	\$54.3
Total	1,322	\$86.0	\$115.2	\$208.6

IMPLAN Group, LLC, IMPLAN System; The Innovation Group

DISCLAIMER

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.