

Cedar Crossing Casino and Entertainment Center Economic Impact Study

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Contents

List of Figures	ii
List of Tables	ii
Legal Disclaimer	iii
1 Executive Summary	1
2 Introduction	2
3 Methodology	3
3.1 Economic Impact Terminology	4
3.2 Model Inputs	4
4 Results	6
4.1 Economic Impact: Construction	6
4.2 Economic Impact: Annual Operations (Year 1)	8
4.3 Economic Impact: Annual Operations (Year 10)	9
5 Additional Considerations	11
5.1 Magnitude of Economic Impact	12
5.2 Payment of Gaming Taxes	13
5.3 Donations to Local Non-Profits	13
6 Conclusion	14

List of Figures

Figure 1. Estimated Annual Gaming Tax Remittance, Years 1-10	13
Figure 2. Estimated Annual Non-Profit Donations, Years 1-10	13

List of Tables

Table 1. Construction Input Summary	5
Table 2. Operations Input Summary.....	5
Table 3. Linn County Construction Impact	6
Table 4. Linn County Construction Taxes Paid	6
Table 5. Rest of Iowa Construction Impact	7
Table 6. Rest of Iowa Construction Taxes Paid	7
Table 7. Construction Top Industries Impacted.....	7
Table 8. Linn County Operations Impact (Year 1)	8
Table 9. Linn County Operations Taxes Paid (Year 1)	8
Table 10. Rest of Iowa Operations Impact (Year 1).....	9
Table 11. Rest of Iowa Taxes Paid (Year 1).....	9
Table 12. Operations Top Industries Impacted.....	9
Table 13. Linn County Operations Impact (Year 10).....	10
Table 14. Linn County Operations Taxes Paid (Year 10).....	10
Table 15. Rest of Iowa Operations Impact (Year 10).....	10
Table 16. Rest of Iowa Taxes Paid (Year 10)	11
Table 17. Operations Top Industries Impacted.....	11
Table 18. Economic Impact Multipliers for Cedar Crossing and Alternative Uses.....	12
Table 19. IMPLAN Multipliers (Grantmaking, Giving, and Social Advocacy Organizations)	14

Legal Disclaimer

Decision Innovation Solutions, LLC (“DIS”) has prepared this analysis (the “Project”) for review and use. The Project consists of estimating the economic impact of a new casino in the Cedar Rapids, Iowa area.

While DIS has made every attempt to obtain the most accurate data and include the most critical factors in preparing the Project, DIS makes no representation as to the accuracy or completeness of the data and factors used or in the interpretation of such data and factors included in the Project. The responsibility for the decisions made by you based on the Project, and the risk resulting from such decisions remains solely with you; therefore, you should review and use the Project with that in mind.

While the Project does include certain estimates of the economic impact of a new casino in the Cedar Rapids, Iowa area, it cannot be ascertained with certainty the extent to which these estimates are entirely accurate. The following factors, among others, may prevent complete accuracy of the estimation of feed ingredient usage by species and explanations for the same:

- Errors and omissions in purchased third-party data.
- Errors and omissions in client-provided data.
- Inadvertent errors and omissions related to data collection, data summarization, and visual display of data.

1 Executive Summary

Cedar Crossing is a planned casino and entertainment center in Cedar Rapids, Iowa. This facility will provide a variety of entertainment options with a substantial gaming space containing both slots and table games, a 1,500-seat capacity event venue, and multiple food and beverage outlets. The construction of Cedar Crossing Casino and Entertainment Center is expected to have a substantial impact on the regional economy. As shown in the following table, after accounting for all direct, indirect, and induced impacts, the total impact is estimated at \$257.0 (2025 dollars) million in total sales (output), \$147.0 million in value added, and an average of 792 jobs supported over the 18-month construction period, generating a total of \$81.5 million in labor income.

Construction Impact Summary					
Impact Type	Annual Employment	Labor Income (\$ Million)	Value Added (\$ Million)	Output (\$ Million)	
Direct	503	\$ 53.7	\$ 96.4	\$ 165.2	
Indirect	122	\$ 14.2	\$ 24.5	\$ 49.1	
Induced	166	\$ 13.6	\$ 26.1	\$ 42.7	
Total	792	\$ 81.5	\$ 147.0	\$ 257.0	

Once construction is completed, Cedar Crossing is expected to generate \$121.3 million in direct revenue (2025 dollars) and hire 365 employees (consisting of both full-time and part-time positions) from the local area. After accounting for indirect and induced effects, the estimated annual impact of Cedar Crossing's operations is \$183.0 million in output, 680 jobs, and \$111.0 million in value added, of which \$34.9 million is received as labor income.

Operations Impact Summary					
Impact Type	Annual Employment	Labor Income (\$ Million)	Value Added (\$ Million)	Output (\$ Million)	
Direct	365	\$ 15.4	\$ 76.4	\$ 121.3	
Indirect	208	\$ 13.5	\$ 23.1	\$ 43.0	
Induced	107	\$ 5.9	\$ 11.4	\$ 18.7	
Total	680	\$ 34.9	\$ 111.0	\$ 183.0	

The Cedar Crossing Casino and Entertainment Center is estimated to generate \$43.6 million in annual tax revenue, the majority of which (\$34.4 million) is paid at the state and local levels.

Operations Tax Impact				
Impact Type	State and Local (\$ Million)	Federal (\$ Million)	Total (\$ Million)	
Direct	\$ 31.6	\$ 5.1	\$ 36.7	
Indirect	\$ 1.7	\$ 2.8	\$ 4.6	
Induced	\$ 1.0	\$ 1.3	\$ 2.3	
Total	\$ 34.4	\$ 9.2	\$ 43.6	

In addition to the above impacts estimated, consider the following:

- Year 10 Operations impacts have been estimated and presented in Section 4.3
- Additional economic impacts are expected from the payment of gaming taxes (Section 5.2)
- Additional economic impacts are expected from the payment of gaming taxes (Section 5.3)

2 Introduction

Peninsula Pacific Entertainment (P2E) is working with the Cedar Rapids Development Group to construct a new \$275 million casino and entertainment venue (Cedar Crossing Casino and Entertainment Center – “Cedar Crossing”) in Cedar Rapids (Linn County, Iowa), with the following characteristics:

- 45,000 square feet of gaming space
- Multiple food and beverage outlets
- 12,000 square feet of event/meeting space
- Plentiful surface parking

Given the size and nature of the project and its potential to affect local and state economies and the gaming environment in Iowa, several studies have been conducted to estimate the impact of Cedar Crossing on local and state economies, the impact (i.e., patronage) on the other 19 casinos currently operating in Iowa, net gaming revenue (NGR) and gaming tax receipts by the State of Iowa. Below are brief summaries of three studies¹ completed within the last year related to a new casino in Cedar Rapids:

- **Iowa Gaming Market Analysis**
 - **Publication Date:** December 2024
 - **Author:** Marquette Advisors (Minneapolis, MN)
 - **Sponsor:** Iowa Racing & Gaming Commission
 - **Scope:**
 - Demographics and Economy
 - Iowa Casino Market Conditions
 - Iowa Gaming Market Forecast
- **Iowa Statewide Gaming Market Assessment and Economic Impact Analysis**
 - **Publication Date:** December 2024
 - **Author:** The Innovation Group (New Orleans, LA)
 - **Sponsor:** Iowa Racing & Gaming Commission
 - **Scope:**
 - Competitive Environment
 - Previous Studies
 - Gaming Market Analysis
 - Economic Impact Analysis
- **Casino Gaming Market Assessment & Economic Impact Assessment**
 - **Publication Date:** July 2024
 - **Author:** Convergence Strategy Group (New Orleans, LA)
 - **Sponsor:** Peninsula Pacific Entertainment
 - **Scope:**
 - Regional Gaming Supply
 - Gaming Demand History
 - Projections of Market Demand for Cedar Crossing
 - Economic Impact Analysis

¹ Studies for a new casino in the Cedar Rapids area have been commissioned since as early as 2017. Because the scope of the project has adjusted since 2017 (i.e., covid, 40-year high inflation rates, etc.), we consider work completed within the last year most relevant.

Given the original study commissioned by P2E commenced approximately one year ago P2E has asked the Decision Innovation Solutions team, located in Urbandale, Iowa, to provide an updated estimate on the economic impact of Cedar Crossing on local (Linn County) and state (Iowa) economies.

A few notes on the scope and approach taken to complete this report:

- We provide economic impact estimates for the following (Section 4):
 - Initial construction of the \$275 million facility
 - Operations for a full (average) year in Year 1
 - Operations for a full year in Year 10
- This report does not explore in great detail the net impact Cedar Crossing will have on net gaming revenue and Iowa's gaming tax receipts from existing casinos.
- Given there are multiple competing options for utilizing the former Cooper's Mill site, at a high level, we discuss the economic impact implications for major competing uses for the site (Section 5).

3 Methodology

This economic impact study has been conducted using a combination of IMPLAN and Microsoft Excel. **IMPLAN** is an input-output model used to understand industry relationships and conduct economic assessments for specified local economies. IMPLAN datasets are constructed annually and are derived from many different sources, including the U.S. Bureau of Labor Statistics (BLS), the U.S. Bureau of Economic Analysis (BEA), the U.S. Bureau of Economic Analysis Benchmark Input-Output Account of the U.S., the BEA output estimates, the U.S. Census Bureau's economic censuses and surveys, the U.S. Department of Agriculture's census, and more.

Due to its long history and acceptance, our preferred modeling software is the IMPLAN modeling system. The IMPLAN modeling system is commonly used in this type of analysis by our team and amongst our peers in the industry. To adequately satisfy project requirements, we have adopted a rigorous, industry-standard economic impact methodology that will withstand the anticipated critique by those not supportive of, or unfamiliar with, your project.

This project required us to perform the following steps:

- 1) **Purchase appropriate IMPLAN data** for use in the IMPLAN economic impact modeling software.
 - a. The data needed for IMPLAN has been validated and the default data in IMPLAN, where used, has been checked to make sure it is appropriate for this analysis.
- 2) **Define Study Areas**
 - a. Linn County
 - b. Rest of Iowa (Iowa less Linn County)
 - c. Iowa
- 3) **Create an IMPLAN Model for the Study Area(s)**
 - a. Models for the study area utilized 2023 IMPLAN data.
- 4) **Run the Models to Generate Results**
 - a. The IMPLAN model has been used to estimate the economic impact of the construction and annual average ongoing operations of the casino and event center in terms of employment (jobs), value-added, output (sales), household income and taxes.

- b. An MRIO (Multi-Regional Input-Output) was used to estimate the construction and operations impacts. This type of analysis allows impacts occurring in one region to affect other regions. In this case, the impacts in Linn County were analyzed in an MRIO with a region consisting of every other county in Iowa to see the broader statewide impact of Cedar Crossing.
- 5) **Capture, summarize, and report on results** from completed economic impact studies in the form of a written report and associated visuals
- 6) **Summarize Data for Inclusion in Final Report(s)**
 - a. With the types of final deliverables in mind, we have created a series of documents (images, graphs, Excel documents, maps, etc.) that are included in this report.

3.1 Economic Impact Terminology

Within IMPLAN, the effects of an economic impact or contribution event are expressed in terms of direct, indirect, and induced effects. These different effect types are defined as follows:

- **Direct Effects** – The economic activity directly attributable to the industry or event under analysis; in this study, the construction and operations of Cedar Crossing.
- **Indirect Effects** – The effects of local inter-industry spending throughout the supply chain, (i.e., food supplies purchased by Cedar Crossing for use in its restaurant).
- **Induced Effects** – The results of employees of the directly and indirectly affected industries spending their income throughout the local economy.
- **Total Effect** – The sum of direct, indirect, and induced effects.

The 2023 IMPLAN data package, which is the most recent data available, was used for this analysis. Dollar denominated results are expressed in 2025 dollars using inflators contained within the IMPLAN modeling system. The results of this analysis are presented using the following common economic modeling terms:

- **Output:** The broadest measure of economic activity – also commonly referred to as “sales.” Output refers to the total value of all sales of an industry within a study area without any deductions for the cost or origination of inputs that were used in the production process.
- **Value Added:** A component of output, this measure includes the total sales minus the costs of inputs. Alternatively, value added is calculated as the sum of labor income (further defined below), taxes on production and imports, and other property-type income. An entity’s value added is equivalent to its contribution to GDP.
- **Labor Income:** A subset of value added, includes the sum of employee compensation (i.e., wages and benefits) and proprietor income (i.e., income of self-employed workers).
- **Employment (Jobs):** A measure of part- and full-time job positions, including contract workers, without regard to their full-time equivalence. Since it is not representative solely of full-time positions or full-time equivalents, care must be taken when drawing comparisons to other measures of employment.

3.2 Model Inputs

Model inputs were based on data (construction budgets and income statements) from Peninsula Pacific Entertainment (P2E). Construction inputs were adjusted to account for purchases known to be from

outside of Iowa, such as financial services and gaming equipment. The inputs used for construction are shown in Table 1. Note that the casino license fee, which is expected to be paid over a period of 4 years, was included in the model as a tax, meaning that while it shows up in the results as a part of direct output, it has no further indirect or induced impacts.

Table 1. Construction Input Summary

Construction Input Summary	
Input	Local Spending (\$M)
Construction (hard and soft costs)	\$ 134.0
License Fee	\$ 20.0
Professional Services	\$ 2.5
Furniture, Fixtures, and Equipment	\$ 13.4
Non-Gaming Operating Supplies and Equipment	\$ 4.5
Pre-Opening Expenses	\$ 3.8

Cedar Crossing is expected to generate \$121.3 million in revenue (2025 dollars) and have 365 (consisting of both full-time and part-time) employees once it is fully operational. The inputs provided by PPE were divided into three IMPLAN industries that represent the three main drivers of its projected revenue: gambling industries (except casino hotels) (casino), full-service restaurants (food and beverage), and promoters of performing arts and sports and agents for public figures (entertainment). The inputs for each of these industries in IMPLAN are shown in Table 2 below.

Table 2. Operations Input Summary

Operations Input Summary				
Industry	Revenue (\$ Million)	Employees	Labor Income (\$ Million)	
Casino	\$ 112.5	241	\$	14.4
Food and Beverage	\$ 7.2	110	\$	0.9
Entertainment	\$ 1.7	14	\$	0.1
Total	\$ 121.3	365	\$	15.4

4 Results

4.1 Economic Impact: Construction

Table 3 shows the estimated construction impact of Cedar Crossing within Linn County. The direct impact of the project is estimated at \$165.2 million² in spending (output), creating \$53.7 million in value added and employing an average of 503 workers over the 18-month construction period. After accounting for indirect and induced impacts, the total construction impact increases to 749 average jobs supported, \$77.1 million in labor income, \$139.2 million in value added, and \$240.8 million in total output.

Table 3. Linn County Construction Impact

Construction Impact Summary - Linn County					
Impact Type	Annual Employment	Labor Income (\$ Million)	Value Added (\$ Million)	Output (\$ Million)	
Direct	503	\$ 53.7	\$ 96.4	\$ 165.2	
Indirect	98	\$ 11.3	\$ 19.6	\$ 37.6	
Induced	148	\$ 12.1	\$ 23.2	\$ 38.0	
Total	749	\$ 77.1	\$ 139.2	\$ 240.8	

The construction of Cedar Crossing in Linn County is estimated to generate \$42 million in total tax revenue. Of this amount, \$25.9 million is expected to be paid at the state and local levels, while \$16.1 million is expected to be paid at the federal level.

Table 4. Linn County Construction Taxes Paid

Construction Tax Impact - Linn County				
Impact Type	State and Local (\$ Million)	Federal (\$ Million)	Total (\$ Million)	
Direct	\$ 21.9	\$ 11.1	\$ 32.9	
Indirect	\$ 2.0	\$ 2.4	\$ 4.3	
Induced	\$ 2.0	\$ 2.6	\$ 4.7	
Total	\$ 25.9	\$ 16.1	\$ 42.0	

Construction within Linn County will have broader impacts throughout the rest of the state, as the construction contractor(s) purchase supplies and employees spend their earnings in other counties in Iowa. These further impacts are estimated to be \$16.2 million in output, \$7.8 million in value added, and \$4.3 million in labor income. Around 43 jobs outside of Linn County will be supported by the construction of Cedar Crossing (Table 5). The statewide impacts are estimated to generate an additional \$0.8 million in taxes paid at the state and local levels and \$1.0 million in taxes paid at the federal level (Table 6).

² Dollar denominated results are expressed in 2025 dollars using inflators contained within the IMPLAN modeling system.

Table 5. Rest of Iowa Construction Impact

Construction Impact Summary - Rest of Iowa						
Impact Type	Annual Employment	Labor Income (\$ Million)	Value Added (\$ Million)	Output (\$ Million)		
Direct	-	\$ -	\$ -	\$ -	\$ -	
Indirect	24	\$ 2.9	\$ 4.9	\$ 11.5		
Induced	19	\$ 1.5	\$ 2.9	\$ 4.7		
Total	43	\$ 4.3	\$ 7.8	\$ 16.2		

Table 6. Rest of Iowa Construction Taxes Paid

Construction Tax Impact - Rest of Iowa				
Impact Type	State and Local (\$ Million)	Federal (\$ Million)	Total (\$ Million)	
Direct	\$ -	\$ -	\$ -	
Indirect	\$ 0.5	\$ 0.6	\$ 1.1	
Induced	\$ 0.3	\$ 0.3	\$ 0.6	
Total	\$ 0.8	\$ 1.0	\$ 1.7	

The industries estimated to be most impacted by the construction of Cedar Crossing are shown in Table 7. In addition to construction, top impacted industries include housing³, wholesale suppliers, truck transportation, and advertising and public relations services.

Table 7. Construction Top Industries Impacted

Top Ten Industries Impacted - Construction	
Industry	Total Value Added (\$M)
Construction of new commercial structures, including farm structures	\$ 89.6
Wholesale - Other durable goods merchant wholesalers	\$ 4.9
Owner-occupied housing	\$ 4.6
Advertising, public relations, and related services	\$ 2.5
Truck transportation	\$ 2.0
Hospitals	\$ 1.9
Monetary authorities and depository credit intermediation	\$ 1.6
Wholesale - Petroleum and petroleum products	\$ 1.3
Wholesale - Machinery, equipment, and supplies	\$ 1.1
Management of companies and enterprises	\$ 1.1

³ Owner-occupied housing is an industry in IMPLAN that represents the economic impacts of homeownership, including: the interest portion of mortgage payments, property tax and insurance payments, and home improvement and renovation spending.

4.2 Economic Impact: Annual Operations (Year 1)

Cedar Crossing is expected to generate \$121.3 million in revenue annually, \$108.5 million of which is gaming revenue with the remainder primarily consisting of food, beverage, and entertainment sales. Approximately 365 jobs (consisting of both full-time and part-time positions) will be created and then supported, earning a combined \$15.4 million in labor income. As purchases from Cedar Crossing and spending by employees reverberate throughout the local economy, an estimated additional \$55.9 million in spending (output) is generated. This results in a total economic impact to Linn County of 651 jobs, \$33.1 million in labor income, \$107.7 million in value added, and \$177.2 million in total output.

Table 8. Linn County Operations Impact (Year 1)

Operations Impact Summary - Linn County					
Impact Type	Annual Employment	Labor Income (\$ Million)	Value Added (\$ Million)	Output (\$ Million)	
Direct	365	\$ 15.4	\$ 76.4	\$ 121.3	
Indirect	194	\$ 12.5	\$ 21.4	\$ 39.7	
Induced	93	\$ 5.2	\$ 9.9	\$ 16.2	
Total	651	\$ 33.1	\$ 107.7	\$ 177.2	

Cedar Crossing is expected to generate a significant amount of tax revenue, primarily from casino taxes but also from income, sales, and other taxes. The estimated total (annual) tax revenue generated from the operations of Cedar Crossing is \$42.9 million, with \$34.0 million paid at the state and local levels and \$8.8 million paid at the federal level (Table 9).

Table 9. Linn County Operations Taxes Paid (Year 1)

Operations Tax Impact - Linn County				
Impact Type	State and Local (\$ Million)	Federal (\$ Million)	Total (\$ Million)	
Direct	\$ 31.6	\$ 5.1	\$ 36.7	
Indirect	\$ 1.6	\$ 2.6	\$ 4.1	
Induced	\$ 0.9	\$ 1.1	\$ 2.0	
Total	\$ 34.0	\$ 8.8	\$ 42.9	

The operations of Cedar Crossing are also expected to impact the rest of Iowa, resulting in an additional \$5.8 million in sales, \$3.2 million in value added, and 29 additional jobs supported in other Iowa counties (Table 10). An additional \$0.7 million in tax revenue is estimated to be generated by these activities, with \$0.3 million paid at the state or local level (Table 11).

Table 10. Rest of Iowa Operations Impact (Year 1)

Operations Impact Summary - Rest of Iowa				
Impact Type	Annual Employment	Labor Income (\$ Million)	Value Added (\$ Million)	Output (\$ Million)
Direct	-	\$ -	\$ -	\$ -
Indirect	14	\$ 1.0	\$ 1.7	\$ 3.3
Induced	15	\$ 0.8	\$ 1.5	\$ 2.5
Total	29	\$ 1.8	\$ 3.2	\$ 5.8

Table 11. Rest of Iowa Taxes Paid (Year 1)

Operations Tax Impact - Rest of Iowa				
Impact Type	State and Local (\$ Million)	Federal (\$ Million)	Total (\$ Million)	
Direct	\$ -	\$ -	\$ -	
Indirect	\$ 0.2	\$ 0.2	\$ 0.4	
Induced	\$ 0.2	\$ 0.2	\$ 0.3	
Total	\$ 0.3	\$ 0.4	\$ 0.7	

The industries estimated to be most impacted by the operations of Cedar Crossing are shown in Table 12. In addition to gambling industries and restaurants, many other industries are impacted, such as housing, legal services, employment services, and financial services.

Table 12. Operations Top Industries Impacted

Top Ten Industries Impacted - Operations	
Industry	Total Value Added (\$M)
Gambling industries (except casino hotels)	\$ 71.9
Full-service restaurants	\$ 4.8
Legal services	\$ 1.8
Owner-occupied housing	\$ 1.7
Monetary authorities and depository credit intermediation	\$ 1.6
Commercial and industrial machinery and equipment rental and leasing	\$ 1.2
All other food and drinking places	\$ 1.1
Management of companies and enterprises	\$ 1.0
Employment services	\$ 0.9
Internet publishing and broadcasting and web search portals	\$ 0.9

4.3 Economic Impact: Annual Operations (Year 10)

Cedar Crossing is expected to generate \$143.5 million in annual revenue in its 10th year of operations. Approximately 365 jobs (consisting of both full-time and part-time positions) continue to be supported, earning a combined \$17.9 million in labor income. As purchases from Cedar Crossing and spending by employees reverberate throughout the local economy, an estimated additional \$65.5 million in spending (output) is generated. This results in a total economic impact to Linn County of 706 jobs, \$38.6 million in

labor income, \$127.7 million in value added, and \$209.0 million in total output. From a total impact to Iowa perspective (totals from Table 13 and Table 15) in Year 10, the impact would be 740 jobs, \$40.7 million in labor income, \$131.5 million in value added, and \$215.8 million in output.

Table 13. Linn County Operations Impact (Year 10)

Operations Impact Summary - Linn County					
Impact Type	Annual Employment	Labor Income (\$ Million)	Value Added (\$ Million)	Output (\$ Million)	
Direct	365	\$ 17.9	\$ 91.0	\$ 143.5	
Indirect	231	\$ 14.7	\$ 25.2	\$ 46.6	
Induced	110	\$ 6.0	\$ 11.5	\$ 18.9	
Total	706	\$ 38.6	\$ 127.7	\$ 209.0	

Cedar Crossing is expected to generate a significant amount of tax revenue, primarily from casino taxes but also from income, sales, and other taxes. The estimated total (annual) tax revenue generated from the operations of Cedar Crossing is \$51.0 million, with \$40.6 million paid at the state and local levels and \$10.4 million paid at the federal level (Table 14).

Table 14. Linn County Operations Taxes Paid (Year 10)

Operations Tax Impact - Linn County				
Impact Type	State and Local (\$ Million)	Federal (\$ Million)	Total (\$ Million)	
Direct	\$ 37.7	\$ 6.1	\$ 43.8	
Indirect	\$ 1.8	\$ 3.1	\$ 4.9	
Induced	\$ 1.0	\$ 1.3	\$ 2.3	
Total	\$ 40.6	\$ 10.4	\$ 51.0	

The operations of Cedar Crossing are also expected to impact the rest of Iowa, resulting in an additional \$6.8 million in sales, \$3.8 million in value added, and 34 additional jobs supported in other Iowa counties (Table 15). An additional \$0.9 million in tax revenue is estimated to be generated by these activities, with \$0.4 million paid at the state or local level (Table 16).

Table 15. Rest of Iowa Operations Impact (Year 10)

Operations Impact Summary - Rest of Iowa					
Impact Type	Annual Employment	Labor Income (\$ Million)	Value Added (\$ Million)	Output (\$ Million)	
Direct	-	\$ -	\$ -	\$ -	
Indirect	17	\$ 1.2	\$ 2.0	\$ 3.9	
Induced	17	\$ 0.9	\$ 1.8	\$ 2.9	
Total	34	\$ 2.1	\$ 3.8	\$ 6.8	

Table 16. Rest of Iowa Taxes Paid (Year 10)

Operations Tax Impact - Rest of Iowa				
Impact Type	State and Local (\$ Million)	Federal (\$ Million)	Total (\$ Million)	
Direct	\$ -	\$ -	\$ -	
Indirect	\$ 0.2	\$ 0.3	\$ 0.5	
Induced	\$ 0.2	\$ 0.2	\$ 0.4	
Total	\$ 0.4	\$ 0.5	\$ 0.9	

The industries estimated to be most impacted by the operations of Cedar Crossing are shown in Table 12. In addition to gambling industries and restaurants, many other industries are impacted, such as housing, legal services, employment services, and financial services.

Table 17. Operations Top Industries Impacted

Top Ten Industries Impacted - Operations	
Industry	Total Value Added (\$M)
Gambling industries (except casino hotels)	\$ 85.0
Full-service restaurants	\$ 6.3
Owner-occupied housing	\$ 2.3
Legal services	\$ 2.1
Monetary authorities and depository credit intermediation	\$ 2.0
Management of companies and enterprises	\$ 1.5
Commercial and industrial machinery and equipment rental and leasing	\$ 1.5
All other food and drinking places	\$ 1.4
Employment services	\$ 1.1
Insurance carriers, except direct life	\$ 1.1

5 Additional Considerations

Given the location of Cooper’s Mill and Cedar Rapids’ high population (Iowa’s second largest city), there are several competing ideas for how to best use the location. As with any situation of this magnitude, several considerations should be considered. Given the focus of this report is to study the economic impact of Cedar Crossing on Linn County and Iowa, a significant consideration to consider is the magnitude of the economic impact of likely competing uses of the Cooper’s Mill location. Additionally, if plans to build the Cedar Crossing Casino and Entertainment Center comes to fruition and begins operations, gaming taxes remitted to the Iowa Racing & Gaming Commission will be remitted, as well as plans to donate a portion of earnings to non-profits in the local area. The following three sections discuss the implications for these additional considerations.

5.1 Magnitude of Economic Impact

A casino and entertainment center is just one of many ways in which the planned site for Cedar Crossing could be used. Table 18 shows the economic impact multipliers at the local (Linn County) level for Cedar Crossing compared to two IMPLAN industries that represent alternative use cases: amusement parks and arcades, which is the IMPLAN industry representing water parks and theme parks, and other amusement parks and recreation industries, which represents golf courses, recreational sports and sport clubs, go kart racetracks, laser tag facilities, and many other recreational activities.

Using data from the IMPLAN modeling system, impact multipliers were calculated by taking the total impact results divided by the direct impacts. Impact multipliers demonstrate the potential for an industry’s economic activity to affect the activity of other industries within the local economy. For example, an output multiplier of 1.5 means that for every \$1 generated directly by an industry, an additional \$0.50 is spent throughout the local economy because of that industry’s purchases and spending by its employees.

Cedar Crossing’s employment multiplier of 1.95 means that for every direct worker employed by the casino, almost 1 additional job is estimated to be created and then supported in other industries each year that Cedar Crossing is in operation. As shown in the table below, Cedar Crossing is estimated to have substantially higher employment and labor income multipliers than the alternatives as well as a slightly higher value-added multiplier.

The employment multiplier of Cedar Crossing is 65% stronger than the employment multiplier of “Amusement parks and arcades” and 57% stronger than the employment multiplier of “Other amusement parks and recreation industries”. The labor income multiplier for Cedar Crossing is 43% stronger than the labor income multiplier of “Amusement parks and arcades” and 51% stronger than the labor income multiplier for “Other amusement parks and recreation industries”. “Other amusement parks and recreation industries” is estimated to have a slightly higher output multiplier than Cedar Crossing, although the output multiplier for Cedar Crossing is 18% stronger than the output multiplier for “Amusement parks and arcades”.

Table 18. Economic Impact Multipliers for Cedar Crossing and Alternative Uses

Multipliers for Cedar Crossing and Alternative Uses				
Business	Employment Multiplier	Labor Income Multiplier	Value Added Multiplier	Output Multiplier
Cedar Crossing	1.95	2.15	1.41	1.46
Amusement parks and arcades	1.18	1.50	1.16	1.24
Other amusement parks and recreation industries	1.24	1.42	1.39	1.49

5.2 Payment of Gaming Taxes

As expected, upon commencement of operations, Cedar Crossing will begin to remit gaming taxes to the Iowa Racing & Gaming Commission. Relying upon provided by the Cedar Crossing team, Figure 1 shows estimated gaming tax remittance for the first ten years of operations. Estimated gaming tax remittance is projected to grow from \$18.9 million in Year 1 to approximately \$26.3 million in Year 10. While not explicitly shown here, there will be additional economic effects felt throughout the Iowa economy as the gaming taxes received from Cedar Crossing are spent as prescribed by Iowa law.

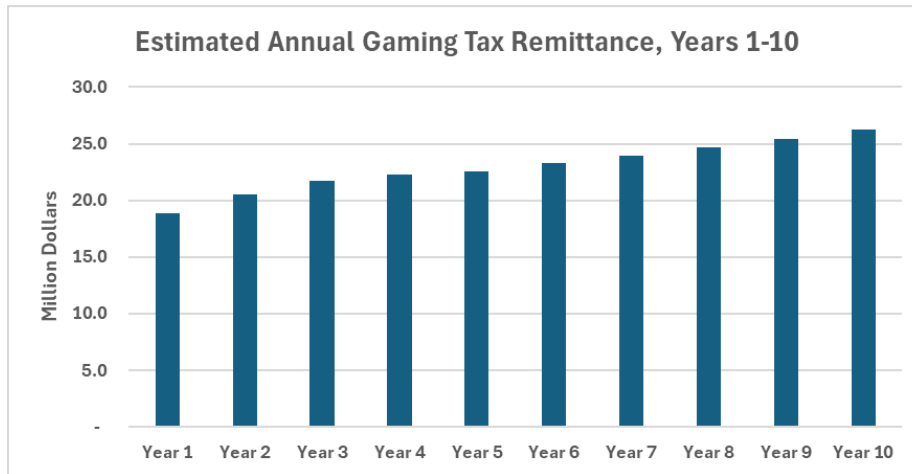


Figure 1. Estimated Annual Gaming Tax Remittance, Years 1-10

5.3 Donations to Local Non-Profits

Relying upon data provided by the Cedar Crossing team, donations to local non-profit organizations is expected beginning in Year 1, as shown in Figure 2. These donations to local non-profit organizations are expected to be \$5.5 million in Year 1 and increase to \$7.6 million in Year 10.

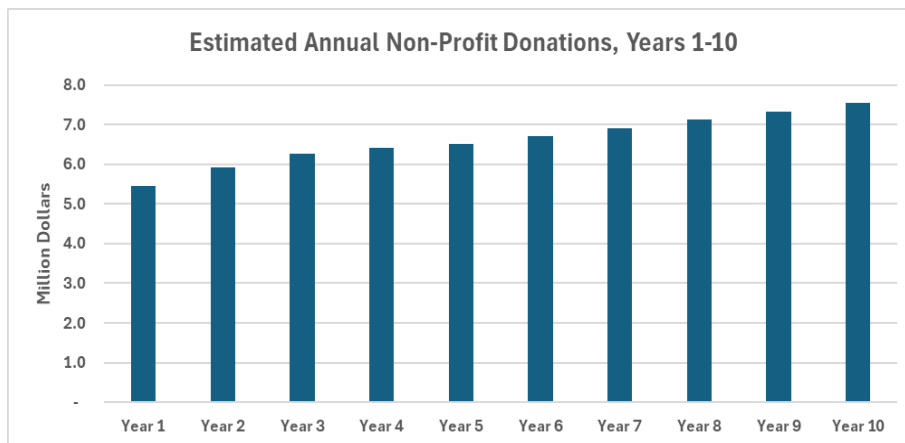


Figure 2. Estimated Annual Non-Profit Donations, Years 1-10

Table 19. IMPLAN Multipliers (Grantmaking, Giving, and Social Advocacy Organizations)

Measure	Type SAM Multiplier
Output	1.63
Employment	1.53
Total Value Added	1.62
Labor Income	1.72

To estimate the overall impact of donations to non-profit organizations, multipliers were obtained from the IMPLAN modeling system for the “Grantmaking, Giving, and Social Advocacy Organizations” industry (Table 19). These multipliers provide a means for estimating the overall impact by standard measures of economic impact (Output, Employment, Total Value-Added and Labor Income). Consider the following:

- Using these multipliers and estimated donations in Year 1 and Year 10, the following total impact is estimated for Output:
 - **Year 1:** \$3.4 million in additional output is estimated to be generated in the local economy, on top of the original \$5.5 million directly contributed to the non-profits, for a total of \$8.9 million.
 - **Year 10:** \$4.7 million in additional output is estimated to be generated in the local economy, on top of the original \$7.6 million directly contributed to the non-profits, for a total of \$12.3 million.
- For every job created by Cedar Crossing’s donations paid directly to local non-profit organizations, an additional 0.53 jobs are created in the broader economy
- For every million dollars of Total Value Added directly attributed to Cedar Crossing’s donations paid to non-profit organizations, an additional \$620,000 in value added is generated in the broader economy.
- For every million dollars of labor income⁴ directly attributed to Cedar Crossing’s donations paid to non-profit organizations, an additional \$720,000 in labor income is generated in the broader economy.

6 Conclusion

As shown with the above analysis, the Cedar Rapids area stands to gain a significant amount of economic activity from the construction and operation of a new casino with the same characteristics as the Cedar Crossing Casino and Entertainment Center. Some highlights we see worthy of consideration include:

- The total construction employment estimate of 792 jobs is a significant number that will positively affect many local businesses during the construction period.
- We estimate that a casino as described here will first create, and then sustain, 680 jobs. In fact, almost as many jobs are indirectly created as those that are directly related to the casino and entertainment center itself (315 vs. 365). These jobs, once created, will

⁴ Recall from Section 3.1 that Labor Income is a portion of total value added and is not additive to Total Value Added

continue to support the local economy long after the construction of the casino and entertainment center is completed.

- Since Cedar Rapids' major flood of 2008, the Cooper's Mill site has been vacant, generating far less property tax revenue during the ensuing 16 years than it will once the site is repurposed to something like the casino studied in this analysis.
- In addition to property tax impacts, other tax receipts will rise, including sales, personal income and corporate income taxes.
- In our experience working with other municipalities (i.e., Grinnell, Ames and Newton, Iowa), when a project of this size and nature is constructed and completed, many other ancillary and supporting businesses very often begin and/or expand in proximity to the original project, generating a positive domino effect of increasing economic activity.