

Woodbury County Casino Proposals, Analysis of Property Tax Impacts

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Executive Summary

Strategic Economics Group (SEG), an Iowa-based research consulting firm, has examined the property tax impact of four casino proposals. Three are proposed for locations in Sioux City, Iowa and one in rural Woodbury County south of Sioux City. Two of the casinos would require local government financial assistance through the use of tax increment financing (TIF). The Hard Rock proposal seeks \$22 million and the Warrior proposal asks for \$25 million. In addition, it is anticipated that those proposing these two casinos will apply for federal and state historic preservation tax credits. Whether they will receive those credits and the amount of credits they receive has not been determined at this time. The Hollywood Sioux City and Hollywood Siouxland (Woodbury County) casinos would be developed without direct financial incentives.

If the Hard Rock proposal is selected and if the Iowa Racing and Gaming Commission grants a license, the TIF financing impact on local governments (i.e., city, county, school district, assessor, community college, agricultural extension service and any special districts) will be as much as \$53.7 million over the next 20 years. Similarly, if the Warrior proposal is selected and licensed, the impact will be as much as \$76 million. In each case, SEG projects that the incremental taxes that will be generated in either proposal's TIF district will be more than enough to retire the TIF bonds issued to finance the promised amounts of assistance.

For as long as 20 years all or a portion of the TIF district incremental tax revenues will be diverted to Sioux City from other local government taxing authorities in order to retire the TIF bonds. The school district will receive some offsetting replacement funds from the State through the School Aid Formula.

Strategic Economics Group was also asked to examine the property tax impact of proposals for a new casino at two alternative sites in the Sioux City, Iowa area made by Penn National Gaming, Inc. and submitted by Belle of Sioux City, L.P. and Greater Siouxland Improvement Association. One site is located in Sioux City north of Gordon Drive between Virginia and Nebraska Streets. The other site is located in Liberty Township east of the Interstate 29 Interchange with 260th Street. The casinos will operate under the Hollywood brand. The developers of the proposed casino have not requested any local government financial incentives.

If the Hollywood Siouxland Casino and Hotel proposal (located south of Sioux City along highway I-29) is selected and if the Racing and Gaming Commission grants a license, the property tax revenue growth that would accrue to the local governments (i.e. city, county, school district, assessor, etc.) will be as much as \$66.8 million over the next 20-years. Similarly, if the Hollywood Casino proposal (located in downtown Sioux City) is selected and licensed, the impact would be \$107.4 million. -

Unlike the Hard Rock and Warrior proposals neither of the two Penn National proposals has requested local governmental financial assistance.

TIF Impact of the Hard Rock and Warrior Casino Proposals

Purpose

Penn National Gaming, Inc. has retained Strategic Economics Group (SEG) to analyze the property tax revenue impact of four proposed casino and hotel development projects. The purpose of this section is to identify the dollar impact on local government taxing authorities of those proposals.

The applicants are Hard Rock Casino and Hotel, proposed by Sioux City Entertainment, Inc. and its qualified sponsoring organization (QSO), Missouri River Historical Development, Inc. and Warrior Casino and Hotel, proposed by Warrior Entertainment, LLC and its QSO, Siouxland Strong, Inc. The groups proposing each of these casinos are requesting financial assistance from the City of Sioux City to be funded from the establishment or expansion of tax increment financing (TIF) districts. TIFs require the diversion of future property tax receipts to retire bonds issued to cover the costs associated with a grant that would be given to the applicant that is selected. Our task in this report is to estimate the magnitude of the property tax diversions.

Brief Description of Two Casino and Hotel Proposals

1. Both proposals require local government TIF financing. Both the Hard Rock and the Warrior proposals require local government financial assistance. The Hard Rock developers have asked Sioux City to “contribute \$22 million to SCE [Sioux City Entertainment, Inc.], funded by the issuance of 20-year TIF bonds.” In exchange, SCE “would agree to an effective assessment value of \$51 million for the property.” The Warrior proposal calls for a local government contribution of \$25 million also funded by 20-year TIF bonding. The Warrior proposal, however, does not include an agreed on minimum assessment value.

2. Both proposals involve the renovation and repurposing of historic buildings. To qualify for State and federal historic preservation tax credits the buildings must be listed on or be eligible to be listed on the National Register of Historic Places. The proposals may qualify for a credit against the State income taxes equal to 25% of qualified rehabilitation costs. The State tax credits are both refundable and transferable. The applicants may qualify for 20% of qualified rehabilitation costs as a credit against

federal income taxes on income-producing historic properties. We provide a description of the tax benefits each property may receive under federal, State, and local historic preservation incentive programs in Appendix F.

3. Sioux City Entertainment proposes to construct and operate a Hard Rock Casino and Hotel. They plan to build it in downtown Sioux City on approximately 16 acres located between Douglas Street on the East and Wesley Parkway on the West, 5th Street on the North and 3rd Street on the South. The main building will be more than 100,000 square feet. It will also include a 60-room hotel, adjacent to and directly connected to the main facility. The estimated total cost of the project is \$118 million. The estimated cost of construction for the casino is \$32.8 million and the hotel will cost an additional \$6.5 million. Site acquisition is estimated to cost \$8.0 million and site preparation cost is estimated to equal \$7.3 million. Most of the remaining cost will be for gaming equipment and furnishings.

The site will sit on 20 existing property parcels located in the 175 Regular Tax Main Street B and 176 East & West Partial Ur - Main St tax districts. The parcels had a combined 2012 assessed valuation of \$4.7 million and yielded about \$206,000 in property tax.

4. Warrior Entertainment and Siouxland Strong proposes to construct and operate a casino and hotel. “Warrior Casino & Hotel will occupy two existing historic downtown properties.” They will renovate the Warrior Hotel and the Davidson buildings. In addition, they plan to demolish existing structures on adjacent lots to build the casino facility and parking structures. They also plan to build in downtown Sioux City in an area located between 7th Street on the North, 6th Street on the South, Pierce Street on the West and Jackson Street on the East. The total size of the complex will be 211,000 square feet and will include a 93-room hotel. The estimated cost of the project is \$122 million. The estimated construction cost for the casino and hotel equals \$59.2 million. Land acquisition and site development costs are estimated by the project’s developers to equal \$3.5 million and \$1.7 million, respectively. Gaming equipment and furnishings account for most of the remaining costs.

The site includes 16 property parcels located in the 087 SC LL Sioux City Comm, 184 CBD North - Main Street A, and 186 CBDN - Main Street B tax districts. The parcels had a combined 2012 assessed valuation of \$3.2 million and paid about \$137,000 in property tax.

Description of the Iowa TIF Program

1. Tax increment financing (TIF) is a method by which municipalities can fund urban renewal projects.

TIF legislation was enacted in 1957 and codified in Iowa Code chapter 403. Laws related to TIF have been updated four times since then. While it was first established to finance infrastructure improvements in blighted areas, today TIF is used as an economic development tax incentive to finance the cost of attracting new businesses to an area.

2. Tax increment financing involves reallocating the property taxes collected. Within the designated TIF district for up to a 20-year period, regular property taxes are frozen at the level established at the time the TIF is established (this is called the “base” amount). Usually bonds are sold to raise funds to pay for infrastructure or business investment within the TIF district. The consolidated tax rate is then applied to the incremental growth in the value of the property in that district (called the “increment”) to raise the funds needed to retire the TIF debt. Presumably the growth in property value will be the result of the new infrastructure or economic development investment.

Methodology

SEG analyzed how the use of TIF revenues to finance casino and hotel developments will impact taxing authorities (i.e., city, county, school district, etc.) that serve the Sioux City area. We prepared a separate estimate for each proposed casino and hotel. We estimated both total impacts and impacts by taxing authority type (See Appendix A for detailed tables.)

1. Establish the base property value of each proposed casino site. The Hard Rock and Warrior proposals each describe the property parcels that comprise their proposed sites by street address. We identified each parcel of land in the two proposed casino and hotel sites using the Woodbury County Assessor’s property search web site. The Hard Rock site consists of 20 parcels and the Warrior site consists of 16 parcels. We compiled property valuation amounts for each parcel to derive the base property valuations for each project site. Based on 2012 assessment year data the base property valuation amount for the Hard Rock site equals \$4.692 million and for the Warrior site it equals \$2.497 million.

2. Identify property tax levy rates by taxing authority and consolidated rate. Using information available on the Iowa Department of Management web site we identified the most current (i.e., FY 2013) property tax levy rates by taxing authority for the tax districts in which the casino and hotel site parcels are located. These rates expressed as dollars per \$1,000 of taxable valuation are as follows:

- City (Sioux City): \$15.98968
- County (Woodbury): \$7.44984
- School District (Sioux City Community): \$17.18950
- Assessor (Sioux City): \$0.39159
- Community College (Western Iowa Tech): \$0.77849
- Agricultural Extension: \$0.12687

3. Compute weighted average consolidated tax rates and special assessment rates. We derived consolidated tax rates for each site by computing weighted averages of the consolidated rates for the tax districts in which each site is located based on information obtained from annual property assessment and tax rate reports submitted to the Iowa Department of Management. The weighted average consolidated tax rate derived for the Hard Rock site equals \$44.11411 per \$1,000 of taxable valuation and for the Warrior site the rate equals \$43.60824 per \$1,000 of taxable valuation. In addition to the levies imposed by the previously identified taxing authorities, the land parcels in each of the proposed casino sites are subject to some special assessments that cover the cost of things such as sewer improvements and SSMID (self-sustaining municipal improvement district) fees. These final tax levy rate increments were derived by subtracting the sum of the six taxing authority levy rates that apply to all parcels in both proposed sites from the derived weighted average consolidated tax rates. These special assessment tax rates equal \$2.18814 for the Hard Rock Casino and Hotel and \$1.68227 for the Warrior Casino and Hotel.

4. Establish the base year taxable values for the proposed casinos. Section 3 of the applications submitted for each proposal provides estimates of development costs. As indicated previously, for the Hard Rock Casino and Hotel the estimated construction cost for the casino equals \$32.6 million with an additional cost of \$6.5 million for hotel construction. The sum of these equals \$39.1 million. Normally this amount would be used as the basis for determining the taxable value during the first year after

construction is completed because in Iowa commercial property is generally taxed at 100 percent of assessed value. However, the developers for the Hard Rock Casino and Hotel have signed an agreement with the City of Sioux City establishing a minimum taxable value for the development of \$51 million.

The cost for construction of the Warrior Casino and Hotel is estimated by the developer to equal \$59.2 million. There is no minimum assessment agreement for this proposal.

5. Determine framework for the distribution of property tax revenues. Because each site is currently located within a TIF district and each is assumed to continue to be within a TIF district for the next 20 years following the completion of construction, we made three property valuation projections for each proposal. The first projection represents the base value for each site, the second represents the growth in value for each site's base valuation, and the third represents the incremental growth attributable to the casino and hotel developments.

Property tax revenues generated from parcels located within TIF districts are divided between the jurisdiction that establishes the TIF district and other taxing authorities that provide services to the area. All taxing authorities with jurisdiction over the area in which a parcel is located share the tax revenues generated by the base property valuation. Only the jurisdiction that establishes the TIF district has claim to revenues generated by growth in the valuations of property within the TIF district after the district is established and the base valuation amount set. However, often the jurisdiction that establishes a TIF district elects to share some of the property tax revenue generated by growth in property values.

6. Make base property valuation projections. For each proposal the base property valuation amounts remain constant over the twenty years of the analysis. These amounts are assumed to equal the sums of the 2012 assessed values for the parcels that comprise each site as determined previously. For the Hard Rock site this amount equals \$4.692 million and for the Warrior site this amount equals \$2.497 million.

Based on historic trends, the value of property that exists at the time a TIF district is established will likely experience some change over the 20 year life of the district. Such growth may be due to general price inflation and to improvements made to properties that existed at the time the base valuation was

established. The growth in base valuations becomes part of the tax increment. We projected values for this growth based on data obtained from the Iowa Department of Management. These data date back to the 1998 assessment year and extend up to assessment year 2011.

The site for the proposed Hard Rock Casino and Hotel is located tax districts 175 and 176. Over the years from 1998 through 2011 the base value of property located in these tax districts increased at a weighted average annual rate of 1.61 percent. The site for the proposed Warrior Casino and Hotel is located in tax districts 087, 184, and 186. Over the years from 1998 through 2011 the base value of property located in these tax districts increased at a weighted average annual rate of 0.53 percent. We projected growth in the base property valuations for the two sites by applying these growth rates to the beginning base property value amounts.

7. Project property valuation growth for the proposed casino and hotel developments. The next task was to project future assessed property values of each casino and hotel development. In order to estimate the growth in property value over time, we assumed that generally assessors determine the value of commercial property based on one or more of three approaches: 1) the cost of replacing the property, 2) the capitalized value of income that the property generates or 3) the sales price of comparable properties. In most instances, assessors will not have comparable casino properties within their jurisdictions. So the assessor must base the value on re-estimating the construction cost or basing it on the income approach.

We have built numerous models and studies for the gaming industry in Iowa. From that experience we have established estimates of net revenue for the aggregate of casinos in Iowa from 2003 through 2012 (and projected through 2018). Generally, net revenue is about 78% of the consumer dollars spent in the gaming operation. Net revenues are defined as gross revenues less the state wagering tax (22% of the gross for casinos), less other taxes and fees, plus revenues from hotel rooms, food and beverages, and less promotional allowances (about 14% of gross revenue). Table 1 shows the growth rate in revenues at Iowa casinos during the 4-year pre-recession period, the 3-year recession period, and the 2-year post-recession period.

Table 1. Compounded Rate of Iowa Casino Revenue Growth

Years	Gross Revenue	Net Revenues	Period
2003-2007	7.44%	6.90%	Growth
2007-2010	0.10%	0.16%	Recession
2010-2012	3.54%	3.58%	Post-Recession
2003-2012	4.08%	3.87%	Entire 9-Yrs

Over the entire nine years, the compounded average annual growth rate of net revenues was 3.87% for the state-regulated casinos. We applied this average annual growth rate to the initial casino and hotel construction cost for the Warrior development to project the incremental growth in taxable value for the project site. A similar approach was used to project increment property valuation growth for the Hard Rock development. However, because of the minimum assessment agreement the developers for this proposal have signed with the city, a value of \$51 million was substituted for years 1 through 7 of the Hard Rock projections.

8. Estimation of property tax impacts. As stated previously, taxes generated by the base valuation for a TIF district are determined by multiplying each taxing authorities levy rate by the base valuation. On the other hand, taxes derived from the incremental growth in property valuations from the time the TIF district is established until it expires are under the control of the jurisdiction that establishes the TIF district. We derived estimates of the property taxes diverted to the TIF fund from other funds and taxing authorities by multiplying each of the FY 2013 levy rates by the sum of each year's base valuation growth and valuation growth attributable to the respective casino and hotel developments.

9. City financial assistance commitment amortization. As a final step in the analysis we developed 20-year amortization tables for the city financial assistance commitments to the two casino and hotel projects. We assumed debt service payments would be the same each year. The formula used to compute the annual payment amounts is:

$$A = P * [i + (i / ((1 + i)^n - 1))]$$

Where,

A ≡ annual payment amount

P ≡ principal amount of the debt

n ≡ number of years over which the debt will be retired, and

i ≡ annual interest rate for the debt.

The annual debt payment amounts are used to determine whether the property tax revenues generated by the proposed development would be adequate to cover debt service costs.

Property Tax Impact Estimates

1. Estimates of incremental property tax revenue generated by each proposed development.

The estimates for the amounts of property taxes that could be diverted each year are presented in Tables A1 and A2 in the appendix to this report. Table 2 (below) presents aggregate estimates of the amount of property tax that could be diverted over the 20 year life of the TIF districts. In total over the 20 years we estimate the Hard Rock Casino and Hotel will generate \$53.8 million in property tax revenue and the Warrior Casino and Hotel will generate \$76.0 million in property tax revenue.

Table 2. 20-Year Estimate of Potential Property Tax Diversions (\$1,000s)

Tax Authority	Hard Rock Casino & Hotel	Warrior Casino & Hotel
City	\$19,499	\$27,864
County	\$9,085	\$12,982
School District	\$20,962	\$29,955
Assessor	\$478	\$682
Community College	\$949	\$1,357
Agricultural Extension	\$155	\$221
Special and Other	\$2,668	\$2,932
Total Diversions	\$53,797	\$75,993

However, the tax revenue that would be generated by the two TIF districts associated with the developments is not necessarily revenue that otherwise would be foregone by local governments. First, a small share of the tax revenue would have been generated by normal appreciation in value of the

existing tax base. These shares of the growth in the TIF increment tax bases equal 1.40% for the Hard Rock site and 1.65% for the Warrior site. Second, it is possible and even probable that other development would occur on at least a portion of these sites over the next 20 years. The extent to which such other development would be undertaken without requiring the financial incentives being offered to the two casino and hotel projects represents lost tax revenue for local governments.

2. Estimated TIF bond amortization. Based on the prior analysis of the property tax revenue that would be generated by the two developments, it appears that each would generate adequate revenue from their own properties to retire the debt issued to cover the city's commitments of financial assistance. What is not known is to what extent the developments may require the city to make public infrastructure improvements to support the projects and what amount of tax revenue would be required to fund such improvements. In addition to costs directly incurred for debt service payments, each bond issue would likely involve some additional administrative and marketing costs. During 2012 nationally debt issuance costs averaged \$5.84 per \$1,000 of bond face value.

The developers of the Hard Rock Casino and Hotel have requested \$22 million in direct financial assistance from the City of Sioux City. The city would raise the money needed to provide this assistance by issuing bonds, which would be retired over 20 years. Assuming a 4% interest rate for the bonds, total debt service payments over the 20-years would equal approximately \$32.4 million. In addition to repaying the principal, the payments would include \$10.4 million in interest payments.

For the Warrior Casino and Hotel development the developers have requested \$25 million in financial assistance from the city. Total debt service payments over the 20 years during which the debt issued to raise these funds would be retired equal approximately \$36.8 million. The portion of these payments that represents interest equals \$11.8 million.

Analysis of the Hollywood and Hollywood Siouxland Proposals

Purpose

The purpose of this section is to identify the property tax impact on local taxing authorities located in the City of Sioux City and Woodbury County associated with two alternative casino developments proposed by Penn National Gaming.

The official applicants for the project are Belle of Sioux City, L.P. and Greater Siouxland Improvement Association. The alternative casino developments would operate under the Hollywood brand. The proposals will not require any local financial government assistance. To that extent it is assumed neither site will involve the creation of a new TIF district. Thus, neither development proposal will result in the diversion of future property tax revenues from local government taxing authorities.

Brief Description of Penn's Two Casino Proposals

1. Penn National proposes to construct and operate a Hollywood Casino in downtown Sioux City.

They plan to construct a casino on approximately 9.9 acres located between Jennings Street on the East and Nebraska Street on the West, the BNSF Railway property on the North and Gordon Drive on the South. The main building will be more than 100,000 square feet. The estimated cost of the project is \$160.6 million. The estimated costs for the design and construction of the casino are \$4.5 million and \$67.4 million, respectively. Site preparation cost is estimated to equal \$3.7 million. The site acquisition cost assumed for this analysis is \$17.9 million. Most of the remaining costs will be for gaming equipment and furnishings.

The complete site will sit on seven existing property parcels located in the 176 East & West Partial UR Main, 188 Riverfront Main Street A, and 190 Riverfront Main Street B tax districts. The parcels had a combined 2012 assessed valuation of \$7.0 million and yielded \$302,107 in property tax.

2. Penn National alternatively proposes to construct and operate a casino and hotel at a site in rural Woodbury County. The Hollywood Siouxland Casino and Hotel will occupy what is now farmland along

I-29 Interstate just south of Sioux City. The total complex will consist of a 100,000 square foot casino building and an 82,800 square foot 150-room hotel. The estimated cost of the development is \$167.7 million. The estimated costs for design and construction of the development equal \$5.3 million and \$82.9 million, respectively. The land acquisition and site development costs are estimated to equal \$1.8 million and \$4.4 million, respectively. Gaming equipment and furnishings account for most of the remaining costs.

The site includes part of one property parcel of farmland located in Woodbury County north of 260th Street between Liberty Lane and Benton Road adjacent to Interstate highway I-29. The 37 acres of land is currently assessed for farm use and had a 2012 valuation of \$90,560 and paid about \$1,210 in property tax in 2011.

Methodology

SEG analyzed the potential property tax impacts associated with the Hollywood Casino proposed for downtown Sioux City and the Hollywood Siouxland Casino and Hotel proposed for Liberty Township in Woodbury County south of Sioux City. For each site we developed 20-year projections of changes in taxable valuations for the two developments and then estimated by type of taxing authority property tax revenue impacts. The methodology followed is similar to that used in the prior analysis of the Hard Rock and Warrior casino and hotel proposals. For this reason the following summary of the methodology highlights only the aspects of the analysis that differ from the prior work.

- 1. Establish the base property value of each proposed casino site.** The applications for the two casino sites identified involved property parcels by metes and bounds descriptions. We obtained additional information from the applicants to confirm the property included in each site.
- 2. Identify property tax levy rates by taxing authority and consolidated rate.** We obtained the tax authority levy rates that apply to the two sites from the Iowa Department of Management web site. For both sites the tax levy rates used in the analysis correspond to the FY 2013 tax year.

For the downtown Sioux City site the rates are the same as used for the Hard Rock and Warrior project analysis. These rates expressed in dollars per \$1,000 of taxable valuation are:

- City (Sioux City): \$15.98968
- County (Woodbury): \$7.44984
- School District (Sioux City Community): \$17.18950
- Assessor (Sioux City): \$0.39159
- Community College (Western Iowa Tech): \$0.77849
- Agricultural Extension: \$0.12687

For the Liberty Township site the tax levy rates are:

- County Rural (Liberty Township): \$2.39748
- County General (Woodbury): \$7.44984
- School District (Westwood Community): \$12.29970
- Assessor (Woodbury): \$0.43415
- Community College (Western Iowa Tech): \$0.77849
- Agricultural Extension: \$0.12687

3. Compute weighted average consolidated tax rates and special assessment rates. We derived consolidated tax rates for each site by computing weighted averages of the consolidated rates for the tax districts in which each site is located based on information obtained from annual property assessment and tax rate reports submitted to the Iowa Department of Management. The weighted average consolidated tax rate derived for the downtown Sioux City site equals \$44.11102 per \$1,000 of taxable valuation and for the Liberty Township site the rate equals \$24.11433 per \$1,000 of taxable valuation. In addition to the levies imposed by the previously identified taxing authorities, the land parcels in each of the proposed casino sites are subject to some other minor assessments. These final tax levy rate increments were derived by subtracting the sum of the six taxing authority levy rates that apply to all parcels for each site from the derived weighted average consolidated tax rates. These special and other assessment tax rates equal \$2.18505 for the downtown Sioux City site and \$0.62780 for the Liberty Township site.

4. Establish the base year taxable values for the proposed casinos. Section 3 of the applications submitted for each proposal provides estimates of development costs for each site. According to Sioux City assessment information the 2012 taxable value for the downtown site equals \$7.0 million. According to Woodbury County assessment information the current taxable value for the Liberty Township site equals \$90,560, which represents the agricultural production value and not market value.

The current values for both sites are substantially less than the site acquisition costs estimated in the development proposals. The estimated site acquisition cost for the downtown Sioux City site equals \$17.9 million and the estimated acquisition cost for the Liberty Township site equals \$1.8 million.

The cost estimate provided for the downtown site includes \$4.5 million for facility design, \$67.4 million for construction, and \$3.7 million for site preparation. Similar to the analysis for the Hard Rock and Warrior projects, the analysis excludes the site preparation cost in the determination of the increase in taxable valuation. This is because we assume the downtown site already possesses utility and transportation services meaning the site preparation costs largely pertain to the demolition of existing structures, which will not add much value to the property.

The casino and hotel cost estimate provided for the Liberty Township site includes \$5.3 million for facility design, \$82.9 million for construction, and \$4.4 million for site preparation. All of these costs are included in the analysis for this site because it is currently undeveloped meaning site preparation will include significant utility and transportation service improvements. In addition, the preparation of this site will likely involve considerable earthwork. All of these improvements will add value to the site.

Therefore, we estimate the added valuation for the downtown casino project equals the difference between the site acquisition cost and the site's current taxable value (\$10.9 million) plus the casino design cost (\$4.5 million) and construction cost (\$67.4 million), which is a total of \$82.8 million. For the Liberty Township casino and hotel project we estimate added valuation equals the difference between the site acquisition cost and the site's current taxable value (\$1.7 million) plus the facility design cost (\$5.3 million), the construction cost (\$82.9 million), and the site preparation cost (\$4.4 million), which is a total of \$94.3 million.

5. Base property valuation projections. The base property valuations for each site equal the sum of the 2012 assessed valuations and the projected growth of these valuations that would occur in the absence of the casino developments. We derived the growth rates used to project the base property valuations based on historic trend valuation data for the tax districts in which the two sites are located. The trend growth rate used for the downtown site equals 1.36% per year. The trend growth rate used for the Liberty Township site equals 1.21% per year.

6. Project property valuation growth for the proposed casino developments. The valuations for the two casino development proposals were projected in the same manner as for the Hard Rock and Warrior casino and hotel proposals. Based on a study of other casino properties located in Iowa, we projected the future valuations for the downtown Sioux City and Liberty Township (Siouxland) Hollywood casino developments using an average annual growth rate of 3.87%.

7. Estimation of property tax impacts. We estimated the additional property tax revenue that would be generated by the development of each site for each type of taxing authority using the FY 2013 levy rates provided previously. For each type of taxing authority the annual tax revenue estimates equal the difference between the with- and without-casino development property valuations times the appropriate tax levy rate.

Property Tax Impact Estimates

The annual estimates for the additional amounts of property tax revenue that would be generated by each casino development are presented in Tables A3 and A4 in Appendix A in this report.

Table 3 (below) presents aggregate estimates of the amount of additional property tax revenue that would be generated over the first 20 years of existence. The 20-year time horizon allows comparisons to the estimates previously provided for the Hard Rock and Warrior casino and hotel proposals.

Table 3. 20-Year Estimate of Property Tax Growth (\$1,000s)

Tax Authority	Hollywood-Siouxland Casino & Hotel (Liberty Township)	Hollywood Casino (Downtown)
City	\$0	\$38,929
County Rural	\$6,642	\$0
County General	\$20,640	\$18,138
School District	\$34,077	\$41,850
Assessor	\$1,203	\$953
Community College	\$2,157	\$1,895
Agricultural Extension	\$352	\$309
Special and Other	\$1,739	\$5,320
Total Growth	\$66,810	\$107,395

Year-by-year comparisons are provided in Table 4 (below), summarizing our findings. It shows that the two Penn National casino proposals would provide a substantial increase in property value for the sites that they would occupy. The development of the downtown Hollywood Casino would result in an increase in property taxes of \$107.4 million over the next 20 years. The development of the Hollywood Siouxland Casino and Hotel would generate \$66.8 million in new property tax revenue over that same period. In both instances, the additional revenues would be divided among all the local taxing authorities.

As a result of the TIF arrangement, the additional tax revenues that would be created by either the Hard Rock or the Warrior proposal would be diverted from the other local governmental entities to Sioux City in order to retire the TIF bonds.

Table 4. Comparison of Different Proposals Tax Impact (\$1,000s)

Year	Increase in Revenue to Local Governments		Revenue Diverted from Local Governments to Retire TIF	
	Hollywood Casino	Hollywood Siouxland Casino & Hotel	Hard Rock Casino	Warrior Casino & Hotel
1	\$3,654.3	\$2,273.3	\$2,253.2	\$2,582.1
2	\$3,795.8	\$2,361.4	\$2,256.5	\$2,682.7
3	\$3,942.8	\$2,452.8	\$2,260.0	\$2,787.1
4	\$4,095.5	\$2,547.8	\$2,263.5	\$2,895.6
5	\$4,254.2	\$2,646.5	\$2,267.0	\$3,008.2
6	\$4,418.9	\$2,749.0	\$2,270.7	\$3,125.2
7	\$4,590.1	\$2,855.5	\$2,274.3	\$3,246.7
8	\$4,767.8	\$2,966.1	\$2,287.8	\$3,372.9
9	\$4,952.5	\$3,080.9	\$2,379.1	\$3,503.9
10	\$5,144.3	\$3,200.3	\$2,473.9	\$3,640.0
11	\$5,343.5	\$3,324.2	\$2,572.2	\$3,781.4
12	\$5,550.5	\$3,453.0	\$2,674.3	\$3,928.2
13	\$5,765.5	\$3,586.7	\$2,780.2	\$4,080.7
14	\$5,988.8	\$3,725.6	\$2,890.1	\$4,239.0
15	\$6,220.7	\$3,869.9	\$3,004.2	\$4,403.5
16	\$6,461.6	\$4,019.8	\$3,122.6	\$4,574.3
17	\$6,711.9	\$4,175.5	\$3,245.5	\$4,751.8
18	\$6,971.9	\$4,337.2	\$3,373.1	\$4,936.0
19	\$7,241.9	\$4,505.2	\$3,505.5	\$5,127.4
20	\$7,522.3	\$4,679.6	\$3,643.0	\$5,326.2
Total	\$107,394.9	\$66,810.2	\$53,796.8	\$75,993.0

Impact of TIF Diversion and Developer Inducements

Background

Each of the four casino proposals will, if licensed by the State, likely result in some economic growth for the community. It will also add value to the property in the area where it will be located. The major difference between the two Penn National proposals and the other two is the method of financing the

construction and operations of the casinos. The two Penn National proposals will be financed by their shareholders and lenders. The other two will include government support in the form of tax increment financing (TIF).

Earlier in this report we projected the property tax revenue growth that would result from each proposal and showed in Table 3 that the Hollywood Casino and Hollywood Siouxland Casino and Hotel proposals would increase these revenues to the local governments by \$107.4 and \$66.8 Million, respectively. We showed that while property values would also increase in the case of the Hard Rock and Warrior proposals, that growth in revenue would not be distributed to the local governments until such time as the TIF district expires. Instead it would be diverted and used to retire the TIF bonds that were issued to cover the \$22 and \$25 Million grants from the City to the Hard Rock or Warrior developers, respectively. But, there are other factors at play regarding the proposed financing of these projects. That is what we examine in this section.

Table 5 (below) repeats the comparison that appears earlier and shows that revenues would be generated each year as a result of the increase in property valuation.

Table 5. Comparison of Different Proposals Tax Impacts (\$1,000s)

Year	Increased Revenue to Local Governments		Revenue Diverted from Local Governments to Retire TIF	
	Hollywood Casino	Hollywood Siouxland Casino & Hotel	Hard Rock Casino	Warrior Casino & Hotel
1	\$3,654.3	\$2,273.3	\$2,253.2	\$2,582.1
2	\$3,795.8	\$2,361.4	\$2,256.5	\$2,682.7
3	\$3,942.8	\$2,452.8	\$2,260.0	\$2,787.1
4	\$4,095.5	\$2,547.8	\$2,263.5	\$2,895.6
5	\$4,254.2	\$2,646.5	\$2,267.0	\$3,008.2
6	\$4,418.9	\$2,749.0	\$2,270.7	\$3,125.2
7	\$4,590.1	\$2,855.5	\$2,274.3	\$3,246.7
8	\$4,767.8	\$2,966.1	\$2,287.8	\$3,372.9
9	\$4,952.5	\$3,080.9	\$2,379.1	\$3,503.9
10	\$5,144.3	\$3,200.3	\$2,473.9	\$3,640.0
11	\$5,343.5	\$3,324.2	\$2,572.2	\$3,781.4
12	\$5,550.5	\$3,453.0	\$2,674.3	\$3,928.2
13	\$5,765.5	\$3,586.7	\$2,780.2	\$4,080.7
14	\$5,988.8	\$3,725.6	\$2,890.1	\$4,239.0
15	\$6,220.7	\$3,869.9	\$3,004.2	\$4,403.5
16	\$6,461.6	\$4,019.8	\$3,122.6	\$4,574.3
17	\$6,711.9	\$4,175.5	\$3,245.5	\$4,751.8
18	\$6,971.9	\$4,337.2	\$3,373.1	\$4,936.0
19	\$7,241.9	\$4,505.2	\$3,505.5	\$5,127.4
20	\$7,522.3	\$4,679.6	\$3,643.0	\$5,326.2
Total	\$107,394.9	\$66,810.2	\$53,796.8	\$75,993.0

Hard Rock Casino

On October 3, 2012, Sioux City Entertainment (SCE) and the City of Sioux City signed a letter of understanding, contingent upon SCE being chosen by the Missouri River Historical Development, Inc. and the Iowa Racing and Gaming Commission to build and operate a land based casino in downtown Sioux City (Hard Rock Casino). That agreement stipulates, among other things, that the City will 1)

provide financial assistance to the developers of \$22 million financed through the sale of TIF bonds, 2) assist the developers in purchasing the property parcels at “fair market prices” and assist in acquiring surface parking.

In exchange, among other things, SCE agrees to:

- “a minimum real property assessment agreement estimated in the amount of \$51 million for a term of 20 years”
- “a monthly payment [of] 1.75% of adjusted gross gaming”
- a revenue guaranty “for ten years of an annual payment of \$2.1 million”

However, the part of the guaranty that consists of the 1.75% of AGR payment also includes the required 0.5% tax collected by the State and passed back to the City, plus the first \$100,000 of growth of local option tax collected from onsite retail sales, plus up to \$75,000 from the growth of hotel/motel taxes collected from that site. The amount of revenue collected will most likely exceed the guaranteed \$2.1 million if the AGR projections provided by the developer are achieved. The 1.75% payment is intended to compensate the city for their lease payment on a surface lot that will be used by the casino.

As shown in Table 6, the five-year AGR projections provided in the Hard Rock submissions to the Iowa Racing and Gaming Commission indicate plans for 32 table games and 800 slots.

Table 6. Developer's Projections of AGR for the Hard Rock Casino

Year	AGR (\$1,000s)	Revenue from Table Games (\$1,000s)	Number of Table Games	Revenue per Table (\$1,000s)	Revenue from Slots (\$1,000s)	Number of Slots	Revenue per Slot (\$1,000s)
1	\$90,936.7	\$9,891	32	\$309.1	\$81,045.4	800	\$101.3
2	\$95,483.6	\$10,386	32	\$324.6	\$85,097.6	800	\$106.4
3	\$100,257.8	\$10,905	32	\$340.8	\$89,352.5	800	\$111.7
4	\$103,265.4	\$11,232	32	\$351.0	\$92,033.1	800	\$115.0
5	\$106,363.5	\$11,569	32	\$361.5	\$94,794.1	800	\$118.5

Table 7. 2012 Iowa Casino Revenue per Table Game

Casino	Revenue per Table Game
Ameristar II	\$502,442
Horseshoe Bluffs	\$399,546
Prairie Meadows	\$328,283
Argosy -Sioux City	\$272,313
Diamond Jo	\$268,027
Diamond Jo -Worth	\$250,846
Isle Casino & Hotel at Waterloo	\$250,683
Grand Falls Casino Resort	\$231,004
Lakeside Casino	\$221,445
Harrahs Council Bluffs Casino & Hotel	\$215,044
Isle of Capri -Bettendorf	\$210,646
Riverside Casino and Golf Resort	\$198,039
Mystique	\$188,040
Wild Rose -Clinton	\$168,894
Catfish Bend Casino	\$155,428
Wild Rose -Emmetsburg	\$147,934
Rhythm City Casino	\$133,716
Isle of Capri -Marquette	\$119,207
Average	\$236,752

The Hard Rock developers have assumed in their lowest level revenue estimate that their table games that would bring in more revenue per table than all but three of the State's other casinos (31% above the average from table games). In addition, their 800 slot machines are projected to generate greater revenue per slot than any other casino in the State (46% above the average of the other casinos). See Tables 7 and 8.

In addition, while the revenue from table games account for an average of 7.7% of total gaming revenues for all of the other casinos in Iowa, the Hard Rock developers projected their table games will account for 11.1% of their projected total. Only Iowa's two newest casinos have table games that accounted for more than a 10% share of total revenue.

Table 8. 2012 Iowa Casino Revenue per Slot

Casino	Revenue per Slot
Ameristar II	\$100,319
Horseshoe Bluffs	\$98,904
Prairie Meadows	\$92,154
Diamond Jo -Worth	\$85,608
Harrahs Council Bluffs Casino & Hotel	\$79,103
Argosy -Sioux City	\$77,479
Isle Casino & Hotel at Waterloo	\$75,313
Isle of Capri -Bettendorf	\$71,684
Riverside Casino and Golf Resort	\$70,287
Diamond Jo	\$65,751
Wild Rose -Clinton	\$64,835
Wild Rose -Emmetsburg	\$56,528
Mystique	\$56,011
Catfish Bend Casino	\$55,744
Grand Falls Casino Resort	\$54,332
Rhythm City Casino	\$52,210
Isle of Capri -Marquette	\$48,699
Lakeside Casino	\$46,493
Average	\$69,525

In Appendix A, Table A5 identifies the revenue history of Iowa’s casinos between 2003 and 2012. Table A6 breaks out the revenue generated by table games and that generated by the slot machines. The averages and the patterns can help us provide a reality check of the projections provided by the Hard Rock developer.

Appendix B identifies three revenue projections for the Hard Rock project and in so doing helps answer the question regarding whether or not the \$2.1 million floor revenue guaranty offered by the Hard Rock developers will be germane. Table B1 represents the revenue projections included in the Hard Rock proposal.

The first year revenue estimate equals \$90.9 million, consisting of \$9.9 million from table games and \$81 million from slots. If that projection proves to be accurate and the activity generates \$100,000 in local

option sales tax and \$75,000 in hotel/motel tax receipts, then the floor of \$2.1 million would not be exercised and the City will receive at least that amount from the stipulated sources.

On the other hand, Tables B2 and B3 contain two alternative AGR growth projections. The first replaces the first year table games and slot revenue estimates with ones using the number of tables and slots in the Hard Rock proposal but substituting the revenues per table and revenues per slot averages of the existing casinos (\$245,660 and \$69,356) for the Hard Rock numbers (\$309,105 and \$101,307).

The second alternative (Table B3) uses for the revenues per table game and revenues per slot the average for each of the current casinos that is closest in number of tables and number of slots with the numbers of each in the Hard Rock proposal. In each of the alternative projection scenarios, the total revenues will be substantially lower than what was provided by the Hard Rock developers and in both cases the \$2.1 million payment guarantee will be triggered before the tenth year.

The Hard Rock Casino proposal, if it is selected and licensed, will generate an increase in property taxes over the next 20 years of \$53.8 million. That amount will go into the TIF account to retire the \$22 million bonds and pay the \$10.4 million in interest on the bonds.

We project that the statutory 0.5% share of wagering tax for the City (and also the county), the guaranteed increase in local option sales and hotel/motel taxes and the inducements that the Hard Rock developers have offered to the City will add up to as much as \$53.8 million or as little as \$44.0 million. The amount depends on whose AGR growth numbers you choose to use.

Warrior Casino

The City will provide financial assistance to the project estimated at \$25 million, financed through the sale of Tax Increment Bonds. In exchange, among other things, Warrior Entertainment agrees to pay the City:

- for the first five years, 3.0% of adjusted gross gaming revenues assuming a required payment to the IRGC of an Initial License Fee. If such fee is not assessed, Warrior Entertainment will pay 3.25 percent of adjusted gross revenues.

- after year five, 3.25% of AGR or 3.0 percent of AGR plus 4.0% of audited net Income of the casino project. The City will have the option to select which one.

Our projected AGR growth for the Warrior project is similar to the developer's numbers. Using those numbers and applying the rates identified above we populated Table C1 in Appendix C. The Warrior AGR projections appear to be predicated on the use of 25 table games and 1,000 slot machines although the description in their documentation to the Iowa Racing and Gaming Commission indicates that they expect to initially open with 800 slots and later expand to 1,000.

In the case of both Hard Rock and Warrior the AGR the developers only provide projections for the first five years. In order to fill the tables to match the time frame for the 20-year TIF period we used the developers' projections for years 1-5 (with the exception of the two alternative sets of projections that we developed for the Hard Rock casino) and then extrapolated using an annual growth rate of 3% for years 6 through 20.

The Warrior Casino and Hotel proposal, if it is selected and licensed, will generate an increase in property taxes over the next 20 years of \$76.0 million. That amount will go into the TIF account to retire the \$25 million bonds and pay the \$11.8 million in interest on the bonds. If these projections prove accurate, only about half of the incremental growth in property tax will be needed to retire the bonds and cover the interest.

We project that the statutory 0.5% share of wagering tax for the City (and also the county), the guaranteed increase in local option sales and hotel/motel taxes and the inducements that the Warrior developers have offered to the City will add up to \$75.7 million. The details can be found in Table C1 in Appendix C.

The Two Penn National Proposals

We include the detailed projections for the Hollywood Casino and Hollywood Siouxland Casino and Hotel in Appendix D. As with the projections that we prepared for the other two proposals the numbers reflect a projection through year 20 of the adjusted growth in revenue based on the first five

years obtained from projections prepared by the projects' developers. Also, we include the statutory 0.5% share of the wagering tax that the State passes through to the City (and the same to the county).

We project that the incremental growth in property tax receipts over the next 20 years as a result of the Hollywood Casino will be \$107.4 million. If the Hollywood Siouxland Casino and Hotel is selected and licensed, we expect to see \$66.8 million more in property tax collections over that period.

Since Penn National has not included any additional financial inducements in the proposals for these two projects, the City (and county) will only see the statutory 0.5% share of the casinos' adjusted gross revenues. We assumed the local governments will also receive a nominal increase in local option sales and hotel/motel taxes (where applicable).

We projected the statutory 0.5% share of wagering tax for the City (and also the county). We also included the same \$100,000 and \$75,000 amounts for the increase in local option sales and hotel/motel taxes in the analysis of these casinos proposals (where applicable), removing that as a factor in the comparison. The details can be found in Table D1 and D2 in Appendix D.

We project the "Other Taxes and Inducements" for the 20-year period for the Hollywood Casino and the Hollywood Siouxland Casino and Hotel to be \$11 million and \$11.4 million, respectively.

Summary of Economic Benefits to Sioux City Government

The economic benefits of each casino to the City of Sioux City includes, among other things, the growth in property tax receipts and the growth in tax from additional local option sales tax and the hotel/motel tax. Two of the proposals (Hard Rock and Warrior) will require TIF financing. The incremental property taxes generated by those projects that would go to Sioux City would be restricted in their use to funding capital improvements in the TIF district. The growth in property taxes for the other two proposed casinos (Hollywood and Hollywood Siouxland) would not have that same restriction because they would not be TIF financed.

In addition, the property tax growth associated with the two casinos that would require TIF financing would go into a fund dedicated to repaying the TIF bonds. The property tax growth associated with the two non-government financed proposed casinos would be shared by all of the local governmental entities. Tables 9-12 (below) list the incremental growth in property tax revenues and the increase in the city share of wagering tax, sales tax and hotel/motel tax as well as the inducements that the developers include in their proposals.

Table 9. Revenues from Hollywood Casino (\$1,000s)

Year	Additional Property Tax	Other Taxes & Inducements
1	\$3,654.3	\$427.6
2	\$3,795.8	\$449.1
3	\$3,942.8	\$471.6
4	\$4,095.5	\$481.1
5	\$4,254.2	\$490.6
6	\$4,418.9	\$500.4
7	\$4,590.1	\$510.4
8	\$4,767.8	\$520.6
9	\$4,952.5	\$531.0
10	\$5,144.3	\$541.7
11	\$5,343.5	\$552.5
12	\$5,550.5	\$563.5
13	\$5,765.5	\$574.8
14	\$5,988.8	\$586.3
15	\$6,220.7	\$598.0
16	\$6,461.6	\$610.0
17	\$6,711.9	\$622.2
18	\$6,971.9	\$634.6
19	\$7,241.9	\$647.3
20	\$7,522.3	\$660.2
Total	\$107,394.9	\$10,973.6

Table 10. Revenues from Hollywood
Siouxland Casino & Hotel (\$1,000s)

Year	Additional Property Tax	Other Taxes & Inducements
1	\$2,273.3	\$444.7
2	\$2,361.4	\$467.2
3	\$2,452.8	\$490.7
4	\$2,547.8	\$500.2
5	\$2,646.5	\$510.2
6	\$2,749.0	\$520.4
7	\$2,855.5	\$530.8
8	\$2,966.1	\$541.4
9	\$3,080.9	\$552.2
10	\$3,200.3	\$563.3
11	\$3,324.2	\$574.5
12	\$3,453.0	\$586.0
13	\$3,586.7	\$597.7
14	\$3,725.6	\$609.7
15	\$3,869.9	\$621.9
16	\$4,019.8	\$634.3
17	\$4,175.5	\$647.0
18	\$4,337.2	\$659.9
19	\$4,505.2	\$673.1
20	\$4,679.6	\$686.6
Total	\$66,810.2	\$11,411.5

Table 11. Revenues to the City from Hard Rock Casino (\$1,000s)

Year	Additional Property Tax - TIF restricted	Other Taxes & Inducements - Alternative 1	Other Taxes & Inducements - Alternative 2	Other Taxes & Inducements - Alternative 3
1	\$2,253.2	\$2,100.0	\$2,100.0	\$2,100.0
2	\$2,256.5	\$2,148.6	\$2,100.0	\$2,100.0
3	\$2,260.0	\$2,256.0	\$2,100.0	\$2,100.0
4	\$2,263.5	\$2,323.6	\$2,100.0	\$2,100.0
5	\$2,267.0	\$2,393.4	\$2,100.0	\$2,100.0
6	\$2,270.7	\$2,465.1	\$2,100.0	\$2,100.0
7	\$2,274.3	\$2,539.1	\$2,100.0	\$2,100.0
8	\$2,287.8	\$2,615.3	\$2,100.0	\$2,100.0
9	\$2,379.1	\$2,693.7	\$2,100.0	\$2,100.0
10	\$2,473.9	\$2,774.5	\$2,100.0	\$2,100.0
11	\$2,572.2	\$2,857.8	\$2,100.0	\$2,153.5
12	\$2,674.3	\$2,943.5	\$2,100.0	\$2,218.1
13	\$2,780.2	\$3,031.8	\$2,112.0	\$2,284.7
14	\$2,890.1	\$3,122.7	\$2,175.3	\$2,353.2
15	\$3,004.2	\$3,216.4	\$2,240.6	\$2,423.8
16	\$3,122.6	\$3,312.9	\$2,307.8	\$2,496.5
17	\$3,245.5	\$3,412.3	\$2,377.0	\$2,571.4
18	\$3,373.1	\$3,514.6	\$2,448.3	\$2,648.5
19	\$3,505.5	\$3,620.1	\$2,521.8	\$2,728.0
20	\$3,643.0	\$3,728.7	\$2,597.4	\$2,809.8
Total	\$53,796.8	\$57,070.0	\$43,980.1	\$45,687.4

“Other Taxes and Inducements - Alternative 1” refers to the scenario based in the text on the developer’s projections of adjusted gross revenues (AGR) and described in Table B1 in Appendix B. Alternatives 2 and 3 refer to the conclusions in Table B2 and B3.

Alternative 2 estimates AGR as the sum of the number of table games in the Hard Rock proposal times the average revenue per table game for all of the Iowa casinos in 2012 plus the number of slot machines in the Hard Rock proposal times the average revenue per slot for all of the Iowa casinos.

Alternative 3 is similar to alternative 2 except instead of using the all-casino average revenue per table and average revenue per slot, it used the “dollars per” rate for the existing casinos that were the closest match to those having 32 table games and for those that were the closest match for any having 800 slot machines.

Table 12. Revenue to the City from Warrior Casino & Hotel (\$1,000s)

Year	Additional Property Tax - TIF restricted	Other Taxes & Inducements
1	\$2,582.1	\$2,629.0
2	\$2,682.7	\$2,734.4
3	\$2,787.1	\$2,827.1
4	\$2,895.6	\$2,911.8
5	\$3,008.2	\$2,999.0
6	\$3,125.2	\$3,309.6
7	\$3,246.7	\$3,408.8
8	\$3,372.9	\$3,511.1
9	\$3,503.9	\$3,616.4
10	\$3,640.0	\$3,724.9
11	\$3,781.4	\$3,836.7
12	\$3,928.2	\$3,951.8
13	\$4,080.7	\$4,070.3
14	\$4,239.0	\$4,192.4
15	\$4,403.5	\$4,318.2
16	\$4,574.3	\$4,447.7
17	\$4,751.8	\$4,581.1
18	\$4,936.0	\$4,718.6
19	\$5,127.4	\$4,860.1
20	\$5,326.2	\$5,005.9
Total	\$75,993.0	\$75,655.0

Appendix A

Table A1. Hard Rock Casino and Hotel TIF Impact Estimate (\$1,000s)

Year	Property Valuations			General & Debt Fund Taxes			TIF Tax Diversions							Total TIF Diversion
	Base	Base Growth	New Value	Base	Debt Levy	Total	City	County	School District	Assessor	Community College	Agricultural Extension	Special/ Other	
				44.114	4.132		15.990	7.450	17.190	0.392	0.778	0.127	2.188	
0	4,691.7		39,258.0	207.0										
1	4,691.7	75.6	51,000.0	207.0	211.1	418.0	816.7	380.5	878.0	20.0	39.8	6.5	111.8	2,253.2
2	4,691.7	152.5	51,000.0	207.0	211.4	418.3	817.9	381.1	879.3	20.0	39.8	6.5	111.9	2,256.5
3	4,691.7	230.6	51,000.0	207.0	211.7	418.7	819.2	381.7	880.6	20.1	39.9	6.5	112.1	2,260.0
4	4,691.7	309.9	51,000.0	207.0	212.0	419.0	820.4	382.3	882.0	20.1	39.9	6.5	112.3	2,263.5
5	4,691.7	390.5	51,000.0	207.0	212.4	419.3	821.7	382.9	883.4	20.1	40.0	6.5	112.4	2,267.0
6	4,691.7	472.5	51,000.0	207.0	212.7	419.7	823.0	383.5	884.8	20.2	40.1	6.5	112.6	2,270.7
7	4,691.7	555.7	51,000.0	207.0	213.0	420.0	824.4	384.1	886.2	20.2	40.1	6.5	112.8	2,274.3
8	4,691.7	640.3	51,220.9	207.0	214.3	421.3	829.2	386.4	891.5	20.3	40.4	6.6	113.5	2,287.8
9	4,691.7	726.3	53,204.6	207.0	222.9	429.8	862.3	401.8	927.0	21.1	42.0	6.8	118.0	2,379.1
10	4,691.7	813.6	55,265.3	207.0	231.7	438.7	896.7	417.8	964.0	22.0	43.7	7.1	122.7	2,473.9
11	4,691.7	902.3	57,405.7	207.0	240.9	447.9	932.3	434.4	1,002.3	22.8	45.4	7.4	127.6	2,572.2
12	4,691.7	992.5	59,629.0	207.0	250.5	457.5	969.3	451.6	1,042.1	23.7	47.2	7.7	132.6	2,674.3
13	4,691.7	1,084.1	61,938.4	207.0	260.4	467.4	1,007.7	469.5	1,083.3	24.7	49.1	8.0	137.9	2,780.2
14	4,691.7	1,177.2	64,337.3	207.0	270.7	477.7	1,047.6	488.1	1,126.2	25.7	51.0	8.3	143.4	2,890.1
15	4,691.7	1,271.9	66,829.1	207.0	281.4	488.4	1,088.9	507.3	1,170.6	26.7	53.0	8.6	149.0	3,004.2
16	4,691.7	1,368.0	69,417.4	207.0	292.5	499.5	1,131.8	527.3	1,216.8	27.7	55.1	9.0	154.9	3,122.6
17	4,691.7	1,465.7	72,105.9	207.0	304.0	511.0	1,176.4	548.1	1,264.7	28.8	57.3	9.3	161.0	3,245.5
18	4,691.7	1,564.9	74,898.6	207.0	316.0	522.9	1,222.6	569.6	1,314.4	29.9	59.5	9.7	167.3	3,373.1
19	4,691.7	1,665.8	77,799.4	207.0	328.4	535.3	1,270.6	592.0	1,366.0	31.1	61.9	10.1	173.9	3,505.5
20	4,691.7	1,768.3	80,812.6	207.0	341.2	548.2	1,320.4	615.2	1,419.5	32.3	64.3	10.5	180.7	3,643.0
							19,499.3	9,085.0	20,962.5	477.5	949.4	154.7	2,668.4	53,796.8

Table A2. Warrior Casino and Hotel TIF Impact Estimate (\$1,000)

Year	Property Valuations			General & Debt Fund Taxes			TIF Tax Diversions							
	Base	Base Growth	New Value	Base	Debt Levy	Total	City	County	School District	Assessor	Community College	Agricultural Extension	Special/ Other	Total TIF Diversion
				44.114	4.132		15.990	7.450	17.190	0.392	0.778	0.127	2.188	
0	2,496.8			108.9										
1	2,496.8	13.2	59,198.0	108.9	244.7	353.6	946.8	441.1	1,017.8	23.2	46.1	7.5	99.6	2,582.1
2	2,496.8	26.5	61,490.7	108.9	254.2	363.1	983.6	458.3	1,057.5	24.1	47.9	7.8	103.5	2,682.7
3	2,496.8	39.9	63,872.3	108.9	264.1	373.0	1,021.9	476.1	1,098.6	25.0	49.8	8.1	107.5	2,787.1
4	2,496.8	53.4	66,346.0	108.9	274.4	383.3	1,061.7	494.7	1,141.4	26.0	51.7	8.4	111.7	2,895.6
5	2,496.8	66.9	68,915.6	108.9	285.0	393.9	1,103.0	513.9	1,185.8	27.0	53.7	8.8	116.0	3,008.2
6	2,496.8	80.5	71,584.7	108.9	296.1	405.0	1,145.9	533.9	1,231.9	28.1	55.8	9.1	120.6	3,125.2
7	2,496.8	94.1	74,357.2	108.9	307.6	416.5	1,190.5	554.7	1,279.8	29.2	58.0	9.4	125.2	3,246.7
8	2,496.8	107.8	77,237.1	108.9	319.6	428.5	1,236.7	576.2	1,329.5	30.3	60.2	9.8	130.1	3,372.9
9	2,496.8	121.7	80,228.5	108.9	332.0	440.9	1,284.8	598.6	1,381.2	31.5	62.6	10.2	135.2	3,503.9
10	2,496.8	135.5	83,335.7	108.9	344.9	453.8	1,334.7	621.8	1,434.8	32.7	65.0	10.6	140.4	3,640.0
11	2,496.8	149.5	86,563.3	108.9	358.3	467.2	1,386.5	646.0	1,490.5	34.0	67.5	11.0	145.9	3,781.4
12	2,496.8	163.5	89,915.9	108.9	372.2	481.1	1,440.3	671.1	1,548.4	35.3	70.1	11.4	151.5	3,928.2
13	2,496.8	177.6	93,398.3	108.9	386.7	495.6	1,496.2	697.1	1,608.5	36.6	72.8	11.9	157.4	4,080.7
14	2,496.8	191.8	97,015.7	108.9	401.7	510.6	1,554.3	724.2	1,670.9	38.1	75.7	12.3	163.5	4,239.0
15	2,496.8	206.0	100,773.1	108.9	417.3	526.1	1,614.6	752.3	1,735.8	39.5	78.6	12.8	169.9	4,403.5
16	2,496.8	220.4	104,676.0	108.9	433.4	542.3	1,677.3	781.5	1,803.1	41.1	81.7	13.3	176.5	4,574.3
17	2,496.8	234.8	108,730.1	108.9	450.3	559.1	1,742.3	811.8	1,873.1	42.7	84.8	13.8	183.3	4,751.8
18	2,496.8	249.2	112,941.2	108.9	467.7	576.6	1,809.9	843.3	1,945.7	44.3	88.1	14.4	190.4	4,936.0
19	2,496.8	263.8	117,315.4	108.9	485.9	594.7	1,880.1	875.9	2,021.1	46.0	91.5	14.9	197.8	5,127.4
20	2,496.8	278.4	121,859.1	108.9	504.7	613.6	1,952.9	909.9	2,099.5	47.8	95.1	15.5	205.5	5,326.2
							27,864.1	12,982.3	29,954.9	682.4	1,356.6	221.1	2,931.6	75,993.0

Table A3. Hollywood Casino Impact Estimate (\$1,000s)

Year	Property Valuations			Current Use Property Tax			Additional Property Tax with Casino							Total Increase
				Base	Base Growth	Total	City	County	School District	Assessor	Community College	Agricultural Extension	Special/Other	
	Base	Base Growth	New Value	44.1110	44.1110		15.9897	7.4498	17.1895	0.3916	0.7785	0.1269	2.1851	
0	7,002.3	0.0	82,843.0	308.9										
1	7,002.3	95.0	82,843.0	308.9	3,658.5	3,967.4	1,324.6	617.2	1,424.0	32.4	64.5	10.5	181.0	3,654.3
2	7,002.3	191.2	86,051.5	308.9	3,804.3	4,113.1	1,375.9	641.1	1,479.2	33.7	67.0	10.9	188.0	3,795.8
3	7,002.3	288.7	89,384.2	308.9	3,955.6	4,264.4	1,429.2	665.9	1,536.5	35.0	69.6	11.3	195.3	3,942.8
4	7,002.3	387.6	92,846.1	308.9	4,112.6	4,421.5	1,484.6	691.7	1,596.0	36.4	72.3	11.8	202.9	4,095.5
5	7,002.3	487.8	96,442.0	308.9	4,275.7	4,584.6	1,542.1	718.5	1,657.8	37.8	75.1	12.2	210.7	4,254.2
6	7,002.3	589.4	100,177.2	308.9	4,444.9	4,753.8	1,601.8	746.3	1,722.0	39.2	78.0	12.7	218.9	4,418.9
7	7,002.3	692.3	104,057.1	308.9	4,620.6	4,929.5	1,663.8	775.2	1,788.7	40.7	81.0	13.2	227.4	4,590.1
8	7,002.3	796.7	108,087.2	308.9	4,803.0	5,111.9	1,728.3	805.2	1,858.0	42.3	84.1	13.7	236.2	4,767.8
9	7,002.3	902.4	112,273.4	308.9	4,992.3	5,301.2	1,795.2	836.4	1,929.9	44.0	87.4	14.2	245.3	4,952.5
10	7,002.3	1,009.6	116,621.8	308.9	5,188.8	5,497.7	1,864.7	868.8	2,004.7	45.7	90.8	14.8	254.8	5,144.3
11	7,002.3	1,118.2	121,138.5	308.9	5,392.9	5,701.7	1,937.0	902.5	2,082.3	47.4	94.3	15.4	264.7	5,343.5
12	7,002.3	1,228.4	125,830.2	308.9	5,604.7	5,913.6	2,012.0	937.4	2,163.0	49.3	98.0	16.0	274.9	5,550.5
13	7,002.3	1,340.0	130,703.6	308.9	5,824.6	6,133.5	2,089.9	973.7	2,246.7	51.2	101.8	16.6	285.6	5,765.5
14	7,002.3	1,453.1	135,765.8	308.9	6,052.9	6,361.7	2,170.9	1,011.4	2,333.7	53.2	105.7	17.2	296.7	5,988.8
15	7,002.3	1,567.7	141,024.0	308.9	6,289.9	6,598.7	2,254.9	1,050.6	2,424.1	55.2	109.8	17.9	308.1	6,220.7
16	7,002.3	1,683.9	146,485.9	308.9	6,535.9	6,844.8	2,342.3	1,091.3	2,518.0	57.4	114.0	18.6	320.1	6,461.6
17	7,002.3	1,801.7	152,159.3	308.9	6,791.4	7,100.3	2,433.0	1,133.6	2,615.5	59.6	118.5	19.3	332.5	6,711.9
18	7,002.3	1,921.1	158,052.4	308.9	7,056.6	7,365.5	2,527.2	1,177.5	2,716.8	61.9	123.0	20.1	345.4	6,971.9
19	7,002.3	2,042.1	164,173.8	308.9	7,332.0	7,640.8	2,625.1	1,223.1	2,822.1	64.3	127.8	20.8	358.7	7,241.9
20	7,002.3	2,164.8	170,532.2	308.9	7,617.8	7,926.7	2,726.8	1,270.4	2,931.4	66.8	132.8	21.6	372.6	7,522.3
							38,929.3	18,137.7	41,850.4	953.4	1,895.4	308.9	5,319.8	107,394.9

Table A4. Hollywood Siouxland Casino and Hotel Impact Estimate (\$1,000s)

Year	Property Valuations			Current Use Property Tax			Additional Property Tax with Casino							
	Base	Base Growth	New Value	Base	Base Growth	Total	County Rural	County General	School District	Assessor	Community College	Agricultural Extension	Special/ Other	Total Increase
							24.1143	24.1143		2.3975	7.4498	12.2997	0.4342	
0	90.6	0.0	94,272.9	2.2	0.0	0.0								
1	90.6	1.1	94,272.9	2.2	0.0	2.2	226.0	702.3	1,159.5	40.9	73.4	12.0	59.2	2,273.3
2	90.6	2.2	97,924.0	2.2	0.1	2.2	234.8	729.5	1,204.4	42.5	76.2	12.4	61.5	2,361.4
3	90.6	3.3	101,716.6	2.2	0.1	2.3	243.9	757.8	1,251.1	44.2	79.2	12.9	63.9	2,452.8
4	90.6	4.5	105,656.1	2.2	0.1	2.3	253.3	787.1	1,299.5	45.9	82.3	13.4	66.3	2,547.8
5	90.6	5.6	109,748.2	2.2	0.1	2.3	263.1	817.6	1,349.9	47.6	85.4	13.9	68.9	2,646.5
6	90.6	6.8	113,998.7	2.2	0.2	2.3	273.3	849.3	1,402.2	49.5	88.7	14.5	71.6	2,749.0
7	90.6	8.0	118,413.9	2.2	0.2	2.4	283.9	882.2	1,456.5	51.4	92.2	15.0	74.3	2,855.5
8	90.6	9.1	123,000.1	2.2	0.2	2.4	294.9	916.3	1,512.9	53.4	95.8	15.6	77.2	2,966.1
9	90.6	10.4	127,763.9	2.2	0.2	2.4	306.3	951.8	1,571.5	55.5	99.5	16.2	80.2	3,080.9
10	90.6	11.6	132,712.2	2.2	0.3	2.5	318.2	988.7	1,632.3	57.6	103.3	16.8	83.3	3,200.3
11	90.6	12.8	137,852.1	2.2	0.3	2.5	330.5	1,027.0	1,695.5	59.8	107.3	17.5	86.5	3,324.2
12	90.6	14.1	143,191.1	2.2	0.3	2.5	343.3	1,066.8	1,761.2	62.2	111.5	18.2	89.9	3,453.0
13	90.6	15.3	148,736.9	2.2	0.4	2.6	356.6	1,108.1	1,829.4	64.6	115.8	18.9	93.4	3,586.7
14	90.6	16.6	154,497.5	2.2	0.4	2.6	370.4	1,151.0	1,900.3	67.1	120.3	19.6	97.0	3,725.6
15	90.6	17.9	160,481.2	2.2	0.4	2.6	384.8	1,195.6	1,973.9	69.7	124.9	20.4	100.8	3,869.9
16	90.6	19.2	166,696.6	2.2	0.5	2.6	399.7	1,241.9	2,050.3	72.4	129.8	21.1	104.7	4,019.8
17	90.6	20.5	173,152.8	2.2	0.5	2.7	415.1	1,290.0	2,129.7	75.2	134.8	22.0	108.7	4,175.5
18	90.6	21.9	179,859.0	2.2	0.5	2.7	431.2	1,339.9	2,212.2	78.1	140.0	22.8	112.9	4,337.2
19	90.6	23.3	186,824.9	2.2	0.6	2.7	447.9	1,391.8	2,297.9	81.1	145.4	23.7	117.3	4,505.2
20	90.6	24.6	194,060.6	2.2	0.6	2.8	465.3	1,445.7	2,386.9	84.3	151.1	24.6	121.8	4,679.6
							6,642.4	20,640.2	34,077.0	1,202.8	2,156.9	351.5	1,739.4	66,810.2

Table A5. History of Iowa Casino Adjusted Gross Receipts (\$Millions)

Casino	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Ameristar II	\$147.3	\$163.1	\$180.1	\$185.9	\$179.8	\$178.9	\$167.0	\$156.1	\$164.9	\$170.3
Argosy -Sioux City	\$40.8	\$44.1	\$54.8	\$55.7	\$57.8	\$57.5	\$56.7	\$57.8	\$59.8	\$61.0
Catfish Bend Casino	\$28.1	\$31.1	\$31.3	\$30.4	\$29.5	\$39.3	\$38.9	\$38.7	\$38.5	\$39.4
Diamond Jo	\$49.7	\$53.0	\$52.6	\$48.4	\$41.6	\$40.4	\$59.2	\$68.4	\$67.2	\$70.1
Diamond Jo -Worth				\$16.9	\$67.5	\$78.3	\$78.9	\$80.3	\$83.7	\$90.6
Grand Falls Casino Resort									\$4.4	\$57.4
Harrahs Council Bluffs Casino & Hotel	\$110.7	\$111.2	\$118.9	\$117.2	\$100.7	\$97.0	\$93.8	\$84.1	\$74.4	\$68.2
Isle Casino & Hotel at Waterloo	\$99.6	\$105.4	\$103.9	\$98.7	\$91.3	\$96.6	\$89.0	\$78.3	\$78.5	\$75.7
Isle of Capri -Bettendorf	\$39.1	\$42.8	\$43.1	\$42.1	\$38.9	\$34.3	\$31.5	\$29.2	\$30.0	\$29.9
Isle of Capri -Marquette	\$65.8	\$76.1	\$78.2	\$77.3	\$66.9	\$56.7	\$58.2	\$54.8	\$49.3	\$50.5
Lakeside Casino					\$71.5	\$86.1	\$86.5	\$85.2	\$87.3	\$90.3
Rhythm City Casino	\$55.3	\$60.9	\$56.3	\$56.3	\$59.6	\$55.4	\$51.2	\$48.6	\$50.0	\$50.1
Riverside Casino and Golf Resort					\$0.3	\$76.6	\$79.8	\$80.3	\$80.7	\$83.6
Wild Rose -Clinton	\$28.6	\$27.8	\$26.7	\$27.5	\$28.3	\$27.8	\$41.9	\$39.2	\$40.2	\$39.2
Wild Rose -Emmetsburg				\$2.8	\$26.4	\$27.5	\$27.7	\$28.7	\$30.8	\$31.9
Total	\$665.1	\$715.5	\$746.0	\$759.2	\$860.1	\$952.4	\$960.2	\$929.5	\$939.9	\$1,008.1
Average	\$66.5	\$71.6	\$74.6	\$63.3	\$61.4	\$68.0	\$68.6	\$66.4	\$62.7	\$67.2

Table A6. 2012 Iowa Casino Sources of Adjusted Gross Receipts

Casino	2012 AGR	% of Revenue from Table Games	2012 Table Revenue	2012 Table Games	2012 Revenue per Table	2012 Slot Revenue	2012 Slots	2012 Revenue per Slot
Ameristar II	\$170,263,257	8%	\$13,063,503	26	\$502,442	\$157,199,754	1,567	\$100,319
Argosy -Sioux City	\$60,998,698	9%	\$5,446,259	20	\$272,313	\$55,552,439	717	\$77,479
Catfish Bend Casino	\$39,350,730	9%	\$3,730,282	24	\$155,428	\$35,620,448	639	\$55,744
Diamond Jo	\$70,054,527	7%	\$5,092,504	19	\$268,027	\$64,962,023	988	\$65,751
Diamond Jo -Worth	\$90,571,200	8%	\$7,274,544	29	\$250,846	\$83,296,656	973	\$85,608
Grand Falls Casino Resort	\$57,391,622	15%	\$8,547,131	37	\$231,004	\$48,844,491	899	\$54,332
Harrahs Council Bluffs Casino & Hotel	\$68,206,443	8%	\$5,161,059	24	\$215,044	\$63,045,384	797	\$79,103
Isle Casino & Hotel at Waterloo	\$83,562,209	9%	\$7,269,807	29	\$250,683	\$76,292,402	1,013	\$75,313
Isle of Capri -Bettendorf	\$75,744,651	6%	\$4,634,206	22	\$210,646	\$71,110,445	992	\$71,684
Isle of Capri -Marquette	\$29,875,557	4%	\$1,192,073	10	\$119,207	\$28,683,484	589	\$48,699
Lakeside Casino	\$50,057,776	6%	\$3,100,234	14	\$221,445	\$46,957,542	1,010	\$46,493
Rhythm City Casino	\$50,532,098	4%	\$1,872,026	14	\$133,716	\$48,660,072	932	\$52,210
Riverside Casino and Golf Resort	\$90,348,184	10%	\$9,307,821	47	\$198,039	\$81,040,363	1,153	\$70,287
Wild Rose -Clinton	\$39,177,457	5%	\$2,026,730	12	\$168,894	\$37,150,727	573	\$64,835
Wild Rose -Emmetsburg	\$31,930,925	7%	\$2,366,943	16	\$147,934	\$29,563,982	523	\$56,528
Total	\$1,008,065,334		\$80,085,122	343		\$927,980,212	13,365	
Average	\$67,204,356	7.7%	\$5,339,008	23	\$233,484	\$61,865,347	891	\$69,434

Appendix B – Hard Rock Detailed Projections

Table B1. Hard Rock Casino Revenues to the City Using Developer's Projections (\$1,000s)

Year	Total Projected AGR	Statutory 0.5% Distribution to the City	1.75% of AGR (Developer's Inducement Offer)	Guaranteed Growth in Local Option Tax	Guaranteed Growth in Hotel/Motel Tax	10-years Guaranteed Shortfall of \$2.1M Revenue	Other Taxes and Inducements
1	\$90,936.7	\$454.7	\$1,591.4	\$0.100	\$0.075	\$53.7	\$2,100.0
2	\$95,483.6	\$477.4	\$1,671.0	\$0.100	\$0.075	\$0.0	\$2,148.6
3	\$100,257.8	\$501.3	\$1,754.5	\$0.100	\$0.075	\$0.0	\$2,256.0
4	\$103,265.5	\$516.3	\$1,807.1	\$0.100	\$0.075	\$0.0	\$2,323.6
5	\$106,363.5	\$531.8	\$1,861.4	\$0.100	\$0.075	\$0.0	\$2,393.4
6	\$109,554.4	\$547.8	\$1,917.2	\$0.100	\$0.075	\$0.0	\$2,465.1
7	\$112,841.0	\$564.2	\$1,974.7	\$0.100	\$0.075	\$0.0	\$2,539.1
8	\$116,226.2	\$581.1	\$2,034.0	\$0.100	\$0.075	\$0.0	\$2,615.3
9	\$119,713.0	\$598.6	\$2,095.0	\$0.100	\$0.075	\$0.0	\$2,693.7
10	\$123,304.4	\$616.5	\$2,157.8	\$0.100	\$0.075	\$0.0	\$2,774.5
11	\$127,003.5	\$635.0	\$2,222.6	\$0.100	\$0.075	\$0.0	\$2,857.8
12	\$130,813.6	\$654.1	\$2,289.2	\$0.100	\$0.075	\$0.0	\$2,943.5
13	\$134,738.0	\$673.7	\$2,357.9	\$0.100	\$0.075	\$0.0	\$3,031.8
14	\$138,780.2	\$693.9	\$2,428.7	\$0.100	\$0.075	\$0.0	\$3,122.7
15	\$142,943.6	\$714.7	\$2,501.5	\$0.100	\$0.075	\$0.0	\$3,216.4
16	\$147,231.9	\$736.2	\$2,576.6	\$0.100	\$0.075	\$0.0	\$3,312.9
17	\$151,648.9	\$758.2	\$2,653.9	\$0.100	\$0.075	\$0.0	\$3,412.3
18	\$156,198.3	\$781.0	\$2,733.5	\$0.100	\$0.075	\$0.0	\$3,514.6
19	\$160,884.3	\$804.4	\$2,815.5	\$0.100	\$0.075	\$0.0	\$3,620.1
20	\$165,710.8	\$828.6	\$2,899.9	\$0.100	\$0.075	\$0.0	\$3,728.7
Total	\$2,533,899.1	\$12,669.5	\$44,343.2	\$2.000	\$1.500	\$53.7	\$57,070.0

Table B2. Hard Rock Casino Revenues to the City Using Average Rates Projections (\$1,000s)

Year	Total Projected AGR	Statutory 0.5% Distribution to the City	1.75% of AGR (Developer's Inducement Offer)	Guaranteed Growth in Local Option Tax	Guaranteed Growth in Hotel/Motel Tax	10-years Guaranteed Shortfall of \$2.1M Revenue	Other Taxes and Inducements
1	\$63,345.7	\$316.7	\$1,108.6	\$0.100	\$0.075	\$674.5	\$2,100.0
2	\$66,513.0	\$332.6	\$1,164.0	\$0.100	\$0.075	\$603.3	\$2,100.0
3	\$69,838.7	\$349.2	\$1,222.2	\$0.100	\$0.075	\$528.5	\$2,100.0
4	\$71,933.8	\$359.7	\$1,258.8	\$0.100	\$0.075	\$481.3	\$2,100.0
5	\$74,091.8	\$370.5	\$1,296.6	\$0.100	\$0.075	\$432.8	\$2,100.0
6	\$76,314.6	\$381.6	\$1,335.5	\$0.100	\$0.075	\$382.7	\$2,100.0
7	\$78,604.0	\$393.0	\$1,375.6	\$0.100	\$0.075	\$331.2	\$2,100.0
8	\$80,962.2	\$404.8	\$1,416.8	\$0.100	\$0.075	\$278.2	\$2,100.0
9	\$83,391.0	\$417.0	\$1,459.3	\$0.100	\$0.075	\$223.5	\$2,100.0
10	\$85,892.8	\$429.5	\$1,503.1	\$0.100	\$0.075	\$167.2	\$2,100.0
11	\$88,469.5	\$442.3	\$1,548.2	\$0.100	\$0.075	\$109.3	\$2,100.0
12	\$91,123.6	\$455.6	\$1,594.7	\$0.100	\$0.075	\$49.5	\$2,100.0
13	\$93,857.3	\$469.3	\$1,642.5	\$0.100	\$0.075	\$0.0	\$2,112.0
14	\$96,673.1	\$483.4	\$1,691.8	\$0.100	\$0.075	\$0.0	\$2,175.3
15	\$99,573.2	\$497.9	\$1,742.5	\$0.100	\$0.075	\$0.0	\$2,240.6
16	\$102,560.4	\$512.8	\$1,794.8	\$0.100	\$0.075	\$0.0	\$2,307.8
17	\$105,637.3	\$528.2	\$1,848.7	\$0.100	\$0.075	\$0.0	\$2,377.0
18	\$108,806.4	\$544.0	\$1,904.1	\$0.100	\$0.075	\$0.0	\$2,448.3
19	\$112,070.6	\$560.4	\$1,961.2	\$0.100	\$0.075	\$0.0	\$2,521.8
20	\$115,432.7	\$577.2	\$2,020.1	\$0.100	\$0.075	\$0.0	\$2,597.4
Total	\$1,765,091.8	\$8,825.5	\$30,889.1	\$2.000	\$1.500	\$4,262.1	\$43,980.1

Table B3. Hard Rock Casino Revenues to the City Using Selected Rates Projections (\$1,000s)

Year	Total Projected AGR	Statutory 0.5% Distribution to the City	1.75% of AGR (Developer's Inducement Offer)	Guaranteed Growth in Local Option Tax	Guaranteed Growth in Hotel/Motel Tax	10-years Guaranteed Shortfall of \$2.1M Revenue	Other Taxes and Inducements
1	\$68,525.7	\$342.6	\$1,199.2	\$0.100	\$0.075	\$558.0	\$2,100.0
2	\$71,952.0	\$359.8	\$1,259.2	\$0.100	\$0.075	\$480.9	\$2,100.0
3	\$75,549.6	\$377.7	\$1,322.1	\$0.100	\$0.075	\$400.0	\$2,100.0
4	\$77,816.1	\$389.1	\$1,361.8	\$0.100	\$0.075	\$349.0	\$2,100.0
5	\$80,150.6	\$400.8	\$1,402.6	\$0.100	\$0.075	\$296.4	\$2,100.0
6	\$82,555.1	\$412.8	\$1,444.7	\$0.100	\$0.075	\$242.3	\$2,100.0
7	\$85,031.8	\$425.2	\$1,488.1	\$0.100	\$0.075	\$186.6	\$2,100.0
8	\$87,582.7	\$437.9	\$1,532.7	\$0.100	\$0.075	\$129.2	\$2,100.0
9	\$90,210.2	\$451.1	\$1,578.7	\$0.100	\$0.075	\$70.1	\$2,100.0
10	\$92,916.5	\$464.6	\$1,626.0	\$0.100	\$0.075	\$9.2	\$2,100.0
11	\$95,704.0	\$478.5	\$1,674.8	\$0.100	\$0.075	\$0.0	\$2,153.5
12	\$98,575.1	\$492.9	\$1,725.1	\$0.100	\$0.075	\$0.0	\$2,218.1
13	\$101,532.4	\$507.7	\$1,776.8	\$0.100	\$0.075	\$0.0	\$2,284.7
14	\$104,578.4	\$522.9	\$1,830.1	\$0.100	\$0.075	\$0.0	\$2,353.2
15	\$107,715.7	\$538.6	\$1,885.0	\$0.100	\$0.075	\$0.0	\$2,423.8
16	\$110,947.2	\$554.7	\$1,941.6	\$0.100	\$0.075	\$0.0	\$2,496.5
17	\$114,275.6	\$571.4	\$1,999.8	\$0.100	\$0.075	\$0.0	\$2,571.4
18	\$117,703.9	\$588.5	\$2,059.8	\$0.100	\$0.075	\$0.0	\$2,648.5
19	\$121,235.0	\$606.2	\$2,121.6	\$0.100	\$0.075	\$0.0	\$2,728.0
20	\$124,872.0	\$624.4	\$2,185.3	\$0.100	\$0.075	\$0.0	\$2,809.8
Total	\$1,909,429.9	\$9,547.1	\$33,415.0	\$2.000	\$1.500	\$2,721.7	\$45,687.4

Appendix C – Warrior Detailed Projection

Table C1. Warrior Casino & Hotel Revenues to the City (\$1,000s)

Year	Total Projected AGR	Statutory 0.5% Distribution to the City	3.0%/3.25% of AGR Developer's Inducement	Expected Growth in Local Option Tax	Guaranteed Growth in Hotel/Motel Tax	Other Taxes and Inducements
1	\$75,110.0	\$375.6	\$2,253.3	\$0.100	\$0.075	\$2,629.0
2	\$78,120.0	\$390.6	\$2,343.6	\$0.100	\$0.075	\$2,734.4
3	\$80,770.0	\$403.9	\$2,423.1	\$0.100	\$0.075	\$2,827.1
4	\$83,190.0	\$416.0	\$2,495.7	\$0.100	\$0.075	\$2,911.8
5	\$85,680.0	\$428.4	\$2,570.4	\$0.100	\$0.075	\$2,999.0
6	\$88,250.4	\$441.3	\$2,868.1	\$0.100	\$0.075	\$3,309.6
7	\$90,897.9	\$454.5	\$2,954.2	\$0.100	\$0.075	\$3,408.8
8	\$93,624.8	\$468.1	\$3,042.8	\$0.100	\$0.075	\$3,511.1
9	\$96,433.6	\$482.2	\$3,134.1	\$0.100	\$0.075	\$3,616.4
10	\$99,326.6	\$496.6	\$3,228.1	\$0.100	\$0.075	\$3,724.9
11	\$102,306.4	\$511.5	\$3,325.0	\$0.100	\$0.075	\$3,836.7
12	\$105,375.6	\$526.9	\$3,424.7	\$0.100	\$0.075	\$3,951.8
13	\$108,536.9	\$542.7	\$3,527.4	\$0.100	\$0.075	\$4,070.3
14	\$111,793.0	\$559.0	\$3,633.3	\$0.100	\$0.075	\$4,192.4
15	\$115,146.8	\$575.7	\$3,742.3	\$0.100	\$0.075	\$4,318.2
16	\$118,601.2	\$593.0	\$3,854.5	\$0.100	\$0.075	\$4,447.7
17	\$122,159.2	\$610.8	\$3,970.2	\$0.100	\$0.075	\$4,581.1
18	\$125,824.0	\$629.1	\$4,089.3	\$0.100	\$0.075	\$4,718.6
19	\$129,598.7	\$648.0	\$4,212.0	\$0.100	\$0.075	\$4,860.1
20	\$133,486.6	\$667.4	\$4,338.3	\$0.100	\$0.075	\$5,005.9
Total	\$2,044,231.6	\$10,221.2	\$65,430.4	\$2.000	\$1.500	\$75,655.0

Appendix D – Hollywood /Hollywood Siouxland Detailed Projections

Table D1. Hollywood Casino Revenues to the City (\$1,000s)

Year	Total Projected AGR	Statutory 0.5% Distribution to the City	Expected Growth in Local Option Tax	Expected Growth in Hotel/Motel Tax	Other Taxes and Inducements
1	\$85,500.0	\$427.5	\$0.100	\$0.000	\$427.6
2	\$89,800.0	\$449.0	\$0.100	\$0.000	\$449.1
3	\$94,300.0	\$471.5	\$0.100	\$0.000	\$471.6
4	\$96,200.0	\$481.0	\$0.100	\$0.000	\$481.1
5	\$98,100.0	\$490.5	\$0.100	\$0.000	\$490.6
6	\$100,062.0	\$500.3	\$0.100	\$0.000	\$500.4
7	\$102,063.2	\$510.3	\$0.100	\$0.000	\$510.4
8	\$104,104.5	\$520.5	\$0.100	\$0.000	\$520.6
9	\$106,186.6	\$530.9	\$0.100	\$0.000	\$531.0
10	\$108,310.3	\$541.6	\$0.100	\$0.000	\$541.7
11	\$110,476.5	\$552.4	\$0.100	\$0.000	\$552.5
12	\$112,686.1	\$563.4	\$0.100	\$0.000	\$563.5
13	\$114,939.8	\$574.7	\$0.100	\$0.000	\$574.8
14	\$117,238.6	\$586.2	\$0.100	\$0.000	\$586.3
15	\$119,583.4	\$597.9	\$0.100	\$0.000	\$598.0
16	\$121,975.0	\$609.9	\$0.100	\$0.000	\$610.0
17	\$124,414.5	\$622.1	\$0.100	\$0.000	\$622.2
18	\$126,902.8	\$634.5	\$0.100	\$0.000	\$634.6
19	\$129,440.9	\$647.2	\$0.100	\$0.000	\$647.3
20	\$132,029.7	\$660.1	\$0.100	\$0.000	\$660.2
Total	\$2,194,313.9	\$10,971.6	\$2.000	\$0.000	\$10,973.6

Table D2. Hollywood Siouxland Casino & Hotel Revenues to the City (\$1,000s)

Year	Total Projected AGR	Statutory 0.5% Distribution to the City	Expected Growth in Local Option Tax	Expected Growth in Hotel/Motel Tax	Other Taxes and Inducements
1	\$88,900.0	\$444.5	\$0.100	\$0.075	\$444.7
2	\$93,400.0	\$467.0	\$0.100	\$0.075	\$467.2
3	\$98,100.0	\$490.5	\$0.100	\$0.075	\$490.7
4	\$100,000.0	\$500.0	\$0.100	\$0.075	\$500.2
5	\$102,000.0	\$510.0	\$0.100	\$0.075	\$510.2
6	\$104,040.0	\$520.2	\$0.100	\$0.075	\$520.4
7	\$106,120.8	\$530.6	\$0.100	\$0.075	\$530.8
8	\$108,243.2	\$541.2	\$0.100	\$0.075	\$541.4
9	\$110,408.1	\$552.0	\$0.100	\$0.075	\$552.2
10	\$112,616.2	\$563.1	\$0.100	\$0.075	\$563.3
11	\$114,868.6	\$574.3	\$0.100	\$0.075	\$574.5
12	\$117,165.9	\$585.8	\$0.100	\$0.075	\$586.0
13	\$119,509.3	\$597.5	\$0.100	\$0.075	\$597.7
14	\$121,899.4	\$609.5	\$0.100	\$0.075	\$609.7
15	\$124,337.4	\$621.7	\$0.100	\$0.075	\$621.9
16	\$126,824.2	\$634.1	\$0.100	\$0.075	\$634.3
17	\$129,360.7	\$646.8	\$0.100	\$0.075	\$647.0
18	\$131,947.9	\$659.7	\$0.100	\$0.075	\$659.9
19	\$134,586.8	\$672.9	\$0.100	\$0.075	\$673.1
20	\$137,278.6	\$686.4	\$0.100	\$0.075	\$686.6
Total	\$2,281,607.1	\$11,408.0	\$2.000	\$1.500	\$11,411.5

Appendix E – Total Impact

Table E1. Revenues from Hollywood Casino (\$1,000s)

Year	Additional Property Tax	Other Taxes & Inducements	Amortized TIF Payments	Total
1	\$3,654.3	\$427.6	\$0.0	\$4,081.9
2	\$3,795.8	\$449.1	\$0.0	\$4,244.9
3	\$3,942.8	\$471.6	\$0.0	\$4,414.4
4	\$4,095.5	\$481.1	\$0.0	\$4,576.6
5	\$4,254.2	\$490.6	\$0.0	\$4,744.8
6	\$4,418.9	\$500.4	\$0.0	\$4,919.3
7	\$4,590.1	\$510.4	\$0.0	\$5,100.5
8	\$4,767.8	\$520.6	\$0.0	\$5,288.5
9	\$4,952.5	\$531.0	\$0.0	\$5,483.5
10	\$5,144.3	\$541.7	\$0.0	\$5,686.0
11	\$5,343.5	\$552.5	\$0.0	\$5,896.0
12	\$5,550.5	\$563.5	\$0.0	\$6,114.0
13	\$5,765.5	\$574.8	\$0.0	\$6,340.3
14	\$5,988.8	\$586.3	\$0.0	\$6,575.1
15	\$6,220.7	\$598.0	\$0.0	\$6,818.7
16	\$6,461.6	\$610.0	\$0.0	\$7,071.6
17	\$6,711.9	\$622.2	\$0.0	\$7,334.1
18	\$6,971.9	\$634.6	\$0.0	\$7,606.5
19	\$7,241.9	\$647.3	\$0.0	\$7,889.2
20	\$7,522.3	\$660.2	\$0.0	\$8,182.6
Total	\$107,394.9	\$10,973.6	\$0.0	\$118,368.4

Table E2. Revenues from Hollywood Siouxland Casino & Hotel (\$1,000s)

Year	Additional Property Tax	Other Taxes & Inducements	Amortized TIF Payments	Total
1	\$2,273.3	\$444.7	\$0.0	\$2,718.0
2	\$2,361.4	\$467.2	\$0.0	\$2,828.5
3	\$2,452.8	\$490.7	\$0.0	\$2,943.5
4	\$2,547.8	\$500.2	\$0.0	\$3,048.0
5	\$2,646.5	\$510.2	\$0.0	\$3,156.7
6	\$2,749.0	\$520.4	\$0.0	\$3,269.4
7	\$2,855.5	\$530.8	\$0.0	\$3,386.3
8	\$2,966.1	\$541.4	\$0.0	\$3,507.5
9	\$3,080.9	\$552.2	\$0.0	\$3,633.2
10	\$3,200.3	\$563.3	\$0.0	\$3,763.5
11	\$3,324.2	\$574.5	\$0.0	\$3,898.7
12	\$3,453.0	\$586.0	\$0.0	\$4,039.0
13	\$3,586.7	\$597.7	\$0.0	\$4,184.4
14	\$3,725.6	\$609.7	\$0.0	\$4,335.3
15	\$3,869.9	\$621.9	\$0.0	\$4,491.8
16	\$4,019.8	\$634.3	\$0.0	\$4,654.1
17	\$4,175.5	\$647.0	\$0.0	\$4,822.4
18	\$4,337.2	\$659.9	\$0.0	\$4,997.1
19	\$4,505.2	\$673.1	\$0.0	\$5,178.3
20	\$4,679.6	\$686.6	\$0.0	\$5,366.2
Total	\$66,810.2	\$11,411.5	\$0.0	\$78,221.7

Table E3. Revenue to the City from Warrior Casino & Hotel (\$1,000s)

Year	Additional Property Tax - TIF restricted	Other Taxes & Inducements	Amortized TIF Payments	Total
1	\$2,582.1	\$2,629.0	\$1,839.5	\$3,371.6
2	\$2,682.7	\$2,734.4	\$1,839.5	\$3,577.5
3	\$2,787.1	\$2,827.1	\$1,839.5	\$3,774.7
4	\$2,895.6	\$2,911.8	\$1,839.5	\$3,967.8
5	\$3,008.2	\$2,999.0	\$1,839.5	\$4,167.6
6	\$3,125.2	\$3,309.6	\$1,839.5	\$4,595.2
7	\$3,246.7	\$3,408.8	\$1,839.5	\$4,816.0
8	\$3,372.9	\$3,511.1	\$1,839.5	\$5,044.4
9	\$3,503.9	\$3,616.4	\$1,839.5	\$5,280.8
10	\$3,640.0	\$3,724.9	\$1,839.5	\$5,525.4
11	\$3,781.4	\$3,836.7	\$1,839.5	\$5,778.5
12	\$3,928.2	\$3,951.8	\$1,839.5	\$6,040.4
13	\$4,080.7	\$4,070.3	\$1,839.5	\$6,311.4
14	\$4,239.0	\$4,192.4	\$1,839.5	\$6,591.9
15	\$4,403.5	\$4,318.2	\$1,839.5	\$6,882.2
16	\$4,574.3	\$4,447.7	\$1,839.5	\$7,182.5
17	\$4,751.8	\$4,581.1	\$1,839.5	\$7,493.4
18	\$4,936.0	\$4,718.6	\$1,839.5	\$7,815.1
19	\$5,127.4	\$4,860.1	\$1,839.5	\$8,148.0
20	\$5,326.2	\$5,005.9	\$1,839.5	\$8,492.6
Total	\$75,993.0	\$75,655.0	\$36,790.9	\$114,857.1

Table E4a. Revenues to the City from Hard Rock Casino - Alternative 1 (\$1,000s)

Year	Additional Property Tax - TIF restricted	Other Taxes & Inducements - Projection 1	Amortized TIF Payments	Total
1	\$2,253.2	\$2,100.0	\$1,618.8	\$2,734.4
2	\$2,256.5	\$2,148.6	\$1,618.8	\$2,786.3
3	\$2,260.0	\$2,256.0	\$1,618.8	\$2,897.2
4	\$2,263.5	\$2,323.6	\$1,618.8	\$2,968.3
5	\$2,267.0	\$2,393.4	\$1,618.8	\$3,041.6
6	\$2,270.7	\$2,465.1	\$1,618.8	\$3,117.0
7	\$2,274.3	\$2,539.1	\$1,618.8	\$3,194.6
8	\$2,287.8	\$2,615.3	\$1,618.8	\$3,284.3
9	\$2,379.1	\$2,693.7	\$1,618.8	\$3,454.0
10	\$2,473.9	\$2,774.5	\$1,618.8	\$3,629.6
11	\$2,572.2	\$2,857.8	\$1,618.8	\$3,811.2
12	\$2,674.3	\$2,943.5	\$1,618.8	\$3,998.9
13	\$2,780.2	\$3,031.8	\$1,618.8	\$4,193.2
14	\$2,890.1	\$3,122.7	\$1,618.8	\$4,394.0
15	\$3,004.2	\$3,216.4	\$1,618.8	\$4,601.8
16	\$3,122.6	\$3,312.9	\$1,618.8	\$4,816.7
17	\$3,245.5	\$3,412.3	\$1,618.8	\$5,039.0
18	\$3,373.1	\$3,514.6	\$1,618.8	\$5,269.0
19	\$3,505.5	\$3,620.1	\$1,618.8	\$5,506.8
20	\$3,643.0	\$3,728.7	\$1,618.8	\$5,752.9
Total	\$53,796.8	\$57,070.0	\$32,376.0	\$78,490.8

Note: AGR based on using the developer's estimate for revenues per table and slot.

Table E4b. Revenues to the City from Hard Rock Casino - Alternative 2 (\$1,000s)

Year	Additional Property Tax - TIF restricted	Other Taxes & Inducements - Projection 2	Amortized TIF Payments	Total
1	\$2,253.2	\$2,100.0	\$1,618.8	\$2,734.4
2	\$2,256.5	\$2,100.0	\$1,618.8	\$2,737.7
3	\$2,260.0	\$2,100.0	\$1,618.8	\$2,741.2
4	\$2,263.5	\$2,100.0	\$1,618.8	\$2,744.7
5	\$2,267.0	\$2,100.0	\$1,618.8	\$2,748.2
6	\$2,270.7	\$2,100.0	\$1,618.8	\$2,751.9
7	\$2,274.3	\$2,100.0	\$1,618.8	\$2,755.5
8	\$2,287.8	\$2,100.0	\$1,618.8	\$2,769.0
9	\$2,379.1	\$2,100.0	\$1,618.8	\$2,860.3
10	\$2,473.9	\$2,100.0	\$1,618.8	\$2,955.1
11	\$2,572.2	\$2,100.0	\$1,618.8	\$3,053.4
12	\$2,674.3	\$2,100.0	\$1,618.8	\$3,155.5
13	\$2,780.2	\$2,112.0	\$1,618.8	\$3,273.4
14	\$2,890.1	\$2,175.3	\$1,618.8	\$3,446.6
15	\$3,004.2	\$2,240.6	\$1,618.8	\$3,626.0
16	\$3,122.6	\$2,307.8	\$1,618.8	\$3,811.6
17	\$3,245.5	\$2,377.0	\$1,618.8	\$4,003.8
18	\$3,373.1	\$2,448.3	\$1,618.8	\$4,202.6
19	\$3,505.5	\$2,521.8	\$1,618.8	\$4,408.5
20	\$3,643.0	\$2,597.4	\$1,618.8	\$4,621.6
Total	\$53,796.8	\$43,980.1	\$32,376.0	\$65,401.0

Note: AGR based on using the all-casino average estimate for revenues per table and slot.

Table E4c. Revenues to the City from Hard Rock Casino - Alternative 3 (\$1,000s)

Year	Additional Property Tax - TIF restricted	Other Taxes & Inducements - Projection 3	Amortized TIF Payments	Total
1	\$2,253.2	\$2,100.0	\$1,618.8	\$2,734.4
2	\$2,256.5	\$2,100.0	\$1,618.8	\$2,737.7
3	\$2,260.0	\$2,100.0	\$1,618.8	\$2,741.2
4	\$2,263.5	\$2,100.0	\$1,618.8	\$2,744.7
5	\$2,267.0	\$2,100.0	\$1,618.8	\$2,748.2
6	\$2,270.7	\$2,100.0	\$1,618.8	\$2,751.9
7	\$2,274.3	\$2,100.0	\$1,618.8	\$2,755.5
8	\$2,287.8	\$2,100.0	\$1,618.8	\$2,769.0
9	\$2,379.1	\$2,100.0	\$1,618.8	\$2,860.3
10	\$2,473.9	\$2,100.0	\$1,618.8	\$2,955.1
11	\$2,572.2	\$2,153.5	\$1,618.8	\$3,106.9
12	\$2,674.3	\$2,218.1	\$1,618.8	\$3,273.6
13	\$2,780.2	\$2,284.7	\$1,618.8	\$3,446.0
14	\$2,890.1	\$2,353.2	\$1,618.8	\$3,624.5
15	\$3,004.2	\$2,423.8	\$1,618.8	\$3,809.2
16	\$3,122.6	\$2,496.5	\$1,618.8	\$4,000.3
17	\$3,245.5	\$2,571.4	\$1,618.8	\$4,198.1
18	\$3,373.1	\$2,648.5	\$1,618.8	\$4,402.8
19	\$3,505.5	\$2,728.0	\$1,618.8	\$4,614.7
20	\$3,643.0	\$2,809.8	\$1,618.8	\$4,834.0
Total	\$53,796.8	\$45,687.4	\$32,376.0	\$67,108.2

Note: AGR based on using the matching-casino average estimate for revenues per table and slot.

Appendix F - Federal, State and Local Historic Preservation Incentives

Background

The Hard Rock Casino and Hotel development proposed by Sioux City Entertainment, Inc. and Missouri River Historical Development, Inc. will involve the rehabilitation of the Battery Building (also known as the Simmons Hardware Company Building), which is located at 110 4th Street in Sioux City.

The Warrior Casino and Hotel development proposed by Warrior Entertainment, Inc. will involve the rehabilitation of two historic properties. These properties are the Warrior Hotel located at 525 6th Street and the Davidson Building located at 505 6th Street in Sioux City.

All three properties are listed on the National Register of Historic Places, which makes them eligible for a variety of tax incentives. These incentives are described below.

Federal Historic Preservation Tax Credits

To qualify for the federal historic preservation tax credit a property must either be listed on the National Register of Historic Place and be eligible for listing on the National Register and then be listed on the National Register within 30 months after claiming the tax credit. Also, the property must be income producing. The federal credit is equal to 20% of qualified rehabilitation costs.

State Historic Preservation Tax Credits

To qualify for the Iowa historic preservation tax credit a property must be listed on or eligible for listing on the National Register of Historic Places or barns constructed before 1937 or barns that are eligible or listed on the National Register of Historic Places. Properties do not need to be income-producing.

The credit amount equals 25% of qualified rehabilitation costs. The state credits are both refundable and transferable.

To receive the state credits applicants must complete a three part review process. Part 1 determines whether or not the property is eligible for the state tax credit. The Part 2 involves a detailed review of

the qualified rehabilitation planned for the project. With completion of a successful Part 2 review tax credits are reserved for the project. The tax credits are not actually awarded until the agreed to rehabilitation work is completed and the Part 3 review completed.

In order to obtain upfront funding for rehabilitation work the state historic preservation tax credits may be sold to individuals and businesses with an Iowa tax liability. Taxes against which the credits may be applied are the individual income tax, corporate income tax, franchise tax, and insurance premium tax. The credits become marketable (transferable) at the time they are reserved following approval of the Part 2 review. Tax credits that are sold are generally discounted by from 10% to 35%.

Local Temporary Historic Preservation Property Tax Exemption

Properties must be listed on or be eligible for listing on the National Register of Historic Places, contributing to National Register or local historic districts, or designated by a county or municipal landmark ordinance.

The property must also be eligible based on the specific county's priority list for that tax year. The County Board of Supervisors will establish priorities for which an exemption may be granted and will annually designate real property in the county for an historic property tax exemption. A public meeting must be held, with notice given, at which the proposed priority list will be presented.

Property taxes remain at the value prior to the undertaking of the rehabilitation work for four years followed by increases of 25% per year for the following four years after which the property is subject to tax at its full taxable value. Two applications are required – one from State Historic Preservation Office and one from the county assessor.

Review Status of Proposed Casino and Hotel Properties

Of the three historic buildings included in the two proposed casino and hotel sites, the Iowa Department of Cultural Affairs has received an historic preservation tax credit application for only the Davidson Building.

From information provided in the Hard Rock Casino and Hotel project proposal, the amount of expenditures that would qualify for State historic preservation tax credits are not clearly identified.

Also, because the developer for this project has signed a minimum assessment agreement with the city it does not appear that a local temporary tax exemption will be a factor.

The proposal for the Warrior Casino and Hotel indicates that there is an expectation that the development will qualify for \$9 million in State historic preservation tax credits.

Currently, the State receives more applications for tax credits most years than the \$45 million in credits that may be obligated each year. This means that some eligible projects receive tax credits spread over two or more years.

Appendix F - About the Research Team

Strategic Economics Group (SEG) is the region's only locally- owned economic research consulting firm. It has served businesses and government clients in Iowa and the Midwest since 2001. The SEG team develops economic impact studies, fiscal impact estimates, cost-benefit models, management information systems and forensic projections. SEG's clients include:

U.S. Department of Agriculture, U.S. Small Business Administration, Iowa Department of Agriculture and Land Stewardship, Iowa Department of Economic Development, Iowa Workforce Development, Treasurer of Iowa, Iowa Farm Bureau Federation, Iowa Area Development Group, Iowa Association of Business and Industry, Iowa Association of Realtors, Iowa District Export Council, Service Corps of Retired Executives, Urban Caucus, Chamber Alliance, Greater Des Moines Partnership, Iowa Association of Electric Cooperatives, Iowa Utility Association, Alliant Energy, Mid-American Energy, Principal Financial, Iowa Credit Union League, Catholic Health Initiative, Iowa Gaming Association, Mediacom, StrategicAmerica, Flynn Wright Advertising, West Metro Regional Airport Authority, Drake University, Des Moines Area Community College, Grand View University, St. Ambrose University, Iowa Association of Community College Presidents, and the Iowa Student Loan Liquidity Corporation.

Harvey Siegelman is the President of Strategic Economics Group. In 2001, Mr. Siegelman retired as Iowa's longest-serving State Economist (1982-2001). He was also Adjunct Professor of Economics at Drake University. Siegelman earned his Master of Arts in Economics degree from Wichita State University. Prior to his appointment as State Economist, he was a professor of economics at University of Wisconsin-Whitewater Campus, Findlay University (Ohio) and visiting professor at Wichita State University.

Michael Lipsman is a Senior Economic Analyst with Strategic Economics Group. Lipsman has earned a Masters in Community and Regional Planning and a Doctorate in Economics from Iowa State University. Over the course of a 31 year professional career in Iowa State government he has worked as a transportation planner, senior legislative analyst, and tax research analyst. From 2000 to 2011 he managed the Tax Research and Program Analysis Section of the Iowa Department of Revenue.