



**THE
INNOVATION
GROUP**

Gaming and Horseracing Market Analysis and Socioeconomic Study

State of Nebraska

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Nebraska Racing and Gaming Commission

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Prepared by:

The Innovation Group
400 North Peters Street
Suite 206
New Orleans, LA 70130
504.523.0888
www.theinnovationgroup.com

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INTRODUCTION

The Innovation Group was commissioned by the Nebraska Racing and Gaming Commission (NRGC) to conduct a statewide horse racing industry analysis, gaming market analysis, and socio-economic impact study.

The Horse Racing Analysis looks at historical trends and current performance and spare capacity at existing racetracks in Nebraska. Nebraska Initiative 431 links casino development to racing licenses. Therefore, any further casino development beyond the six existing racing license holders would require development of a racetrack. Of the six existing tracks, only one—Fonner Park—operates a full racing schedule. The remaining five tracks have more than ample spare capacity to accommodate up to a four-fold growth in live racing.

The Gaming Market Analysis utilizes a drivetime gravity model to assess the revenue potential for Nebraska commercial casinos for the following eight scenarios:

- Baseline: this includes casinos only at the currently licensed racetracks in Adams, Dakota, Douglas, Hall, Lancaster, and Platte counties.
- Scenario 1: assuming a racetrack and casino are approved for Bellevue
- Scenario 2: assuming a racetrack and casino are approved for Norfolk
- Scenario 3: assuming a racetrack and casino are approved for York
- Scenario 4: assuming a racetrack and casino are approved for North Platte
- Scenario 5: assuming a racetrack and casino are approved for Gering
- Scenario 6: assuming a racetrack and casino are approved for Kimball
- Scenario 7: assuming the racetrack in Hastings is relocated to Ogallala
- Scenario 8: assuming a combination of Scenarios 1-7

The gravity model is an analytical tool that defines the behavior of a population based on travel distance and the availability of goods or services at various locations. The model results, summarized in Table 39, shows that Scenario 8 has the highest net gain to the state but by far the largest impact on existing license holders. Scenarios 5 and 6 involve very little overlap with existing licenses. Scenario 7 does not involve the addition of a new racing license but rather the relocation of the Hastings license farther west, to Ogallala, where it would have improved market potential and lower overlap with the other five existing licenses.

The Social and Community Impact Analysis discusses the potential impacts of casinos on factors such as problem gambling, crime, local businesses, community services, household finances, public health, and unemployment. Given the newness of the Nebraska casino industry, potential impacts from Nebraska casino development would not be reflected yet in county data or municipal budgets. Therefore, in this report we provide benchmarks of socio-economic indicators from pre-Nebraska-casino development. These benchmarks can be compared in future reports with future data to assess the socio-economic impacts of Nebraska casino development over time.

RACING INDUSTRY ANALYSIS

Nebraska Initiative 431 links casino development to racing licenses. Therefore, any further casino development beyond the six existing racing license holders would require development of a racetrack. Of the six existing tracks, only one—Fonner Park—operates a full racing schedule, with 42 race days in 2023. Columbus Exposition & Racing offered nine race days in 2023, and Atokad offered two. The remaining three tracks offered one day.

Below are tables highlighting historical statistics regarding the current state of horse racing industry across Nebraska.

Statewide

Historically there were significantly more race days and races offered in Nebraska. In 1975, 183 race days and 1,589 races were offered at five tracks, more than three times the race days and more than four times the number of races compared to 2022.

Table 1: Historical Statewide Summary

	1960	1965	1970	1975	1987	2007	2008	2009	2022
Tracks	8	7	6	5					6
Race Days	140	162	164	183	180	106	103	103	53
Races		1,381	1,408	1,589					371
Handle (MMs)	\$36	\$49	\$61	NA	\$88	\$97	\$98	\$90	\$55
Purse Distribution	\$1,691,520	\$2,517,525	\$3,333,070	\$5,847,785					
Attendance Paid	656,417	835,888	920,405	1,181,033					

The Nebraska breeding industry has already shown signs of increasing as a result of the gaming legislation (as discussed in the Breed Analysis below). In 2023, 91 Nebraska-bred horses raced at Nebraska tracks.

Table 2: Statewide Starters

	2016	2017	2018	2019	2020	2021	2022	2023
Number of Starters	847	820	767	732	761	762	698	729
Nebraska Bred Horses	110	111	102	108	95	90	89	91

Most Nebraska-bred starts occurred at Fonner Park, followed by Columbus.

Table 3: Nebraska Bred Starts Data, by Track

	2016	2017	2018	2019	2020	2021	2022	2023
Atokad (South Sioux City)	3	3	3	7	8	8	8	16
Columbus Exposition & Racing	156	138	131	98	16	84	96	47
FairPlay Park (Hastings)	6							
Fonner Park (Grand Island)	383	377	270	319	414	253	322	392
Horseman's Park (Omaha)	95	94	117	134	12	91	4	3
Legacy (Lincoln)	6	16	16	8	8	8	4	2
Total	649	628	537	566	458	444	434	460

Handle in Nebraska has declined over the last decade or so, from \$79 million in 2012 to \$55 million in 2022.

Table 4: Statewide Pari-Mutuel Handle by Year (000s)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Live Meet	\$8,445	\$5,592	\$5,493	\$5,697	\$6,021	\$5,982	\$5,175	\$5,252	\$2,539	\$5,820	\$5,680
Intrastate	\$2,952	\$1,594	\$1,623	\$2,553	\$1,203	\$1,176	\$1,043	\$4,171	\$1,286	\$1,003	\$881
Interstate	\$67,478	\$61,215	\$60,912	\$61,052	\$63,722	\$60,607	\$57,410	\$52,500	\$51,469	\$50,028	\$48,357
Total	\$78,687	\$68,401	\$68,028	\$69,301	\$71,081	\$67,932	\$63,735	\$63,324	\$55,488	\$56,975	\$55,007

As the following tables show, there is more than sufficient capacity with the state's existing six racing licenses to allow for a tripling or quadrupling of racing in Nebraska. The data do not support the addition of more racing licenses.

Hastings

FairPlay Park at the Adams County Fairgrounds in Hastings is currently the only track racing Quarter Horses. It runs only one race a year with three horses.

Table 5: Hastings Statistics by Year

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Race days, total	1	1	1	1	1	1	1	1	1	1
Race days, stakes	0	0	0	0	0	0	0	0	0	0
Races, total	1	1	1	1	1	1	1	1	1	1
Races, stakes	0	0	0	0	0	0	0	0	0	0
Starters, total	3	3	3	3	3	3	2	3	3	3
Starts, total	3	3	3	3	3	3	2	3	3	3
Nebraska-bred starters	3	3	3	3	3	3	2	3	3	3
Nebraska-bred starts	3	3	3	3	3	3	2	3	3	3
Racing Season	23-Apr	29-Apr	10-May	9-Aug	11-Sept	12-Sept	15-Oct	29-Apr	5-May	6-Apr
Field Size	3	3	3	3	3	3	3	3	3	3
Purse Money	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$7,500
Live Handle	\$483	\$184	\$70	\$79	\$56	\$104	\$54	\$100	\$137	\$99
Export Handle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Handle	\$0	\$0	\$70	\$79	\$56	\$104	\$54	\$100	\$137	\$99
Employees	30	30	30	30	30	30	30	30	30	30

Columbus Exposition and Racing

Race days at Columbus Exposition and Racing (CER) have reduced to 9 in the past three years from 16, and the number of races to 235 in 2023 from 370 in 2014. Field size had fallen to below six but rebounded to 7.38 in 2023.

Table 6: CER Columbus Statistics by Year

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Race days, total	16	16	16	16	14	11	4	9	9	9
Race days, stakes	5	5	5	5	5	5	0	5	5	6
Races, total	123	122	125	122	105	89	4	67	52	74
Races, stakes	5	5	5	5	5	5	0	5	5	6
Starters, total	370	368	355	348	285	244	16	186	129	235
Racing Season	Aug/Sept	Aug/Sept	Aug/Sept	Aug/Sept	Aug/Sept	Aug/Sept	Aug/Sept	Aug/Sept	Aug/Sept	Aug/Sept
Field Size	6.68	6.46	6.32	6.44	6.35	6.44	4.00	5.76	5.71	7.38
Purse Money	\$525,000	\$555,000	\$563,784	\$539,872	\$459,811	\$385,205	\$30,000	\$336,000	\$274,000	\$369,405
Stakes	\$35,000	\$45,000	\$10,000	\$39,400	\$49,700	\$49,200	--	\$75,800	\$73,350	\$88,350
Breed Awards	\$95,000	\$105,000	\$125,213	\$27,332	\$20,695	\$23,080	\$1,204	\$10,315	\$7,911	\$3,461
Live Handle (000s)	\$693	\$742	\$739	\$654	\$597	\$542	\$12	\$286	\$226	\$218
Export Handle (000s)	\$233	\$263	\$275	\$218	\$217	\$182	--	\$112	\$63	\$86
Employees	71	66	65	63	61	63	32	66	62	65

Atokad

Atokad has only live handle, no export or simulcast. Limited racing data was provided. Two days of racing were offered in 2023 and one in 2022, offering three races per day.

Table 7: Atokad Statistics

Year	2016	2017	2018	2019	2020	2021	2022	2023
Live Handle	\$2,156	\$6,485	\$9,092	\$11,650	\$1,778	\$7,014	\$0	\$14,992
Race Days							1	2
Starts, Nebraska Bred Horses	3	3	3	7	8	8	8	16
Number of Employees	24	24	24	24	24	24	24	24

Fonner Park

Fonner Park at the state fairgrounds in Grand Island is Nebraska's leading racetrack, accounting for three-quarters of the state's race days. The number of race days and races has increased in 2022 and 2023.

Table 8: Fonner Park Statistics by Year

Year	2016	2017	2018	2019	2020	2021	2022	2023
Race days, total	31	29	29	30	40	30	37	42
Race days, stakes	13	13	13	13	12	13	17	18
Races, total	283	271	255	265	346	268	313	320
Races, stakes	13	13	13	13	12	13	17	18
Starters, total	684	647	608	618	759	718	682	595
Starts, total	2,157	2,142	1,886	1,944	2,782	2,116	2,339	2,152
Nebraska-bred starters	104	106	87	103	93	87	86	83
Nebraska-bred starts	392	322	253	414	319	270	377	383
Opening Day	26-Feb-16	25-Feb-17	23-Feb-18	22-Feb-19	21-Feb-20	19-Feb-21	19-Feb-22	10-Feb-23
Closing Day	7-May-16	6-May-17	5-May-18	4-May-19	27-May-20	1-May-21	21-May-22	20-May-23
Average field size	7.6	7.9	7.4	7.3	8.0	7.9	7.5	6.7
"Base" purses	\$1,576,191	\$1,611,000	\$1,488,785	\$1,628,089	\$2,029,980	\$1,842,122	\$2,156,720	\$2,108,971
Purse supplements	\$197,966	\$193,297	\$117,045	\$52,934	\$56,939	\$36,254	\$102,752	\$474,038
Total purses (base + supplements)	\$1,774,157	\$1,804,297	\$1,605,830	\$1,681,023	\$2,086,919	\$1,878,376	\$2,259,472	\$2,583,009
Live handle (000s)	\$4,568	\$4,535	\$3,807	\$3,908	\$2,529	\$4,650	\$5,452	\$5,052
Export handle (000s)	\$2,522	\$2,851	\$2,815	\$3,601	\$105,016	\$16,484	\$16,241	\$1,435
Total handle (000s)	\$7,090	\$7,385	\$6,622	\$7,508	\$107,545	\$21,134	\$21,693	\$6,487
Employees	252	250	259	229	273	298	292	293

* Does not include race days that satisfy the requirements of 2-1228 but were cancelled due to forces beyond Fonner Park's control

** Includes money from the NTBD Fund, horsemen's contributions (nomination fees, entry fees, etc.), and NTBA contributions from casino revenues

Legacy Downs (Lincoln)

The racetrack in Lincoln is now called Legacy Downs, owned by Ho-Chunk, Inc. Since at least 2016 it has run only one race day per year except in 2017, 2018 and 2020, when it offered two days of racing. It offers only live handle.

Table 9: Lincoln Statistics by Year

Year	2016	2017	2018	2019	2020	2021	2022	2023
Race days, total	1	2	2	1	2	1	1	1
Race days, stakes	0	0	0	0	0	0	0	0
Races, total	2	4	4	2	2	2	1	1
Races, stakes	0	0	0	0	0	0	0	0
Starters, total	6	14	16	8	8	8	4	2
Starts, total	6	16	16	8	8	8	4	2
Nebraska-bred starters	6	14	16	8	8	8	4	2
Nebraska-bred starts	6	16	16	8	8	8	4	2
Opening Day	08-Sept-16	08-Sept-17	07-Sept-18	09-Nov-19	01-Nov -20	19-May-21	1-Feb-22	31-Oct-23
Average field size	3.0	4.0	4.0	4.0	4.0	4.0	4.0	2.0
"Base" purses	\$6,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purse supplements	\$3,000	\$22,800	\$22,800	\$11,400	\$11,400	\$11,400	\$10,000	\$6,000
Total purses (base + supplements)	\$9,800	\$22,800	\$22,800	\$11,400	\$11,400	\$11,400	\$10,000	\$6,000
Live handle	\$5,352	\$18,456	\$12,312	\$7,156	\$2,731	\$2,198	\$806	\$282
Total handle	\$5,352	\$18,456	\$12,312	\$7,156	\$2,731	\$2,198	\$806	\$282
Employees	130	134	128	110	65	63	41	9

Horseman's Park (Omaha)

Horseman's Park in Omaha is also owned by Ho-Chunk, Inc. It has offered only one day of racing the past two years.

Table 10: Omaha Statistics by Year

	2016	2017	2018	2019	2020	2021	2022	2023
Race days, total	5	7	9	9	3	10	1	1
Race days, stakes	3	5	5	6	0	8	0	0
Races, total	9	39	58	58	3	60	1	1
Races, stakes	8	8	8	8	0	8	0	0
Starters	182	201	261	245	12	278	4	3
Starts	233	273	432	431	12	463	4	3
Nebraska-bred starters	62	59	65	76	12	58	4	3
Nebraska-bred starts	95	94	117	134	12	91	4	3
Opening Day	20-May-16	07-July-17	12-May-18	11-May-19	23-Oct -20	07-May-21	3-Feb-22	30-Oct-23
Closing Day	29-July-16	29-July-17	09-Jun-18	08-Jun-19	25-Oct -20	05-Jun-21	3-Feb-22	30-Oct-23
Average field size	8.0	7.0	7.4	7.4	4.0	7.7	4.0	3.0
"Base" purses	\$254,400	\$328,050	\$468,874	\$483,762	\$0	\$491,470	\$0	\$0
Purse supplements	\$202,627	\$175,750	\$178,960	\$184,128	\$22,500	\$167,800	\$10,000	\$6,850
Total purses (base + supplements)	\$457,027	\$503,800	\$647,834	\$667,890	\$22,500	\$659,270	\$10,000	\$6,850
Live handle	\$710,824	\$768,044	\$749,267	\$783,006	\$3,540	\$874,051	\$1,135	\$75
Export handle	\$303,154	\$230,613	\$337,113	\$403,615	\$0	\$847,315	\$0	\$4
Total handle	\$1,013,978	\$998,657	\$1,086,380	\$1,186,621	\$3,540	\$1,721,366	\$1,135	\$79
Employees	304	298	277	233	126	188	115	60

Breed Analysis

The Nebraska racing industry is almost exclusively Thoroughbred based. In 1993 Quarter Horse tracks were excluded from receiving Small Track Fund monies, and Nebraska Quarter Horse racing ceased for several years along with incentives to register Nebraska-Bred Quarter Horses. Since 2004 FairPlay Park in Hastings has conducted a 1 day, 1 race event as required by Nebraska statute to maintain a racing license, with only three horses racing.

The passage of the casino legislation has spurred a significant increase in Quarter Horse breed registrations.

Table 11: Nebraska Quarter Horse Breeding Data

	1993	2000-2020	Current
Breeders/Owners	195	5	13
Broodmares registered	812	20	40
Stallions registered	94	1	6

Source: Nebraska Quarter Horse Racing Association

The American Quarter Horse Association reports that there are approximately 80,000 Quarter Horses in Nebraska (up to age 25), with new registrations averaging approximately 2,500 horses per year in the past three years. Quarter Horse experts estimate that nationally 10% to 20% of Quarter Horses are either race bred or have race breeding in their pedigree, which would imply a

potential pool of Nebraska-bred race horses of 500-1,000. Therefore, there appears to be a sufficient population potential for a Quarter Horse racing industry in Nebraska.

In Texas, Quarter Horses account for one-third of races run.

Table 12: 2021 Purses at Texas Tracks

	Purse Amount	# of Horses
Other Breeds	\$1,479,540	82
QH	\$18,656,957	103
TB	\$26,465,211	125
Total	\$46,601,708	310

Source: Texas Racing Commission

The passage of the casino legislation has also spurred a significant increase in Thoroughbred breed registrations, with broodmares up by nearly 60% and foal registrations by more than double 2019 levels.

Table 13: Thoroughbred Breeding Data

Year	NE Mares Bred	NE Foals	US Foals
2002	340	147	32,986
2003	366	175	33,976
2004	378	164	34,800
2005	341	189	35,050
2006	363	164	34,905
2007	319	158	34,358
2008	255	122	32,332
2009	212	133	29,612
2010	151	88	25,955
2011	82	46	22,655
2012	80	35	21,470
2013	116	35	21,431
2014	136	50	21,427
2015	93	57	21,526
2016	114	53	21,119
2017	85	43	20,671
2018	53	36	19,760
2019	61	33	19,106
2020	81	51	18,454
2021	106	89	17,850
2022	97	70	17,300
CAGR	-6.1%	-3.6%	-3.2%
2022/2019	59%	112%	-9%

Source: The Jockey Club

Comparable State Analysis

Funding enhancements from casino revenue for breeding and purses can have a positive impact on a state’s horse racing industry. However, there are practical limits to growth, as Pennsylvania demonstrates. The number of Pennsylvania-bred Thoroughbreds racing in Pennsylvania increased by approximately 900 horses or 50% as a result of approximately \$180 million in purse funds and \$20 million in breeding funds from casino revenue. This implies a breeding fund per-horse of \$22,000. A 50% increase on Nebraska-bred starters would imply 45 more horses and a breeding fund of approximately \$1 million.

Wyoming

Over the last decade, race-horse breeding in Wyoming has gone from being so marginal that it did not warrant reporting by the Wyoming Gaming Commission to an industry that produced 312 registered Wyoming-bred horses that raced in the 2022 season, an increase of 15.6% over the 270 that raced in the 2021 season.

The number of Wyoming-bred horses participating in Wyoming races has risen dramatically since statistics were first reported in 2014, demonstrating the success of the breeder’s award program.

Table 14: Wyoming-bred Horses Racing

	# of Horses	% Change
2014	55	N/A
2015	76	38.2%
2016	87	14.5%
2017	120	37.9%
2018	176	46.7%
2019	179	1.7%
2020	226	26.3%
2021	270	19.5%
2022	312	15.6%
CAGR	24.2%	

Source: Wyoming Gaming Commission

Income from historical horse racing (“HHR”) terminals funds operations, purses, and other expenses at Wyoming’s three racetracks. Additional cash flows from HHR allows the horse racing tracks to increase the amount of live racing days and offer richer purses. As a result, legalization of HHR, which had its first full year of operations in the state in 2014, boosted live horse racing revenue. The Wyoming Gaming Commission provides annual reports for the years 2011 to 2021 as well as the unaudited 2022 data available at the time of writing this report. The table below summarizes the live horse racing data. Total purses paid increased by a CAGR of 14.6% from 2014 to 2022, reaching roughly \$3.3 million in 2022.

Table 15: Wyoming Live Horse Racing State Totals

Year	Racing Days	Total Handle	Returned to Public	Sites	Average Handle per Site	Average Handle per Day	Total Purses
2011	4	\$115,960	\$87,922	1	\$115,960	\$28,990	-
2012	4	\$136,547	\$104,214	1	\$136,547	\$34,137	-
2013	10	\$248,817	\$191,676	2	\$124,409	\$24,882	-
2014*	20	\$1,152,465	\$891,791	2	\$576,233	\$57,623	\$1,100,637
2015	31	\$1,527,032	\$1,188,203	4	\$381,758	\$49,259	\$1,645,797
2016	22	\$1,019,471	\$791,394	4	\$254,868	\$46,340	\$1,115,385
2017	30	\$1,456,664	N/A	4	\$364,166	\$48,555	\$1,361,612
2018	34	\$1,560,505	N/A	3	\$520,168	\$45,897	\$1,819,850
2019	30	\$1,683,394	N/A	3	\$561,131	\$56,113	\$1,881,450
2020	24	\$1,586,949	N/A	2	\$793,475	\$66,123	\$1,770,155
2021	50	\$2,304,456	N/A	3	\$768,152	\$46,089	\$3,224,946
2022	50	\$2,345,062	N/A	3	\$781,687	\$46,901	\$3,267,200

Source: The Innovation Group; Wyoming Gaming Commission; *2014 if the First Full Year of HHR Operations

In addition to an increase in purses from HHR, the operations of HHR terminals in Wyoming contributes to the horse racing industry through a breeder’s award program. The following table displays the breeder’s award program payouts from 2010 to 2022. As shown in the table, total payouts have increased significantly over the time period analyzed. This large increase in payouts can be attributed to the introduction of historical horseracing in the state. In 2014, the first full year for HHR in Wyoming, total Breeder’s Award payouts increased by over \$450,000 to approximately \$505,000. Moreover, from 2014 to 2022, total payouts increased by a CAGR of about 33.8%, reflecting the positive impact that HHR has had on the Breeder’s Award program.

Table 16: Wyoming Horse Racing Breeder’s Award Statistics*

Year	Payout
2010	\$59,009
2011	\$9,405
2012	\$42,144
2013	\$41,662
2014	\$504,631
2015	\$1,198,127
2016	\$995,965
2017	\$1,717,403
2018	\$2,318,717
2019	\$3,210,134
2020	\$2,735,487
2021	\$3,717,301
2022	\$5,174,118
2014-2021 CAGR	33.8%

Source: Wyoming Gaming Commission; *Excludes Advanced Deposit Wagering

Pennsylvania

In 2004, the Pennsylvania state legislature passed the Pennsylvania Horse Development and Gaming Act. The Act legalized casino gaming within the state, with the first casino's beginning operations in 2006, and established the Pennsylvania Race Horse Development Fund. According to the Pennsylvania Gaming Control Board, approximately 10% of revenue generated from slot machine gaming each day is reserved for the Pennsylvania Race Horse Development Fund. In 2019, this resulted in a contribution of \$238.0 million to the Pennsylvania Race Horse Development Fund.¹

The following table displays the Pennsylvania Race Horse Development Fund Distributions to purses and the Pennsylvania Breeding Fund from 2006 to 2015. Over the first 10 years of the Fund's existence, distributions to purses increased by a CAGR of 58.7% from just over \$3 million to over \$193.6 million. Before the Fund was established, purses within the state ranged from \$30.0 million to \$40.0 million.²

Table 17: Pennsylvania Race Horse Fund Historical Distributions to Purses and Pennsylvania Breeding Fund

	Purses	PA Breeding Fund
2006	3,030,521	190,328
2007	99,746,964	8,399,133
2008	155,094,313	14,681,313
2009	188,565,798	18,235,972
2010	157,089,030	16,213,108
2011	181,321,256	18,634,739
2012	177,269,965	18,184,986
2013	165,608,544	17,125,771
2014	178,846,753	18,413,707
2015	193,685,318	20,222,210
CAGR	58.7%	67.9%

Source: Pennsylvania Gaming Control Board

According to data provided by The Jockey Club, in the first 10 years of the Pennsylvania Race Horse Development Fund, the number of Pennsylvania-Bred starters increased by a CAGR of 4.0%.

¹ https://gamingcontrolboard.pa.gov/files/reports/2019_Pari-Mutuel_Benchmark_Report.pdf

² <https://www.mcall.com/2005/05/01/down-on-the-horse-farm-breeders-betting-on-slots-anticipated-new-gambling-revenue-and-bigger-purses-lead-to-record-foaling-season/>

Table 18: Pennsylvania-Bred Racing Starters

	Starters
2001	1,803
2002	1,823
2003	1,774
2004	1,784
2005	1,821
2006	1,761
2007	1,915
2008	2,069
2009	2,241
2010	2,327
2011	2,427
2012	2,614
2013	2,738
2014	2,679
2015	2,506
06-15 CAGR	4.0%

Source: The Jockey Club

In addition to the statistics above, data reported by the Pennsylvania Horsemen's Benevolent and Protective Association (“PHBPA”) further indicates the positive benefits the Pennsylvania Race Horse Development Fund has created for the industry as well as the state’s overall economy. According to the PHBPA, before the state passed the Pennsylvania Horse Development and Gaming Act, horse racing generated annual economic impacts to the state of approximately \$1 billion while it now generates estimated total impacts of \$4 billion. Furthermore, it is estimated that horse owners and trainers reinvest approximately 89.0% of monies paid from the Pennsylvania Race Horse Development Fund into their local economies.³

³ <https://www.pahbpa.com/what-we-do/news/pennsylvania-race-horse-development-fund-fact-sheet/>

COMPETITIVE CASINO ENVIRONMENT

The Nebraska casino competition consists of both commercial and tribal gaming properties spread across six states.

Legislative Background of Native American Gaming

Native American gaming in the United States commenced as a result of the National Indian Gaming Regulatory Act (IGRA), which was passed by the U.S. Congress in 1988. The IGRA provides for a system of joint regulation of Class II gaming on Indian lands by tribes and the Federal Government, and establishes a system for compacts between tribes and states concerning the regulation of Class III gaming. By law, Class II gaming is defined as (1) bingo or lotto, whether or not electronic, computer or other technological aids are used; (2) pull-tabs, punch-boards, tip jars, instant bingo, and other similar games if played in the same location as bingo or lotto; (3) non-banking card games that a) state law explicitly authorizes, or does not explicitly prohibit, and are played legally anywhere in the state, and b) players play in conformity with state laws and regulations concerning hours, periods of operation, and limitations on wagers and pot sizes; (4) or other Class II gaming facilities in operation prior to 1988. By default, Class III gaming is defined as gaming activities that are not Class I or II, or those generally referred to as house-banked, which include Vegas-style games such as blackjack, roulette, craps and video lottery terminals, or slot machines.

IGRA established a process of compact negotiation between federally recognized tribes and state governments, which precedes casino development. States have the right to place limitations on the number and type of games as well as the location of casinos (off or on reservation land) and the selling and consumption of alcohol. Class II operations do not require a compact for negotiation and usually consist of bingo halls. The legal age to gamble in Nebraska Class III native facilities is 21.

Class III tribal gaming can vary by state, depending upon the results of compact negotiation between federally recognized tribes and individual governors. Some states execute compacts that restrict the games casinos can offer, number or size, as well as tax payment agreements and compact expiration dates.

Competitive Set

The Nebraska competitive set includes 32 properties across Nebraska, Iowa, Kansas, South Dakota, and Missouri. In total, the market consists of almost 19,000 slot machines, roughly 460 tables, and more than 2,100 hotel rooms. The following table presents the complete competitive set for the Nebraska statewide market, sorted by total number of positions.

Table 19: Nebraska Competitive Environment

Property	Location	Slots	Tables	Positions	F&B	Hotel
Ameristar Casino Hotel Kansas City	Kansas City, MO	1,790	42	2,042	8	184
Hollywood Casino at Kansas Speedway	Kansas City, KS	1,500	35	1,710	3	0
Ameristar Casino Council Bluffs	Council Bluffs, IA	1,295	28	1,463	5	160
Horseshoe Council Bluffs Casino	Council Bluffs, IA	1,241	54	1,565	3	0
Prairie Band Casino & Resort	Mayetta, KS	1,200	27	1,362	7	297
Argosy Casino	Riverside, MO	1,099	36	1,315	7	258
Harrah's Kansas City	North Kansas City, MO	944	58	1,292	4	390
Bally's Casino Kansas City	Kansas City, MO	894	24	1,038	5	0
WinnVegas Casino Resort	Sloan, IA	750	13	828	3	78
Grand Falls Casino	Larchwood, IA	703	32	895	5	97
Hard Rock Sioux City	Sioux City, IA	654	20	774	5	54
7th Street Casino	Kansas City, KS	600	0	600	2	0
Golden Eagle Casino	Horton, KS	600	9	654	1	0
Sac and Fox Casino	Powhattan, KS	500	10	560	3	0
Harrah's Council Bluffs	Council Bluffs, IA	495	19	609	3	251
St Jo Frontier Casino	St Joseph, MO	442	6	478	3	0
*WarHorse Casino Lincoln	Lincoln, NE	400	7	442	1	0
Royal River Casino & Hotel	Flandreau, SD	400	12	472	3	120
Prairie Wind Casino & Hotel	Pine Ridge, SD	382	8	430	2	78
Casino White Cloud	White Cloud, KS	380	0	380	1	4
Ohiya Casino & Resort	Niobrara, NE	368	0	368	3	45
Blackbird Bend Casino	Onawa, IA	347	0	347	1	0
*Grand Island Casino	Grand Island, NE	300	0	300	2	0
Fort Randall Casino & Hotel	Lake Andes, SD	298	9	352	2	50
*Harrah's Columbus Casino	Columbus, NE	250	0	250	1	0
Rosebud Casino	Valentine, NE	250	6	286	1	60
Prairie Flower Casino	Carter Lake, IA	200	0	200	1	0
East Wind Casino	Martin, SD	124	0	124	1	0
Lucky 77 Casino	Walthill, NE	100	0	100	1	0
Native Star Casino	Winnebago, NE	90	0	90	1	0
Iron Horse Bar & Casino	Emerson, NE	89	0	89	1	0
Prairie Band One Stop	Holton, KS	40	0	40	0	0

Source: Casino Websites, Casino City, The Innovation Group; *indicates property is currently using a temporary facility

Nebraska

Tribal Casinos

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

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

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

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

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

Commercial Casinos

WarHorse Casino Lincoln was the first temporary commercial facility in the state when it opened in September 2022 with 400 slot machines, seven table games, and one restaurant. Phase two of the expansion began in late 2023 and is expected to take about a year and will add about 900 positions and a 162-room hotel.

Harrah's Columbus is situated in Columbus, NE. The currently operating temporary facility offers 250 slot machines and one food and beverage choice. A permanent casino is set to open in 2024 and include 500 slot machines, 14 table games, a sportsbook, and a racetrack.

Grand Island Casino at Fonner Park is located in Grand Island, NE. The current temporary facility holds 300 slot machines and two food and beverage options. The permanent casino is set to open in late-2025 to 2025 and include 650 slot machines, 20 table games, a sportsbook, and a 116-room hotel.

Iowa

The Nebraska casino market competes with casino facilities located in western Iowa, particularly around Council Bluffs.

Commercial Casinos

Ameristar Casino Council Bluffs is Penn Entertainment's operation in Council Bluffs, IA. It is a riverboat casino with 1,295 slots, 28 table games, five food and beverage venues, a sportsbook, and a 160-room hotel.

Harrah's Casino is one of the two Caesars Entertainment properties in Council Bluffs. It is the smallest of the three Council Bluffs casinos with 495 slots, 19 table games, three food and beverage choices, a sportsbook, and a 251-room hotel.

Horseshoe Council Bluffs Casino is the other Caesars property in Council Bluffs. It hosts 1,241 slots, 54 table games, a sportsbook, and an attached Hilton Garden Inn with 153 rooms.

Hard Rock Casino in Sioux City, IA is owned by Churchill Downs Incorporated (CDI). It contains 654 slot machines, 20 table games, five food and beverage selections, and a 54-room hotel.

Grand Falls Casino is Elite Casino Resorts' facility located in Larchwood, IA. It hosts 703 slot machines, 32 table games, five food and beverage choices, and a hotel with 97 rooms.

Tribal Casinos

Prairie Flower Casino is a casino with 200 slot machines and one food and beverage offering, but an expansion is set to be completed in 2024. The expansion will include 600 slots machines, a sports book, multiple dining options, a center bar, and retail space. Because of a shift in the river, the casino is physically connected to Omaha but is technically in Carter Lake, Iowa.

Blackbird Bend Casino is located in Onawa, IA. It holds 347 slot machines and one food and beverage venue.

WinnaVegas Casino is a casino located in Sloan, IA. It offers 750 slot machines, 13 table games, three food and beverage options, and a 78-room hotel.

South Dakota

Although both tribal and commercial casinos exist in the South Dakota market, the only four properties relevant to the Nebraska market are all tribal. The Deadwood, SD market is generally too far away from northern Nebraska to compete for day-trip visits.

Royal River Casino is a casino located in Flandreau, SD. It offers 400 slot machines, 12 table games, three food and beverage options, and a 120-room hotel.

Fort Randall Casino is a casino located in Lake Andes, SD. It offers 298 slot machines, 9 table games, two food and beverage options, and a 50-room hotel.

East Wind Casino is a casino located in Martin, SD. It offers 124 slot machines and one food and beverage option.

Prairie Wind Casino is a casino located in Pine Ridge, SD. It offers 382 slot machines, 8 table games, two food and beverage options, and a 78-room hotel.

Missouri

In Missouri the only casinos permitted are riverboat casinos on the Missouri or Mississippi rivers or within 1,000 feet of their shorelines. As of 2023 there are no tribal casinos in Missouri.

Ameristar Casino Hotel Kansas City is one of Penn Entertainment's Kansas City facilities. It holds 1,790 slot machines, 42 table games, eight food and beverage choices, and a 184-room hotel.

Argosy Casino is the other Penn Entertainment casino located in the Kansas City market. It offers 1,099 slot machines, 36 table games, seven food and beverage options, and a 258-room hotel.

Bally's Casino Kansas City is Bally's Kansas City operation. The casino, which Bally's took ownership of in 2020, offers 894 slot machines, 24 table games, and five food and beverage options.

Harrah's Kansas City is located in North Kansas City, MO. It offers 944 slot machines, 58 table games, four food and beverage choices.

St Jo Frontier Casino, operated by Affinity Gaming, sits on the Missouri River in St Joseph, MO. It contains 442 slot machines, six table games, and three food and beverage selections.

Kansas

There are six relevant casinos in Kansas market that compete for trips with Nebraska casinos. Five are tribal properties and only one, Hollywood Casino at Kansas Speedway, is commercial.

7th Street Casino is a slot-only casino located in Kansas City, KS. It offers 600 slot machines and two food and beverage options. The facility is owned by the Wyandotte Tribe of Oklahoma.

Casino White Cloud is owned by the Iowa Tribe of Kansas and Nebraska and also slot-only. The facility resides in White Cloud, KS, featuring 380 slot machines, one food and beverage venue, and four cabins for overnight stays.

Golden Eagle Casino in Horton, KS is owned by the Kickapoo Tribe. It holds 600 slot machines, nine table games, and one food and beverage choice.

Hollywood Casino at Kansas Speedway is the only commercial casino located in the Kansas competitive set. The Penn Entertainment property resides in Kansas City, KS, next to the Kansas Speedway. It features 1,500 slot machines, 35 table games, and three food and beverage venues.

Prairie Band Casino & Resort is the Prairie Band Potawatomi Nation's casino located in Mayetta, KS. The resort casino holds 1,200 slot machines, 27 table games, seven food and beverage choices, and a 297-room hotel. The convenience store offers 40 slot machines.

Sac & Fox Casino is the Sac and Fox Nation of Missouri's casino facility in Powhattan, KS. It features 500 slot machines, 10 table games, and three food and beverage selections.

Colorado

To a lesser extent, the Nebraska statewide gaming market competes with Black Hawk and Central City, Colorado, located west of Denver. These two small mountain towns host a combined 21 casinos, roughly 7,800 slot machines and 220 tables, in addition to several restaurants and hotels.

Despite Black Hawk and Central City being several hours from western Nebraska, they do attract some gaming visits from the region. However, as the amount of visits is very small and usually involves an overnight stay, Black Hawk and Central City were not included in the gravity model analysis.

Proposed

WarHorse Casino Omaha

Expected to open mid to late 2024 and cost around \$300 million to construct, WarHorse Casino Omaha, owned by Ho-Chunk Inc., is expected to contain 1,300 slot machines, 20 tables games, a sportsbook, and several dining options.

South Sioux City

Ho-Chunk Inc. was awarded a license for South Sioux City, NE on a 100 acre site a mile away from Atokad Park. According to Ho-Chunk, this project is currently delayed and will open within a year of the Omaha and Lincoln facilities, however, and that has not been a building program announced.

Hastings

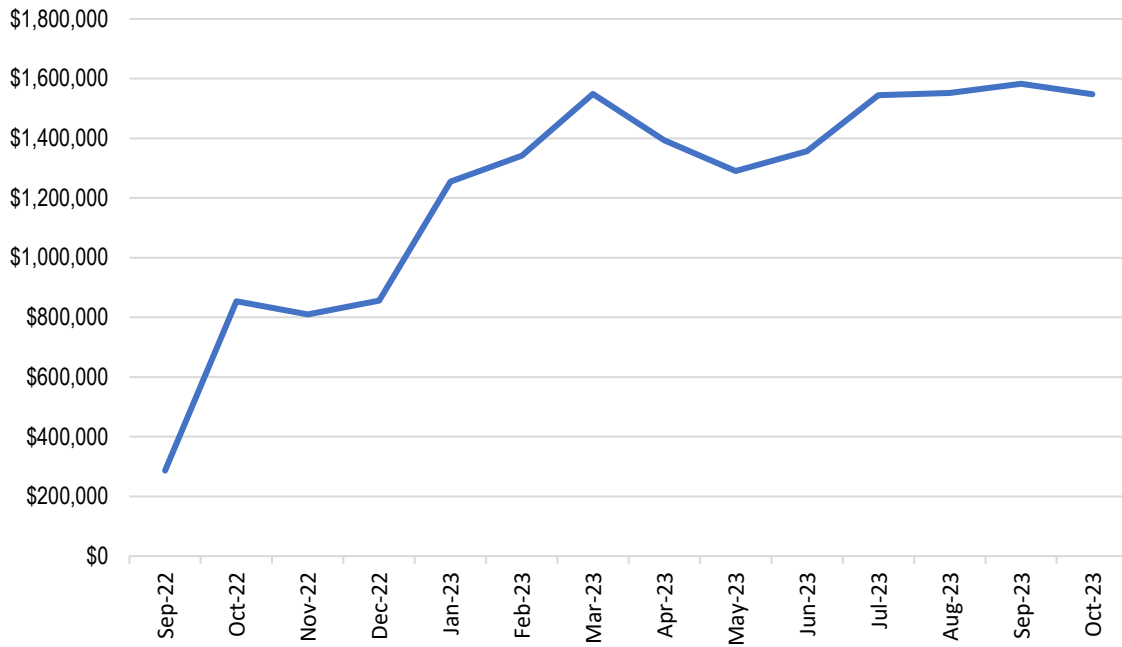
As of the writing of this report, a license has been awarded for a casino to open in the town of Hastings. A lack of support from the local community led to plans for the casino to be scrapped in June 2023.

Historical Trends

Nebraska

In this section we examine the historical Nebraska market by analyzing the trends in gaming tax received, as reported by the Nebraska Racing and Gaming Commission (NRGC). Commercial gaming started in September 2022 when the WarHorse Lincoln temporary facility opened. In that month, just shy of \$290,000 was received in the form of gaming tax. June 2023 was the first month of operation for Harrah's Columbus, the most recent casino to open. Each of the most recent four months on record (July 2023 to October 2023), have collected over \$1.5 million in gaming tax, respectively. The following figure displays the total state gaming tax received since September 2022.

Figure 1: Nebraska Total Gaming Tax Received; September 2022 – October 2023



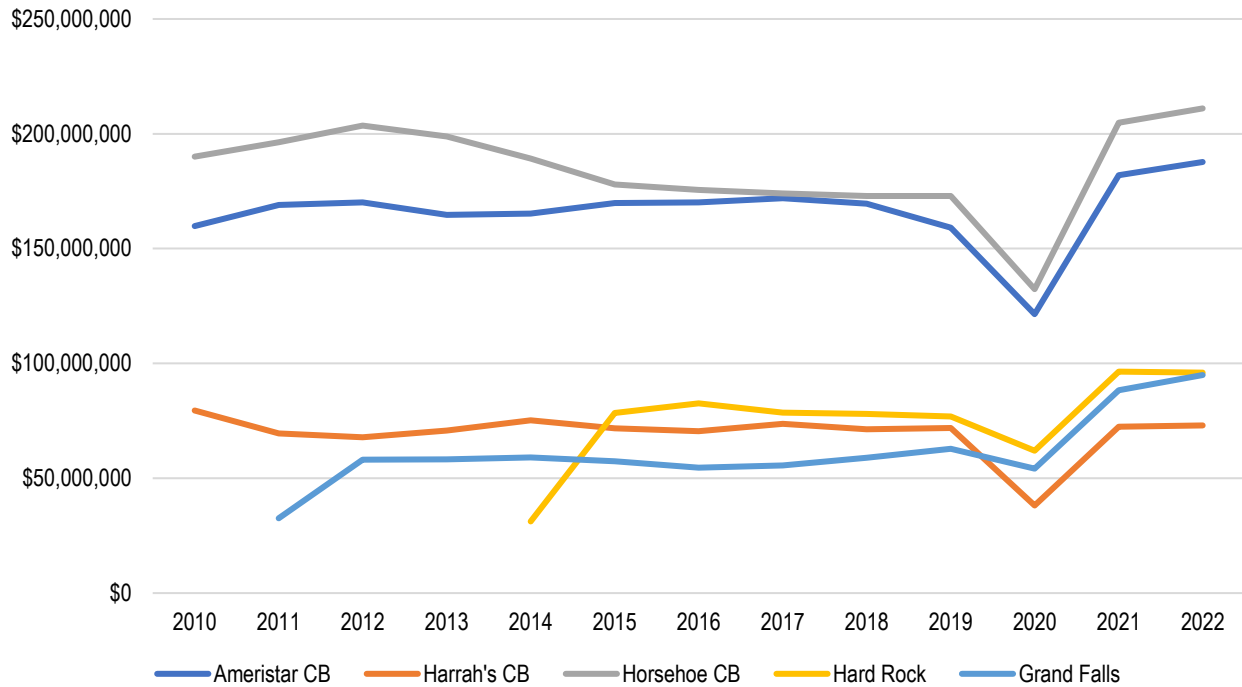
Source: NRGCC

Iowa

The Innovation Group analyzed gaming revenue data from the Iowa Racing and Gaming Commission (IRGC). The following figure displays the historical performance of the western Iowa commercial casinos: Ameristar, Harrah's, Horseshoe, Hard Rock, and Grand Falls. Please note that the Grand Falls property opened in June 2011 and the Hard Rock property opened in July 2014.

Since 2010, the Horseshoe has consistently outperformed the rest, reaching a peak in 2022 of more than \$211 million. Historically, Ameristar has done fairly similar, but less than the Horseshoe. The other three facilities have not surpassed \$100 million in revenue since 2010. Since 2015, the first full year of operations for all five facilities, Grand Falls has experienced the greatest compound annual growth rate (CAGR) at about 7.5%. Hard Rock has seen the second largest CAGR at about 2.9%.

Figure 2: Western Iowa Commercial Casino Historical Performance; 2010 - 2022



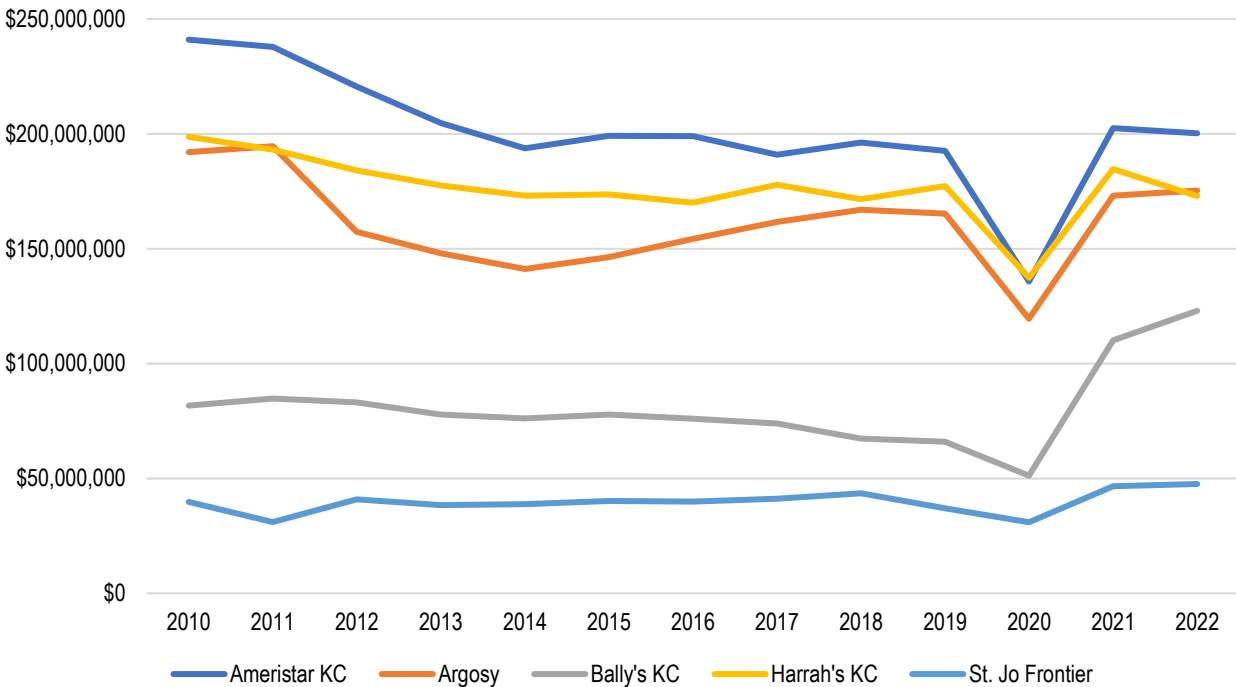
Source: IRGC

Missouri

The Innovation Group collected gaming revenue data from the Missouri Gaming Commission (MGC). The following presents the historical performance of the western Missouri commercial casinos: Ameristar, Argosy, Bally's, Harrah's, and St. Jo Frontier.

Since 2010, Ameristar has been the top performer of the five, with the exception of the pandemic-impacted 2020, when Harrah's generated roughly \$1.6 million more in gaming revenue. St. Jo Frontier, the only facility not located in the Kansas City metropolitan area, has not surpassed \$50 million since 2010. Bally's has seen the greatest growth since 2015, with a CAGR of roughly 6.7%, mainly due to their investment in the property since they acquired it in 2020. Harrah's is the only property to have a negative CAGR since 2015 at about -0.1%.

Figure 3: Western Missouri Commercial Casino Historical Performance; 2010 - 2022



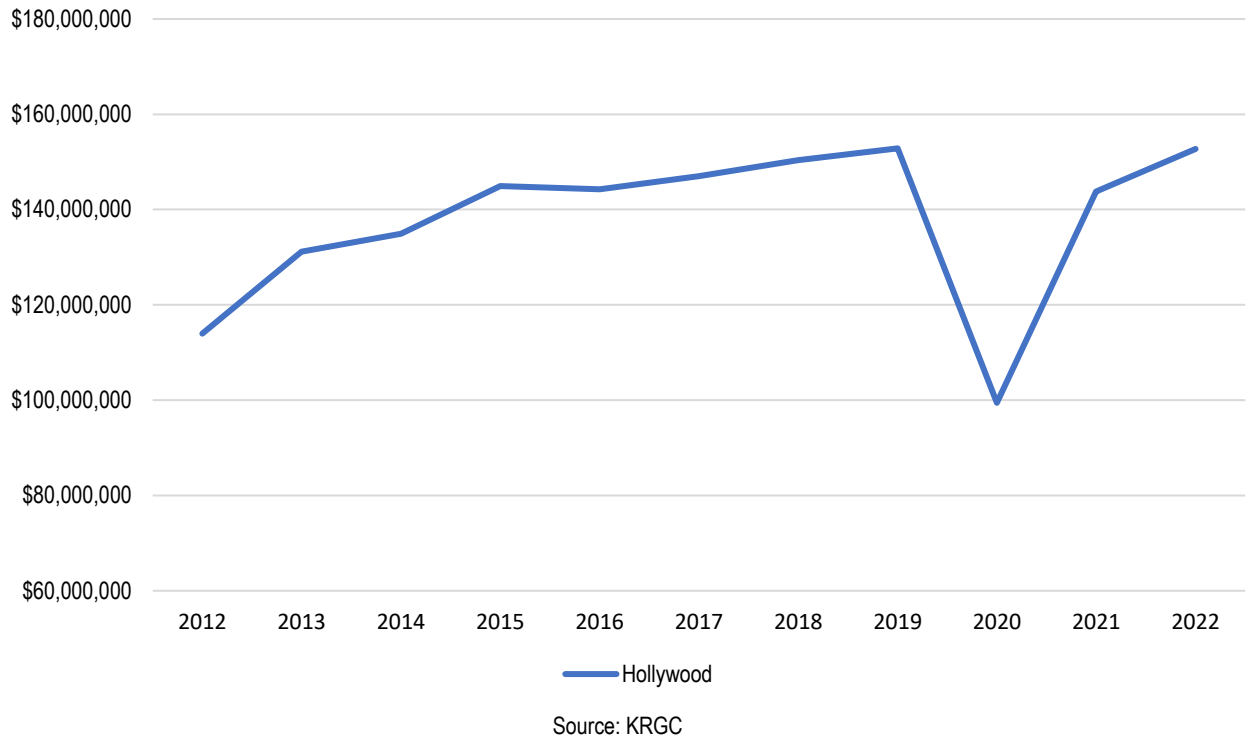
Source: MGC

Kansas

The Innovation Group collected gaming revenue data from the Kansas Racing and Gaming Commission (KRGC) for the Hollywood Casino, the only commercial property in Kansas that competes with Nebraska-based casinos for trips.

Since 2012, the year the property opened, gaming revenues have surpassed \$100 million in every year with the exception of 2020 due to the COVID-19 pandemic. 2019 has been the casino's best year, generating almost \$153 million. However, 2022 came close, falling short of 2019's figure by about \$140,000.

Figure 4: Hollywood Casino (Kansas) Historical Performance; 2012 - 2022



GAMING MARKET ANALYSIS

Methodology

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

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

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

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

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

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

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

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

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

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

Gamer Visits

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

Propensity

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

Frequency

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

MPI (Market Potential Index)

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

Win per Visit (WPV)

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

Attraction Factors

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

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

Market Area Definitions

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

Figure 5: Nebraska Statewide Market Area Definitions

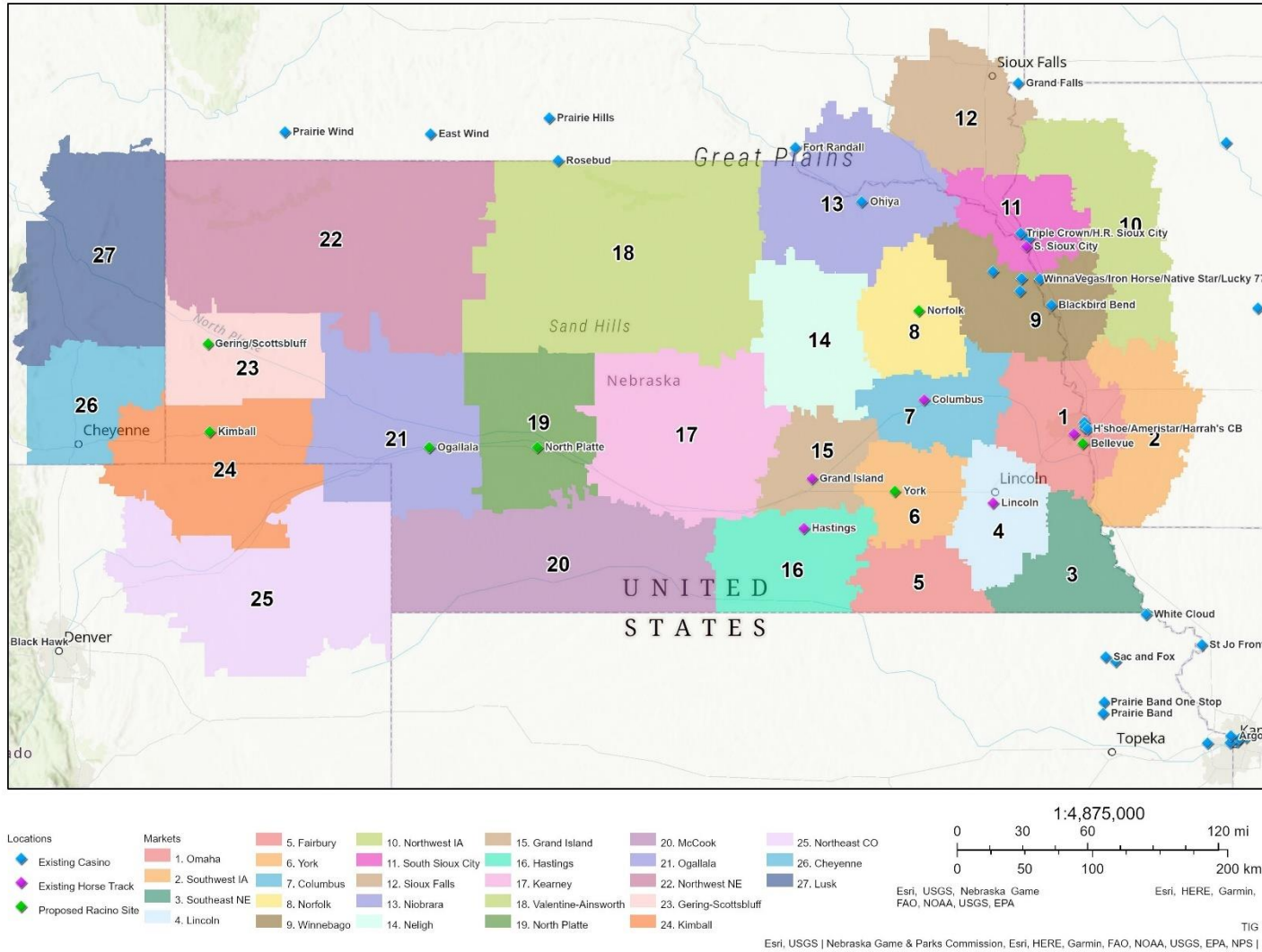


Table 20: Nebraska Market Area Demographics

	Adult Pop 2023	Adult Pop 2028	CAGR 2023-2028	Average HHI 2023	Average HHI 2028	CAGR 2023-2028
1. Omaha	712,385	733,109	0.6%	\$107,774	\$123,248	2.7%
2. Southwest IA	46,787	46,018	-0.3%	\$88,106	\$99,461	2.5%
3. Southeast NE	28,618	28,064	-0.4%	\$79,903	\$90,529	2.5%
4. Lincoln	272,873	280,216	0.5%	\$94,514	\$108,101	2.7%
5. Fairbury	11,698	11,386	-0.5%	\$81,959	\$92,474	2.4%
6. York	30,042	29,837	-0.1%	\$98,396	\$110,679	2.4%
7. Columbus	44,199	44,114	0.0%	\$87,990	\$97,641	2.1%
8. Norfolk	41,700	41,245	-0.2%	\$84,640	\$93,801	2.1%
9. Winnebago	36,244	35,728	-0.3%	\$83,949	\$94,756	2.5%
10. Northwest IA	69,523	68,421	-0.3%	\$93,163	\$103,993	2.2%
11. South Sioux City	123,509	123,925	0.1%	\$88,980	\$100,335	2.4%
12. Sioux Falls	198,448	210,547	1.2%	\$104,293	\$119,708	2.8%
13. Niobrara	43,117	43,043	0.0%	\$82,465	\$91,613	2.1%
14. Neligh	12,363	12,121	-0.4%	\$82,801	\$93,657	2.5%
15. Grand Island	61,981	61,882	0.0%	\$87,367	\$99,148	2.6%
16. Hastings	39,312	38,754	-0.3%	\$84,670	\$94,246	2.2%
17. Kearney	66,845	67,020	0.1%	\$85,306	\$94,708	2.1%
18. Valentine-Ainsworth	13,850	13,558	-0.4%	\$82,118	\$92,586	2.4%
19. North Platte	25,632	25,284	-0.3%	\$81,845	\$90,860	2.1%
20. McCook	31,076	30,391	-0.4%	\$83,787	\$94,588	2.5%
21. Ogallala	14,057	13,743	-0.5%	\$80,246	\$91,347	2.6%
22. Northwest NE	19,389	18,800	-0.6%	\$75,706	\$85,355	2.4%
23. Gering-Scottsbluff	30,354	29,724	-0.4%	\$78,855	\$87,670	2.1%
24. Kimball	28,518	28,170	-0.2%	\$79,988	\$92,019	2.8%
25. Northeast CO	38,917	39,129	0.1%	\$81,267	\$93,371	2.8%
26. Cheyenne	73,157	74,217	0.3%	\$83,706	\$93,285	2.2%
27. Lusk	17,565	17,280	-0.3%	\$84,598	\$95,851	2.5%
Average/Total	2,132,159	2,165,726	0.3%	\$95,876	\$109,139	2.6%
<i>State</i>	<i>1,447,525*</i>	<i>1,469,648*</i>	<i>-0.3%</i>	<i>\$96,845</i>	<i>\$110,178</i>	<i>2.6%</i>
<i>National</i>	<i>250,698,091</i>	<i>256,185,380</i>	<i>0.4%</i>	<i>\$107,008</i>	<i>\$122,048</i>	<i>2.7%</i>

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

Model Calibration

2023 Calibration

The gravity model was calibrated for last 12 months (through August 2023) using publicly reported data from the Nebraska Racing & Gaming Commission as well as the racing and gaming commissions of neighboring states. Competitive casinos were input into the model as discussed in the Competitive Environment section above.

The following table shows the rates for propensity, frequency, and win per visit by market area that were used to re-create the actual conditions in the Base 2023 model. Win has been varied based on differences between market areas in average household income and travel time. The table reflects total gaming visits and revenues from the defined market area in the last 12 months. Revenue includes the value of free play credits.

For the purpose of this calibration, the three commercial Nebraska casinos operating in 2023 have not been included. Our approach to this model was to calibrate to the landscape of gaming in Nebraska before any commercial Nebraska casinos became operational. Due to the fact that the three operating casinos are only temporary facilities, and only two were open in January 2023, the amount of revenue generated by the three properties in 2023 is small enough that it would not have a significant impact on the calibration. These three racinos are included in the 2026 Baseline, along with the three other Nebraska casino license holders that are expected to have permanent facilities open in 2026.

The Innovation Group estimates that the market has generated almost \$620 million in GGR over the last 12 months, with the Omaha market leading the way with approximately \$295 million in GGR. Of note, all of the markets west of Grand Island each generate less than \$5 million in GGR.

Table 21: Gravity Model Calibration Baseline 2023

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	712,385	30.8%	13.7	100	3,009,535	\$98	\$294.9
2. Southwest IA	46,787	26.8%	11.7	95	138,673	\$97	\$13.4
3. Southeast NE	28,618	23.9%	10.3	97	68,910	\$97	\$6.7
4. Lincoln	272,873	23.8%	10.3	97	650,879	\$100	\$64.9
5. Fairbury	11,698	15.3%	6.4	83	9,432	\$101	\$1.0
6. York	30,042	20.0%	8.5	87	44,377	\$102	\$4.5
7. Columbus	44,199	20.3%	8.6	91	70,700	\$100	\$7.1
8. Norfolk	41,700	25.1%	10.8	89	101,312	\$97	\$9.8
9. Winnebago	36,244	30.2%	13.3	87	125,598	\$94	\$11.8
10. Northwest IA	69,523	24.1%	10.4	90	155,932	\$99	\$15.5
11. South Sioux City	123,509	34.9%	15.5	98	655,400	\$92	\$60.0
12. Sioux Falls	198,448	32.8%	14.5	100	946,373	\$96	\$90.9
13. Niobrara	43,117	28.9%	12.6	88	138,854	\$95	\$13.1
14. Neligh	12,363	20.1%	8.5	78	16,456	\$99	\$1.6
15. Grand Island	61,981	14.5%	6.0	93	50,310	\$102	\$5.1
16. Hastings	39,312	12.6%	5.1	92	23,458	\$102	\$2.4
17. Kearney	66,845	10.1%	4.0	91	24,900	\$103	\$2.6
18. Valentine-Ainsworth	13,850	20.6%	8.8	74	18,417	\$99	\$1.8
19. North Platte	25,632	13.5%	5.5	97	18,505	\$101	\$1.9
20. McCook	31,076	7.6%	3.0	88	6,132	\$103	\$0.6
21. Ogallala	14,057	9.7%	3.9	88	4,606	\$102	\$0.5
22. Northwest NE	19,389	21.7%	9.3	91	35,628	\$97	\$3.5
23. Gering-Scottsbluff	30,354	14.2%	5.8	95	23,783	\$101	\$2.4
24. Kimball	28,518	8.5%	3.4	91	7,405	\$102	\$0.8
25. Northeast CO	38,917	5.4%	2.1	95	4,145	\$103	\$0.4
26. Cheyenne	73,157	6.8%	2.6	102	13,519	\$103	\$1.4
27. Lusk	17,565	11.6%	4.7	89	8,484	\$102	\$0.9
Total	2,132,159				6,371,723	\$97	\$619.5

Baseline 2026

For the purpose of assessing the impact of new commercial racinos operating in Nebraska and other developments on the Nebraska market, we have next modeled a future baseline scenario. It is expected that 2026 will be the first full year of operation for the permanent casinos operated by the original six Nebraska racino license holders; therefore, we use 2026 for the future baseline model, which becomes the benchmark to measure against the impact of the other potential racinos considered in the eight forecast scenarios. The opening of the six permanent commercial Nebraska casinos will create an overall increase in revenue in the Nebraska market area. This is due to the fact that the newly open casinos can be expected to increase the propensity and frequency for the markets in close proximity to each property, particularly for the casinos opening in markets without few nearby casino competitors, which results in an overall increase in both gaming visits and revenue.

The following table shows baseline 2026 gaming revenues assuming the operation of the six current racino license holders in their current locations and with no additional new competitors. By 2026, the gaming market is expected to increase by approximately \$150 million. The Lincoln, Grand Island, Hastings, and Kearney markets are expected to have significant increases in revenue.

Table 22: Gravity Model Forecast Baseline 2026

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	724,350	31.2%	13.9	100	3,130,184	\$99	\$309.2
2. Southwest IA	46,323	26.8%	11.7	95	137,308	\$98	\$13.4
3. Southeast NE	28,284	24.4%	10.5	97	71,100	\$98	\$6.9
4. Lincoln	277,241	33.3%	14.8	97	1,332,201	\$95	\$126.3
5. Fairbury	11,509	22.5%	9.6	83	20,571	\$99	\$2.0
6. York	29,917	27.7%	12.1	87	87,344	\$99	\$8.7
7. Columbus	44,146	34.0%	15.1	91	207,555	\$93	\$19.3
8. Norfolk	41,426	27.1%	11.8	89	118,066	\$97	\$11.5
9. Winnebago	35,931	30.2%	13.3	87	124,521	\$95	\$11.8
10. Northwest IA	68,855	24.1%	10.4	90	154,348	\$100	\$15.5
11. South Sioux City	123,748	34.9%	15.5	98	656,515	\$93	\$60.8
12. Sioux Falls	205,537	32.8%	14.5	101	981,578	\$97	\$95.3
13. Niobrara	43,070	28.9%	12.6	88	138,808	\$96	\$13.3
14. Neligh	12,217	22.7%	9.7	78	21,006	\$99	\$2.1
15. Grand Island	61,921	35.2%	15.7	93	318,567	\$92	\$29.4
16. Hastings	38,975	34.1%	15.1	92	184,790	\$93	\$17.1
17. Kearney	66,945	24.0%	10.4	91	151,843	\$99	\$15.0
18. Valentine-Ainsworth	13,674	20.6%	8.8	74	18,185	\$100	\$1.8
19. North Platte	25,422	14.9%	6.1	97	22,451	\$102	\$2.3
20. McCook	30,662	16.6%	6.9	88	31,011	\$102	\$3.2
21. Ogallala	13,867	9.7%	3.9	88	4,545	\$103	\$0.5
22. Northwest NE	19,033	21.7%	9.3	91	34,968	\$98	\$3.4
23. Gering-Scottsbluff	29,974	14.2%	5.8	95	23,486	\$102	\$2.4
24. Kimball	28,308	8.5%	3.4	91	7,349	\$103	\$0.8
25. Northeast CO	39,036	5.4%	2.1	95	4,162	\$104	\$0.4
26. Cheyenne	73,791	6.8%	2.6	102	13,636	\$104	\$1.4
27. Lusk	17,393	11.6%	4.7	89	8,401	\$103	\$0.9
Total	2,151,554				8,004,497	\$97	\$774.8

Forecast

Scenario 1: Bellevue

Scenario 1 models the impact that a new horse track and racino at the proposed Bellevue site will have on the existing eligible locations in the Nebraska market. The addition of a new casino to the market would lead to increases in propensity and frequency for those market areas closest to the proposed facility. WPV would be expected to remain flat at \$97, and the opening of the proposed Bellevue racino would increase the total revenue in the Nebraska market from the 2026 Baseline by \$12.3 million or 1.6%. The following table shows the participation rates and total market gaming visits for Scenario 1:

Table 23: Gravity Model Forecast 2026: Addition of Racetrack and Casino in Bellevue

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	724,350	31.2%	14.0	100	3,164,963	\$99	\$312.3
2. Southwest IA	46,323	26.8%	11.7	95	137,308	\$98	\$13.4
3. Southeast NE	28,284	24.4%	10.5	97	71,100	\$98	\$6.9
4. Lincoln	277,241	33.3%	14.8	97	1,332,201	\$95	\$126.3
5. Fairbury	11,509	22.5%	9.6	83	20,571	\$99	\$2.0
6. York	29,917	27.7%	12.1	87	87,344	\$99	\$8.7
7. Columbus	44,146	34.0%	15.1	91	207,555	\$93	\$19.3
8. Norfolk	41,426	27.1%	11.8	89	118,066	\$97	\$11.5
9. Winnebago	35,931	30.2%	13.3	87	124,521	\$95	\$11.8
10. Northwest IA	68,855	24.1%	10.4	90	154,348	\$100	\$15.5
11. South Sioux City	123,748	34.9%	15.5	98	656,515	\$93	\$60.8
12. Sioux Falls	205,537	32.8%	14.5	101	981,578	\$97	\$95.3
13. Niobrara	43,070	28.9%	12.6	88	138,808	\$96	\$13.3
14. Neligh	12,217	22.7%	9.7	78	21,006	\$99	\$2.1
15. Grand Island	61,921	35.2%	15.7	93	318,567	\$92	\$29.4
16. Hastings	38,975	34.1%	15.1	92	184,790	\$93	\$17.1
17. Kearney	66,945	24.0%	10.4	91	151,843	\$99	\$15.0
18. Valentine-Ainsworth	13,674	20.6%	8.8	74	18,185	\$100	\$1.8
19. North Platte	25,422	14.9%	6.1	97	22,451	\$102	\$2.3
20. McCook	30,662	16.6%	6.9	88	31,011	\$102	\$3.2
21. Ogallala	13,867	9.7%	3.9	88	4,545	\$103	\$0.5
22. Northwest NE	19,033	21.7%	9.3	91	34,968	\$98	\$3.4
23. Gering-Scottsbluff	29,974	14.2%	5.8	95	23,486	\$102	\$2.4
24. Kimball	28,308	8.5%	3.4	91	7,349	\$103	\$0.8
25. Northeast CO	39,036	5.4%	2.1	95	4,162	\$104	\$0.4
26. Cheyenne	73,791	6.8%	2.6	102	13,636	\$104	\$1.4
27. Lusk	17,393	11.6%	4.7	89	8,401	\$103	\$0.9
Total	2,151,554				8,039,276	\$97	\$777.9

The table below shows the total market capture rate, gaming visits, win per visit, and revenue generated by the potential Bellevue racino broken out by market. The Bellevue site is located in the Omaha market and is very close to both WarHorse Omaha and the other competitors across

the border in Council Bluffs; however, due to the large population base in the Omaha area, the Bellevue racino still generates more revenue, \$60.7 million, than any of the other potential racinos in the other scenarios. As shown in Table 39 later in the report, the Bellevue location has the largest impact on existing license holders.

Table 24: Bellevue Local Market Capture - 2026

	Total Market Gaming Visits	Capture Rate	Gaming Visits	WPV	GGR (MM)
1. Omaha	3,164,963	14.0%	444,666	\$99	\$43.9
2. Southwest IA	137,308	15.4%	21,161	\$98	\$2.1
3. Southeast NE	71,100	11.6%	8,221	\$98	\$0.8
4. Lincoln	1,332,201	5.0%	66,937	\$95	\$6.3
5. Fairbury	20,571	6.7%	1,386	\$99	\$0.1
6. York	87,344	6.4%	5,624	\$99	\$0.6
7. Columbus	207,555	3.3%	6,850	\$93	\$0.6
8. Norfolk	118,066	5.6%	6,573	\$97	\$0.6
9. Winnebago	124,521	4.5%	5,652	\$95	\$0.5
10. Northwest IA	154,348	5.1%	7,820	\$100	\$0.8
11. South Sioux City	656,515	1.1%	7,187	\$93	\$0.7
12. Sioux Falls	981,578	1.6%	15,856	\$97	\$1.5
13. Niobrara	138,808	3.3%	4,575	\$96	\$0.4
14. Neligh	21,006	4.5%	954	\$99	\$0.1
15. Grand Island	318,567	1.3%	4,120	\$92	\$0.4
16. Hastings	184,790	1.6%	2,928	\$93	\$0.3
17. Kearney	151,843	4.9%	7,393	\$99	\$0.7
18. Valentine-Ainsworth	18,185	0.1%	13	\$100	\$0.0
19. North Platte	22,451	0.1%	29	\$102	\$0.0
20. McCook	31,011	0.1%	38	\$102	\$0.0
21. Ogallala	4,545	0.2%	10	\$103	\$0.0
22. Northwest NE	34,968	0.1%	29	\$98	\$0.0
23. Gering-Scottsbluff	23,486	0.3%	68	\$102	\$0.0
24. Kimball	7,349	5.0%	370	\$103	\$0.0
25. Northeast CO	4,162	5.0%	209	\$104	\$0.0
26. Cheyenne	13,636	5.0%	681	\$104	\$0.1
27. Lusk	8,401	0.4%	31	\$103	\$0.0
Total	8,039,276	7.7%	619,383	\$98	\$60.7

Scenario 2: Norfolk

Scenario 2 models the impact on the Nebraska market of a horse track and racino operating in Norfolk. The addition of a Norfolk racino to the market would lead to increases in propensity and frequency in Norfolk and the surrounding markets. WPV in this scenario would be expected to

remain flat at \$97, and the opening of the proposed Norfolk racino would be expected increase the total revenue in the Nebraska market from the Baseline by \$7.9 million or 1.0%. The following table shows the participation rates and total market gaming visits for Scenario 2:

Table 25: Gravity Model Forecast 2026: Addition of Racetrack and Casino in Norfolk

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	724,350	31.2%	13.9	100	3,130,184	\$99	\$309.2
2. Southwest IA	46,323	26.8%	11.7	95	137,308	\$98	\$13.4
3. Southeast NE	28,284	24.4%	10.5	97	71,100	\$98	\$6.9
4. Lincoln	277,241	33.3%	14.8	97	1,332,201	\$95	\$126.3
5. Fairbury	11,509	22.5%	9.6	83	20,571	\$99	\$2.0
6. York	29,917	27.7%	12.1	87	87,344	\$99	\$8.7
7. Columbus	44,146	34.0%	15.1	91	207,555	\$93	\$19.3
8. Norfolk	41,426	35.5%	15.8	89	208,361	\$91	\$19.0
9. Winnebago	35,931	30.2%	13.3	87	124,521	\$95	\$11.8
10. Northwest IA	68,855	24.1%	10.4	90	154,348	\$100	\$15.5
11. South Sioux City	123,748	34.9%	15.5	98	656,515	\$93	\$60.8
12. Sioux Falls	205,537	32.8%	14.5	101	981,578	\$97	\$95.3
13. Niobrara	43,070	28.9%	12.6	88	138,808	\$96	\$13.3
14. Neligh	12,217	24.2%	10.5	78	24,066	\$98	\$2.4
15. Grand Island	61,921	35.2%	15.7	93	318,567	\$92	\$29.4
16. Hastings	38,975	34.1%	15.1	92	184,790	\$93	\$17.1
17. Kearney	66,945	24.0%	10.4	91	151,843	\$99	\$15.0
18. Valentine-Ainsworth	13,674	20.6%	8.8	74	18,185	\$100	\$1.8
19. North Platte	25,422	14.9%	6.1	97	22,451	\$102	\$2.3
20. McCook	30,662	16.6%	6.9	88	31,011	\$102	\$3.2
21. Ogallala	13,867	9.7%	3.9	88	4,545	\$103	\$0.5
22. Northwest NE	19,033	21.7%	9.3	91	34,968	\$98	\$3.4
23. Gering-Scottsbluff	29,974	14.2%	5.8	95	23,486	\$102	\$2.4
24. Kimball	28,308	8.5%	3.4	91	7,349	\$103	\$0.8
25. Northeast CO	39,036	5.4%	2.1	95	4,162	\$104	\$0.4
26. Cheyenne	73,791	6.8%	2.6	102	13,636	\$104	\$1.4
27. Lusk	17,393	11.6%	4.7	89	8,401	\$103	\$0.9
Total	2,151,554				8,097,852	\$97	\$782.7

The table below shows the total market capture rate, gaming visits, win per visit, and revenue generated by the potential Norfolk property broken out by market. The market where the Norfolk property captures the highest percentage of visitors is Norfolk, followed by Neligh, which is the only market adjacent to Norfolk that does not have a pre-existing casino competitor. The racino also captures more than 10% of Winnebago, Niobrara, and Valentine-Ainsworth. However, as these markets generate significantly less revenue and visits than more heavily populated markets such as Omaha and Lincoln, the Norfolk racino is projected to bring in less than \$30 million in gross gaming revenue in 2026.

Table 26: Norfolk Local Market Capture - 2026

	Total Market Gaming Visits	Capture Rate	Gaming Visits	WPV	GGR (MM)
1. Omaha	3,130,184	0.7%	20,620	\$99	\$2.0
2. Southwest IA	137,308	1.7%	2,376	\$98	\$0.2
3. Southeast NE	71,100	1.2%	855	\$98	\$0.1
4. Lincoln	1,332,201	0.9%	11,439	\$95	\$1.1
5. Fairbury	20,571	3.4%	704	\$99	\$0.1
6. York	87,344	3.7%	3,194	\$99	\$0.3
7. Columbus	207,555	5.4%	11,186	\$93	\$1.0
8. Norfolk	208,361	77.0%	160,452	\$91	\$14.7
9. Winnebago	124,521	11.5%	14,353	\$95	\$1.4
10. Northwest IA	154,348	3.4%	5,260	\$100	\$0.5
11. South Sioux City	656,515	1.3%	8,238	\$93	\$0.8
12. Sioux Falls	981,578	1.9%	18,576	\$97	\$1.8
13. Niobrara	138,808	12.5%	17,286	\$96	\$1.7
14. Neligh	24,066	18.1%	4,358	\$98	\$0.4
15. Grand Island	318,567	1.4%	4,514	\$92	\$0.4
16. Hastings	184,790	1.1%	2,103	\$93	\$0.2
17. Kearney	151,843	4.2%	6,422	\$99	\$0.6
18. Valentine-Ainsworth	18,185	13.7%	2,500	\$100	\$0.2
19. North Platte	22,451	0.1%	22	\$102	\$0.0
20. McCook	31,011	0.1%	27	\$102	\$0.0
21. Ogallala	4,545	0.2%	7	\$103	\$0.0
22. Northwest NE	34,968	0.1%	32	\$98	\$0.0
23. Gering-Scottsbluff	23,486	0.2%	54	\$102	\$0.0
24. Kimball	7,349	3.5%	256	\$103	\$0.0
25. Northeast CO	4,162	3.5%	147	\$104	\$0.0
26. Cheyenne	13,636	3.5%	475	\$104	\$0.0
27. Lusk	8,401	0.3%	24	\$103	\$0.0
Total	8,097,852	3.6%	295,480	\$94	\$27.7

Scenario 3: York

Scenario 3 models the impact a horse track and racino operating at the proposed York site would have on the Nebraska market. The addition of a York racino to the market would lead to increases in propensity and frequency in York and its surrounding markets. The opening of the proposed York racino is projected to have the smallest overall impact on the total revenue in the Nebraska market increasing the total revenue from the 2026 Baseline by only \$3.5 million or 0.5%. This is most likely due to the location of the York property, which is surrounded by four other racinos in the adjacent Grand Island, Hastings, Columbus, and Lincoln markets as well as being relatively close to the competitive Omaha market. Of all eight scenarios, this is the scenario with the smallest

overall impact. The following table shows the participation rates and total market gaming visits for Scenario 3:

Table 27: Gravity Model Forecast 2026: Addition of Racetrack and Casino in York

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	724,350	31.2%	13.9	100	3,130,184	\$99	\$309.2
2. Southwest IA	46,323	26.8%	11.7	95	137,308	\$98	\$13.4
3. Southeast NE	28,284	24.4%	10.5	97	71,100	\$98	\$6.9
4. Lincoln	277,241	33.3%	14.8	97	1,332,201	\$95	\$126.3
5. Fairbury	11,509	24.4%	10.5	83	24,425	\$98	\$2.4
6. York	29,917	32.7%	14.5	87	123,278	\$96	\$11.8
7. Columbus	44,146	34.0%	15.1	91	207,555	\$93	\$19.3
8. Norfolk	41,426	27.1%	11.8	89	118,066	\$97	\$11.5
9. Winnebago	35,931	30.2%	13.3	87	124,521	\$95	\$11.8
10. Northwest IA	68,855	24.1%	10.4	90	154,348	\$100	\$15.5
11. South Sioux City	123,748	34.9%	15.5	98	656,515	\$93	\$60.8
12. Sioux Falls	205,537	32.8%	14.5	101	981,578	\$97	\$95.3
13. Niobrara	43,070	28.9%	12.6	88	138,808	\$96	\$13.3
14. Neligh	12,217	22.7%	9.7	78	21,006	\$99	\$2.1
15. Grand Island	61,921	35.2%	15.7	93	318,567	\$92	\$29.4
16. Hastings	38,975	34.1%	15.1	92	184,790	\$93	\$17.1
17. Kearney	66,945	24.0%	10.4	91	151,843	\$99	\$15.0
18. Valentine-Ainsworth	13,674	20.6%	8.8	74	18,185	\$100	\$1.8
19. North Platte	25,422	14.9%	6.1	97	22,451	\$102	\$2.3
20. McCook	30,662	16.6%	6.9	88	31,011	\$102	\$3.2
21. Ogallala	13,867	9.7%	3.9	88	4,545	\$103	\$0.5
22. Northwest NE	19,033	21.7%	9.3	91	34,968	\$98	\$3.4
23. Gering-Scottsbluff	29,974	14.2%	5.8	95	23,486	\$102	\$2.4
24. Kimball	28,308	8.5%	3.4	91	7,349	\$103	\$0.8
25. Northeast CO	39,036	5.4%	2.1	95	4,162	\$104	\$0.4
26. Cheyenne	73,791	6.8%	2.6	102	13,636	\$104	\$1.4
27. Lusk	17,393	11.6%	4.7	89	8,401	\$103	\$0.9
Total	2,151,554				8,044,285	\$97	\$778.3

The table below shows the total market capture rate, gaming visits, win per visit, and revenue generated by the potential York racino broken out by market. The market where the York property captures the highest percentage of visitors is York, in which it captures more than a third of gaming visits, followed by Fairbury, North Platte, and McCook. York is projected to capture roughly 15% of the gaming visits in each of the latter three markets, none of which have a pre-existing casino competitor. Like in Scenario 2, these markets have relatively low gross gaming revenue, with only York generating more than \$1 million. The York property is projected to generate about \$20 million across all markets.

Table 28: York Local Market Capture - 2026

	Total Market Gaming Visits	Capture Rate	Gaming Visits	WPV	GGR (MM)
1. Omaha	3,130,184	0.8%	24,858	\$99	\$2.5
2. Southwest IA	137,308	2.1%	2,863	\$98	\$0.3
3. Southeast NE	71,100	3.1%	2,209	\$98	\$0.2
4. Lincoln	1,332,201	4.7%	62,369	\$95	\$5.9
5. Fairbury	24,425	16.6%	4,063	\$98	\$0.4
6. York	123,278	36.7%	45,260	\$96	\$4.3
7. Columbus	207,555	3.7%	7,732	\$93	\$0.7
8. Norfolk	118,066	5.3%	6,306	\$97	\$0.6
9. Winnebago	124,521	1.4%	1,700	\$95	\$0.2
10. Northwest IA	154,348	0.0%	21	\$100	\$0.0
11. South Sioux City	656,515	0.3%	1,926	\$93	\$0.2
12. Sioux Falls	981,578	0.0%	56	\$97	\$0.0
13. Niobrara	138,808	2.4%	3,266	\$96	\$0.3
14. Neligh	21,006	6.5%	1,356	\$99	\$0.1
15. Grand Island	318,567	4.8%	15,276	\$92	\$1.4
16. Hastings	184,790	3.8%	7,080	\$93	\$0.7
17. Kearney	151,843	9.1%	13,800	\$99	\$1.4
18. Valentine-Ainsworth	18,185	0.1%	14	\$100	\$0.0
19. North Platte	22,451	15.1%	3,385	\$102	\$0.3
20. McCook	31,011	14.4%	4,460	\$102	\$0.5
21. Ogallala	4,545	0.3%	12	\$103	\$0.0
22. Northwest NE	34,968	0.1%	28	\$98	\$0.0
23. Gering-Scottsbluff	23,486	0.3%	68	\$102	\$0.0
24. Kimball	7,349	5.3%	386	\$103	\$0.0
25. Northeast CO	4,162	5.1%	211	\$104	\$0.0
26. Cheyenne	13,636	4.8%	652	\$104	\$0.1
27. Lusk	8,401	0.3%	29	\$103	\$0.0
Total	8,044,285	2.6%	209,384	\$96	\$20.1

Scenario 4: North Platte

Scenario 4 models the impact of a horse track and racino at the proposed North Platte site on the Nebraska market. The addition of the North Platte racino would lead to increases in propensity and frequency in North Platte and the majority of its surrounding markets. The opening of the proposed North Platte racino is projected to increase the total revenue in the Nebraska market from the Baseline by \$20.0 million or 2.6%. The following table shows the participation rates and total market gaming visits for Scenario 4:

Table 29: Gravity Model Forecast 2026: Addition of Racetrack and Casino in North Platte

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	724,350	31.2%	13.9	100	3,130,184	\$99	\$309.2
2. Southwest IA	46,323	26.8%	11.7	95	137,308	\$98	\$13.4
3. Southeast NE	28,284	24.4%	10.5	97	71,100	\$98	\$6.9
4. Lincoln	277,241	33.3%	14.8	97	1,332,201	\$95	\$126.3
5. Fairbury	11,509	22.5%	9.6	83	20,571	\$99	\$2.0
6. York	29,917	27.7%	12.1	87	87,344	\$99	\$8.7
7. Columbus	44,146	34.0%	15.1	91	207,555	\$93	\$19.3
8. Norfolk	41,426	27.1%	11.8	89	118,066	\$97	\$11.5
9. Winnebago	35,931	30.2%	13.3	87	124,521	\$95	\$11.8
10. Northwest IA	68,855	24.1%	10.4	90	154,348	\$100	\$15.5
11. South Sioux City	123,748	34.9%	15.5	98	656,515	\$93	\$60.8
12. Sioux Falls	205,537	32.8%	14.5	101	981,578	\$97	\$95.3
13. Niobrara	43,070	28.9%	12.6	88	138,808	\$96	\$13.3
14. Neligh	12,217	22.7%	9.7	78	21,006	\$99	\$2.1
15. Grand Island	61,921	35.2%	15.7	93	318,567	\$92	\$29.4
16. Hastings	38,975	34.1%	15.1	92	184,790	\$93	\$17.1
17. Kearney	66,945	24.0%	10.4	91	151,843	\$99	\$15.0
18. Valentine-Ainsworth	13,674	20.6%	8.8	74	18,185	\$100	\$1.8
19. North Platte	25,422	36.5%	16.3	97	145,915	\$90	\$13.2
20. McCook	30,662	21.3%	9.1	88	52,175	\$100	\$5.2
21. Ogallala	13,867	23.8%	10.2	88	29,729	\$98	\$2.9
22. Northwest NE	19,033	21.7%	9.3	91	34,968	\$98	\$3.4
23. Gering-Scottsbluff	29,974	14.2%	5.8	95	23,486	\$102	\$2.4
24. Kimball	28,308	15.1%	6.3	91	24,241	\$102	\$2.5
25. Northeast CO	39,036	12.3%	5.0	95	22,909	\$103	\$2.3
26. Cheyenne	73,791	8.8%	3.5	102	22,961	\$104	\$2.4
27. Lusk	17,393	11.6%	4.7	89	8,401	\$103	\$0.9
Total	2,151,554				8,219,273	\$97	\$794.8

The table below shows the total market capture rate, gaming visits, win per visit, and revenue generated by the potential North Platte racino broken out by market. As the North Platte site is further west and is surrounded by markets that have no existing competitors, the property captures the vast majority of gaming visits in several markets. The racino is projected to capture more than 95% of the gaming visits in North Platte, Kimball, and Northeast CO; more than 85% of the visits in Ogallala and Cheyenne, as well as a significant portion of McCook and Gering-Scottsbluff. Although most of the markets the North Platte racino would pull from are not heavily populated and don't generate more than about 150,000 gamer visits, the new racino would likely become the most convenient gaming destination for the majority of nearby markets.

Table 30: North Platte Local Market Capture - 2026

	Total Market Gaming Visits	Capture Rate	Gaming Visits	WPV	GGR (MM)
1. Omaha	3,130,184	0.0%	33	\$99	\$0.0
2. Southwest IA	137,308	0.0%	6	\$98	\$0.0
3. Southeast NE	71,100	0.0%	4	\$98	\$0.0
4. Lincoln	1,332,201	0.3%	4,174	\$95	\$0.4
5. Fairbury	20,571	1.8%	365	\$99	\$0.0
6. York	87,344	1.3%	1,124	\$99	\$0.1
7. Columbus	207,555	0.0%	8	\$93	\$0.0
8. Norfolk	118,066	0.0%	12	\$97	\$0.0
9. Winnebago	124,521	0.0%	4	\$95	\$0.0
10. Northwest IA	154,348	0.0%	7	\$100	\$0.0
11. South Sioux City	656,515	0.0%	6	\$93	\$0.0
12. Sioux Falls	981,578	0.0%	23	\$97	\$0.0
13. Niobrara	138,808	0.0%	14	\$96	\$0.0
14. Neligh	21,006	2.2%	457	\$99	\$0.0
15. Grand Island	318,567	0.8%	2,681	\$92	\$0.2
16. Hastings	184,790	1.6%	2,890	\$93	\$0.3
17. Kearney	151,843	17.0%	25,838	\$99	\$2.6
18. Valentine-Ainsworth	18,185	15.5%	2,812	\$100	\$0.3
19. North Platte	145,915	96.8%	141,175	\$90	\$12.7
20. McCook	52,175	42.2%	22,020	\$100	\$2.2
21. Ogallala	29,729	86.1%	25,591	\$98	\$2.5
22. Northwest NE	34,968	19.4%	6,795	\$98	\$0.7
23. Gering-Scottsbluff	23,486	50.2%	11,792	\$102	\$1.2
24. Kimball	24,241	96.3%	23,337	\$102	\$2.4
25. Northeast CO	22,909	95.3%	21,826	\$103	\$2.2
26. Cheyenne	22,961	93.8%	21,536	\$104	\$2.2
27. Lusk	8,401	0.9%	74	\$103	\$0.0
Total	8,219,273	3.8%	314,604	\$96	\$30.1

Scenario 5: Gering

Scenario 5 models the impact of a new racetrack and racino in Gering on the Nebraska market. The addition of the Gering racino to the market would lead to increases in propensity and frequency in Gering-Scottsbluff and the majority of surrounding markets. The opening of a Gering racino would be expected to increase the total revenue in the Nebraska market from the Baseline by about \$32.9 million or 4.2%. The following table shows the participation rates and total market gaming visits for Scenario 5:

Table 31: Gravity Model Forecast 2026: Addition of Racetrack and Casino in Gering

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	724,350	31.2%	13.9	100	3,130,184	\$99	\$309.2
2. Southwest IA	46,323	26.8%	11.7	95	137,308	\$98	\$13.4
3. Southeast NE	28,284	24.4%	10.5	97	71,100	\$98	\$6.9
4. Lincoln	277,241	33.3%	14.8	97	1,332,201	\$95	\$126.3
5. Fairbury	11,509	22.5%	9.6	83	20,571	\$99	\$2.0
6. York	29,917	27.7%	12.1	87	87,344	\$99	\$8.7
7. Columbus	44,146	34.0%	15.1	91	207,555	\$93	\$19.3
8. Norfolk	41,426	27.1%	11.8	89	118,066	\$97	\$11.5
9. Winnebago	35,931	30.2%	13.3	87	124,521	\$95	\$11.8
10. Northwest IA	68,855	24.1%	10.4	90	154,348	\$100	\$15.5
11. South Sioux City	123,748	34.9%	15.5	98	656,515	\$93	\$60.8
12. Sioux Falls	205,537	32.8%	14.5	101	981,578	\$97	\$95.3
13. Niobrara	43,070	28.9%	12.6	88	138,808	\$96	\$13.3
14. Neligh	12,217	22.7%	9.7	78	21,006	\$99	\$2.1
15. Grand Island	61,921	35.2%	15.7	93	318,567	\$92	\$29.4
16. Hastings	38,975	34.1%	15.1	92	184,790	\$93	\$17.1
17. Kearney	66,945	24.0%	10.4	91	151,843	\$99	\$15.0
18. Valentine-Ainsworth	13,674	20.6%	8.8	74	18,185	\$100	\$1.8
19. North Platte	25,422	14.9%	6.1	97	22,451	\$102	\$2.3
20. McCook	30,662	16.6%	6.9	88	31,011	\$102	\$3.2
21. Ogallala	13,867	15.7%	6.5	88	12,525	\$101	\$1.3
22. Northwest NE	19,033	22.1%	9.5	91	36,380	\$98	\$3.6
23. Gering-Scottsbluff	29,974	35.7%	15.9	95	161,140	\$90	\$14.5
24. Kimball	28,308	20.8%	8.9	91	47,316	\$99	\$4.7
25. Northeast CO	39,036	14.1%	5.8	95	30,401	\$102	\$3.1
26. Cheyenne	73,791	19.7%	8.4	102	124,444	\$101	\$12.5
27. Lusk	17,393	21.4%	9.1	89	29,985	\$100	\$3.0
Total	2,151,554				8,350,141	\$97	\$807.7

The table below shows the total market capture rate, gaming visits, win per visit, and revenue generated by the potential Gering racino broken out by market. The new racino is projected to capture nearly all of the gaming visits in Gering-Scottsbluff and more than half of Ogallala, Northwest NE, Kimball, Northeast CO, Cheyenne, and Lusk. The Gering site is the furthest west of all the proposed racino sites and therefore captures the majority of most of the western markets. Due to this location, Gering is projected to generate the third greatest revenue of all seven potential racinos after Bellevue, which is located in the Omaha market, and Kimball, which is closer to the Cheyenne and Northeast Colorado markets.

Table 32: Gering Local Market Capture - 2026

	Total Market Gaming Visits	Capture Rate	Gaming Visits	WPV	GGR (MM)
1. Omaha	3,130,184	0.0%	12	\$99	\$0.0
2. Southwest IA	137,308	0.0%	3	\$98	\$0.0
3. Southeast NE	71,100	0.0%	1	\$98	\$0.0
4. Lincoln	1,332,201	0.0%	13	\$95	\$0.0
5. Fairbury	20,571	0.0%	1	\$99	\$0.0
6. York	87,344	0.0%	3	\$99	\$0.0
7. Columbus	207,555	0.0%	2	\$93	\$0.0
8. Norfolk	118,066	0.0%	5	\$97	\$0.0
9. Winnebago	124,521	0.0%	2	\$95	\$0.0
10. Northwest IA	154,348	0.0%	4	\$100	\$0.0
11. South Sioux City	656,515	0.0%	3	\$93	\$0.0
12. Sioux Falls	981,578	0.0%	16	\$97	\$0.0
13. Niobrara	138,808	0.0%	7	\$96	\$0.0
14. Neligh	21,006	0.0%	2	\$99	\$0.0
15. Grand Island	318,567	0.0%	6	\$92	\$0.0
16. Hastings	184,790	0.0%	6	\$93	\$0.0
17. Kearney	151,843	0.0%	32	\$99	\$0.0
18. Valentine-Ainsworth	18,185	0.1%	12	\$100	\$0.0
19. North Platte	22,451	14.1%	3,176	\$102	\$0.3
20. McCook	31,011	0.1%	36	\$102	\$0.0
21. Ogallala	12,525	63.8%	7,987	\$101	\$0.8
22. Northwest NE	36,380	51.6%	18,784	\$98	\$1.8
23. Gering-Scottsbluff	161,140	99.0%	159,471	\$90	\$14.4
24. Kimball	47,316	98.2%	46,486	\$99	\$4.6
25. Northeast CO	30,401	96.3%	29,277	\$102	\$3.0
26. Cheyenne	124,444	98.6%	122,747	\$101	\$12.3
27. Lusk	29,985	87.9%	26,370	\$100	\$2.6
Total	8,350,141	5.0%	414,463	\$96	\$40.0

Scenario 6: Kimball

Scenario 6 models the impact of a new racetrack and racino in Kimball on the Nebraska gaming market. The addition of a Kimball casino to the market would lead to increases in propensity and frequency in Hastings and in the majority of surrounding markets. The opening of the proposed Kimball racino would be expected increase the total revenue in the Nebraska market from the 2026 Baseline by \$37.1 million or 4.8%. This scenario has the second largest impact on the total revenue of the Nebraska market, after Scenario 8, which will be discussed later in this report. The following table shows the participation rates and total market gaming visits for Scenario 6:

Table 33: Gravity Model Forecast 2026: Addition of Racetrack and Casino in Kimball

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	724,350	31.2%	13.9	100	3,130,184	\$99	\$309.2
2. Southwest IA	46,323	26.8%	11.7	95	137,308	\$98	\$13.4
3. Southeast NE	28,284	24.4%	10.5	97	71,100	\$98	\$6.9
4. Lincoln	277,241	33.3%	14.8	97	1,332,201	\$95	\$126.3
5. Fairbury	11,509	22.5%	9.6	83	20,571	\$99	\$2.0
6. York	29,917	27.7%	12.1	87	87,344	\$99	\$8.7
7. Columbus	44,146	34.0%	15.1	91	207,555	\$93	\$19.3
8. Norfolk	41,426	27.1%	11.8	89	118,066	\$97	\$11.5
9. Winnebago	35,931	30.2%	13.3	87	124,521	\$95	\$11.8
10. Northwest IA	68,855	24.1%	10.4	90	154,348	\$100	\$15.5
11. South Sioux City	123,748	34.9%	15.5	98	656,515	\$93	\$60.8
12. Sioux Falls	205,537	32.8%	14.5	101	981,578	\$97	\$95.3
13. Niobrara	43,070	28.9%	12.6	88	138,808	\$96	\$13.3
14. Neligh	12,217	22.7%	9.7	78	21,006	\$99	\$2.1
15. Grand Island	61,921	35.2%	15.7	93	318,567	\$92	\$29.4
16. Hastings	38,975	34.1%	15.1	92	184,790	\$93	\$17.1
17. Kearney	66,945	24.0%	10.4	91	151,843	\$99	\$15.0
18. Valentine-Ainsworth	13,674	20.6%	8.8	74	18,185	\$100	\$1.8
19. North Platte	25,422	14.9%	6.1	97	22,451	\$102	\$2.3
20. McCook	30,662	16.6%	6.9	88	31,011	\$102	\$3.2
21. Ogallala	13,867	14.3%	6.0	88	10,559	\$102	\$1.1
22. Northwest NE	19,033	21.7%	9.3	91	34,968	\$98	\$3.4
23. Gering-Scottsbluff	29,974	26.9%	11.7	95	89,659	\$96	\$8.6
24. Kimball	28,308	27.5%	12.0	91	84,310	\$96	\$8.1
25. Northeast CO	39,036	18.8%	7.9	95	55,261	\$100	\$5.6
26. Cheyenne	73,791	23.9%	10.3	102	184,566	\$99	\$18.2
27. Lusk	17,393	16.7%	7.0	89	17,913	\$102	\$1.8
Total	2,151,554				8,385,186	\$97	\$811.9

The table below shows the total market capture rate, gaming visits, win per visit, and revenue generated by the potential Kimball racino broken out by market. This location draws primarily from the western markets, capturing at least 10% of the gaming visits from North Platte, McCook, Ogallala, Northwest NE, Gering-Scottsbluff, Kimball, Northeast CO, Cheyenne, and Lusk. This includes more than half of the gaming visits generated by Ogallala, Gering-Scottsbluff, and Lusk and almost 100% of the visits from Kimball, Northeast CO, and Cheyenne. As previously noted, the proposed Kimball racino has the second highest proposed revenue of the potential locations and likely only surpasses Gering due to its closer proximity to more heavily populated markets.

Table 34: Kimball Local Market Capture - 2026

	Total Market Gaming Visits	Capture Rate	Gaming Visits	WPV	GGR (MM)
1. Omaha	3,130,184	0.0%	14	\$99	\$0.0
2. Southwest IA	137,308	0.0%	3	\$98	\$0.0
3. Southeast NE	71,100	0.0%	2	\$98	\$0.0
4. Lincoln	1,332,201	0.0%	16	\$95	\$0.0
5. Fairbury	20,571	0.0%	1	\$99	\$0.0
6. York	87,344	0.0%	4	\$99	\$0.0
7. Columbus	207,555	0.0%	3	\$93	\$0.0
8. Norfolk	118,066	0.0%	5	\$97	\$0.0
9. Winnebago	124,521	0.0%	2	\$95	\$0.0
10. Northwest IA	154,348	0.0%	4	\$100	\$0.0
11. South Sioux City	656,515	0.0%	3	\$93	\$0.0
12. Sioux Falls	981,578	0.0%	13	\$97	\$0.0
13. Niobrara	138,808	0.0%	6	\$96	\$0.0
14. Neligh	21,006	0.0%	2	\$99	\$0.0
15. Grand Island	318,567	0.0%	7	\$92	\$0.0
16. Hastings	184,790	0.0%	8	\$93	\$0.0
17. Kearney	151,843	0.0%	43	\$99	\$0.0
18. Valentine-Ainsworth	18,185	0.1%	10	\$100	\$0.0
19. North Platte	22,451	19.9%	4,470	\$102	\$0.5
20. McCook	31,011	12.5%	3,863	\$102	\$0.4
21. Ogallala	10,559	57.9%	6,112	\$102	\$0.6
22. Northwest NE	34,968	35.7%	12,500	\$98	\$1.2
23. Gering-Scottsbluff	89,659	91.4%	81,970	\$96	\$7.9
24. Kimball	84,310	99.4%	83,766	\$96	\$8.0
25. Northeast CO	55,261	98.0%	54,141	\$100	\$5.4
26. Cheyenne	184,566	99.3%	183,190	\$99	\$18.1
27. Lusk	17,913	78.8%	14,120	\$102	\$1.4
Total	8,385,186	5.3%	444,278	\$98	\$43.6

Scenario 7: Hastings to Ogallala

Scenario 7 models the impact of moving the Hastings license to a new location in the Ogallala area. This relocation would lead to increases in propensity and frequency in Ogallala and the majority of surrounding markets. Simultaneously, the removal of a racino from Hastings leads to decreases in the propensity and frequency in the Hastings market, which would no longer contain a gaming destination. The opening of the proposed Ogallala racino in place of the proposed Hastings racino would be expected to increase the total revenue in the Nebraska market from the Baseline by about \$17.2 million or 2.2%. The following table shows the participation rates and total market gaming visits for Scenario 7:

Table 35: Gravity Model Forecast 2026: Addition of Racetrack and Casino in Ogallala

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	724,350	31.2%	13.9	100	3,130,184	\$99	\$309.2
2. Southwest IA	46,323	26.8%	11.7	95	137,308	\$98	\$13.4
3. Southeast NE	28,284	24.4%	10.5	97	71,100	\$98	\$6.9
4. Lincoln	277,241	33.3%	14.8	97	1,332,201	\$95	\$126.3
5. Fairbury	11,509	22.5%	9.6	83	20,571	\$99	\$2.0
6. York	29,917	27.7%	12.1	87	87,344	\$99	\$8.7
7. Columbus	44,146	34.0%	15.1	91	207,555	\$93	\$19.3
8. Norfolk	41,426	27.1%	11.8	89	118,066	\$97	\$11.5
9. Winnebago	35,931	30.2%	13.3	87	124,521	\$95	\$11.8
10. Northwest IA	68,855	24.1%	10.4	90	154,348	\$100	\$15.5
11. South Sioux City	123,748	34.9%	15.5	98	656,515	\$93	\$60.8
12. Sioux Falls	205,537	32.8%	14.5	101	981,578	\$97	\$95.3
13. Niobrara	43,070	28.9%	12.6	88	138,808	\$96	\$13.3
14. Neligh	12,217	22.7%	9.7	78	21,006	\$99	\$2.1
15. Grand Island	61,921	35.2%	15.7	93	318,567	\$92	\$29.4
16. Hastings	38,975	28.4%	12.4	92	126,101	\$96	\$12.2
17. Kearney	66,945	24.0%	10.4	91	151,843	\$99	\$15.0
18. Valentine-Ainsworth	13,674	20.6%	8.8	74	18,185	\$100	\$1.8
19. North Platte	25,422	27.2%	11.9	97	79,436	\$97	\$7.7
20. McCook	30,662	17.6%	7.4	88	34,826	\$101	\$3.5
21. Ogallala	13,867	32.2%	14.2	88	56,096	\$93	\$5.2
22. Northwest NE	19,033	21.7%	9.3	91	34,968	\$98	\$3.4
23. Gering-Scottsbluff	29,974	15.4%	6.4	95	27,995	\$101	\$2.8
24. Kimball	28,308	20.8%	8.8	91	47,086	\$99	\$4.7
25. Northeast CO	39,036	16.9%	7.1	95	44,484	\$101	\$4.5
26. Cheyenne	73,791	12.1%	4.9	102	44,575	\$103	\$4.6
27. Lusk	17,393	11.6%	4.7	89	8,401	\$103	\$0.9
Total	2,151,554				8,173,664	\$97	\$792.0

The table below shows the total market capture rate, gaming visits, win per visit, and revenue generated by the potential Ogallala racino broken out by market. Like the other potential locations in western Nebraska, the Ogallala property is projected to draw the majority of gaming visits from most of the western markets. The new racino would generate most of the visits in Ogallala, Kimball, Northeast CO, and Cheyenne, and over half of the visits in North Platte, McCook, Gering-Scottsbluff, and Lusk. Additionally, the new Ogallala racino would capture nearly 20% of the Hastings market visits as this scenario removes the Hastings facility from the market.

Table 36: Ogallala Local Market Capture - 2026

	Total Market Gaming Visits	Capture Rate	Gaming Visits	WPV	GGR (MM)
1. Omaha	3,130,184	0.0%	2	\$99	\$0.0
2. Southwest IA	137,308	0.0%	4	\$98	\$0.0
3. Southeast NE	71,100	0.0%	3	\$98	\$0.0
4. Lincoln	1,332,201	0.0%	28	\$95	\$0.0
5. Fairbury	20,571	0.0%	3	\$99	\$0.0
6. York	87,344	0.0%	8	\$99	\$0.0
7. Columbus	207,555	0.0%	5	\$93	\$0.0
8. Norfolk	118,066	0.0%	9	\$97	\$0.0
9. Winnebago	124,521	0.0%	3	\$95	\$0.0
10. Northwest IA	154,348	0.0%	5	\$100	\$0.0
11. South Sioux City	656,515	0.0%	5	\$93	\$0.0
12. Sioux Falls	981,578	0.0%	17	\$97	\$0.0
13. Niobrara	138,808	0.0%	10	\$96	\$0.0
14. Neligh	21,006	0.0%	3	\$99	\$0.0
15. Grand Island	318,567	0.5%	1,686	\$92	\$0.2
16. Hastings	126,101	19.0%	23,898	\$96	\$2.3
17. Kearney	151,843	9.3%	14,138	\$99	\$1.4
18. Valentine-Ainsworth	18,185	14.2%	2,574	\$100	\$0.3
19. North Platte	79,436	82.8%	65,750	\$97	\$6.3
20. McCook	34,826	51.9%	18,066	\$101	\$1.8
21. Ogallala	56,096	95.5%	53,553	\$93	\$5.0
22. Northwest NE	34,968	26.2%	9,164	\$98	\$0.9
23. Gering-Scottsbluff	27,995	62.5%	17,506	\$101	\$1.8
24. Kimball	47,086	98.3%	46,264	\$99	\$4.6
25. Northeast CO	44,484	97.4%	43,322	\$101	\$4.4
26. Cheyenne	44,575	96.0%	42,783	\$103	\$4.4
27. Lusk	8,401	54.0%	4,536	\$103	\$0.5
Total	8,173,664	4.2%	343,342	\$98	\$33.8

Scenario 8: All Changes

The final scenario models the combined impact of all changes in the first seven scenarios. Because this scenario includes six new casino operators (and the relocation of Hastings to Ogallala) compared to the other scenarios that each only assess one new casino, Scenario 8 shows the largest overall increase in gaming revenue in the Nebraska market and includes similar increases to propensity and frequency as the other scenarios. Due to the increase in propensity and frequency, WPV in this scenario would be expected to decrease slightly to \$96 as people are more likely to spend less per trip when they are gambling more frequently. The following table shows the participation rates and total market gaming visits for Scenario 8:

Table 37: Gravity Model Forecast 2026: Combination of Scenarios 1-7

	Gamer Pop.	Propensity	Frequency	MPI	Gaming Visits	WPV	GGR (MM)
1. Omaha	724,350	31.2%	14.0	100	3,164,963	\$99	\$312.3
2. Southwest IA	46,323	26.8%	11.7	95	137,308	\$98	\$13.4
3. Southeast NE	28,284	24.4%	10.5	97	71,100	\$98	\$6.9
4. Lincoln	277,241	33.3%	14.8	97	1,332,201	\$95	\$126.3
5. Fairbury	11,509	24.4%	10.5	83	24,425	\$98	\$2.4
6. York	29,917	32.7%	14.5	87	123,278	\$96	\$11.8
7. Columbus	44,146	34.0%	15.1	91	207,555	\$93	\$19.3
8. Norfolk	41,426	35.5%	15.8	89	208,361	\$91	\$19.0
9. Winnebago	35,931	30.2%	13.3	87	124,521	\$95	\$11.8
10. Northwest IA	68,855	24.1%	10.4	90	154,348	\$100	\$15.5
11. South Sioux City	123,748	34.9%	15.5	98	656,515	\$93	\$60.8
12. Sioux Falls	205,537	32.8%	14.5	101	981,578	\$97	\$95.3
13. Niobrara	43,070	28.9%	12.6	88	138,808	\$96	\$13.3
14. Neligh	12,217	24.2%	10.5	78	24,066	\$98	\$2.4
15. Grand Island	61,921	35.2%	15.7	93	318,567	\$92	\$29.4
16. Hastings	38,975	28.4%	12.4	92	126,101	\$96	\$12.2
17. Kearney	66,945	24.0%	10.4	91	151,843	\$99	\$15.0
18. Valentine-Ainsworth	13,674	20.6%	8.8	74	18,185	\$100	\$1.8
19. North Platte	25,422	36.5%	16.3	97	145,915	\$90	\$13.2
20. McCook	30,662	21.3%	9.1	88	52,175	\$100	\$5.2
21. Ogallala	13,867	32.2%	14.2	88	56,096	\$93	\$5.2
22. Northwest NE	19,033	22.1%	9.5	91	36,380	\$98	\$3.6
23. Gering-Scottsbluff	29,974	35.7%	15.9	95	161,140	\$90	\$14.5
24. Kimball	28,308	27.5%	12.0	91	84,310	\$96	\$8.1
25. Northeast CO	39,036	18.8%	7.9	95	55,261	\$100	\$5.6
26. Cheyenne	73,791	23.9%	10.3	102	184,566	\$99	\$18.2
27. Lusk	17,393	21.4%	9.1	89	29,985	\$100	\$3.0
Total	2,151,554				8,769,553	\$96	\$845.7

Forecast Summary

Net State Results and Impact on Current License Holders

The following table summarizes the eight scenarios assessed through this forecast. The first six scenarios assess the future Nebraska market with the six existing license holders operating in their current location with the addition of a seventh new facility in the state. The seventh scenario forecasts the impact of moving the Hastings license to a new location in the Ogallala area. Finally, the eighth scenario assesses the impact of the addition of all six potential racinos from the first six scenarios as well as the Hastings license shifting to the new Ogallala location. Of the first seven scenarios, the first three all examine the potential of a new racino opening near the eastern border of Nebraska, while the remaining four locations are all in the western half of the state.

Table 38: Description of Scenarios

Scenario	Description
1. Bellevue	Addition of a racetrack and casino in Bellevue
2. Norfolk	Addition of a racetrack and casino in Norfolk
3. York	Addition of a racetrack and casino in York
4. North Platte	Addition of a racetrack and casino in North Platte
5. Gering	Addition of a racetrack and casino in Gering
6. Kimball	Addition of a racetrack and casino in Kimball
7. Hastings to Ogallala	Shifting the Hastings license to Ogallala
8. All Changes	Combination of Scenarios 1-7

The table below shows the incremental revenue differential in each market for each scenario compared to the Baseline. Of the first six scenarios, Scenarios 5 and 6 (Gering and Kimball) have the highest net increase for Nebraska and the lowest cannibalization because of their distance from the existing eligible locations.

Relocating the Hastings license to Ogallala (Scenario 7) has a positive impact on all six of the existing license holders. Ogallala has a market potential of nearly \$8 million higher than Hastings, and the other five license holders would benefit by a combined \$10 million. Grand Island (Fonner Park) would gain \$7 million by not having to share the local market with Hastings.

Scenario 8 has the highest net gain to the state but by far the largest impact on existing license holders. Figures in italics represent change compared to the Baseline. Scenario 8 is measured in comparison to Scenario 7.

Table 39: Summary of Results and Impacts (000s)

	Omaha	Columbus	Grand Island	Lincoln	Hastings/Ogallala	South Sioux City	Subtotal Current Licenses	New License(s)	Total NE
Baseline	\$110,256	\$29,633	\$39,851	\$102,633	\$25,907	\$32,172	\$340,452		\$340,452
<i>Differential</i>									
Scenario 1	<i>(\$27,426)</i>	<i>(\$1,979)</i>	<i>(\$1,002)</i>	<i>(\$6,778)</i>	<i>(\$633)</i>	<i>(\$683)</i>	<i>(\$38,501)</i>	\$60,664	\$22,164
Scenario 2	<i>(\$1,692)</i>	<i>(\$3,067)</i>	<i>(\$1,293)</i>	<i>(\$1,513)</i>	<i>(\$681)</i>	<i>(\$1,323)</i>	<i>(\$9,570)</i>	\$27,682	\$18,112
Scenario 3	<i>(\$1,619)</i>	<i>(\$1,130)</i>	<i>(\$2,371)</i>	<i>(\$4,554)</i>	<i>(\$1,458)</i>	<i>(\$209)</i>	<i>(\$11,341)</i>	\$20,110	\$8,769
Scenario 4	<i>(\$398)</i>	<i>(\$387)</i>	<i>(\$2,212)</i>	<i>(\$1,024)</i>	<i>(\$1,573)</i>	<i>(\$89)</i>	<i>(\$5,683)</i>	\$30,107	\$24,424
Scenario 5	<i>(\$154)</i>	<i>(\$112)</i>	<i>(\$360)</i>	<i>(\$212)</i>	<i>(\$273)</i>	<i>(\$84)</i>	<i>(\$1,194)</i>	\$39,984	\$38,790
Scenario 6	<i>(\$156)</i>	<i>(\$113)</i>	<i>(\$574)</i>	<i>(\$314)</i>	<i>(\$470)</i>	<i>(\$85)</i>	<i>(\$1,713)</i>	\$43,600	\$41,888
Scenario 7	\$690	\$922	\$7,097	\$1,781	\$7,912	\$12	\$18,414		\$18,414
Scenario 7 Baseline	\$110,946	\$30,555	\$46,948	\$104,413	\$33,819	\$32,184	\$358,866		\$358,866
Scenario 8	<i>(\$30,580)</i>	<i>(\$6,492)</i>	<i>(\$10,293)</i>	<i>(\$13,609)</i>	<i>(\$20,638)</i>	<i>(\$2,103)</i>	<i>(\$83,717)</i>	\$174,544	\$90,827

Table 40: Impact on Current License Holders (%)

	Omaha	Columbus	Grand Island	Lincoln	Hastings/Ogallala	South Sioux City	Subtotal Current Licenses	New License(s)	Total NE
Baseline	\$110,256	\$29,633	\$39,851	\$102,633	\$25,907	\$32,172	\$340,452		\$340,452
Scenario 1	-24.9%	-6.7%	-2.5%	-6.6%	-2.4%	-2.1%	-11.3%		6.5%
Scenario 2	-1.5%	-10.3%	-3.2%	-1.5%	-2.6%	-4.1%	-2.8%		5.3%
Scenario 3	-1.5%	-3.8%	-6.0%	-4.4%	-5.6%	-0.6%	-3.3%		2.6%
Scenario 4	-0.4%	-1.3%	-5.6%	-1.0%	-6.1%	-0.3%	-1.7%		7.2%
Scenario 5	-0.1%	-0.4%	-0.9%	-0.2%	-1.1%	-0.3%	-0.4%		11.4%
Scenario 6	-0.1%	-0.4%	-1.4%	-0.3%	-1.8%	-0.3%	-0.5%		12.3%
Scenario 7	0.6%	3.1%	17.8%	1.7%	30.5%	0.0%	5.4%		5.4%
Scenario 8	-27.6%	-21.2%	-21.9%	-13.0%	-61.0%	-6.5%	-23.3%		25.3%

Gaming Tax Revenue Forecast

Nebraska Initiative 431 imposes an annual tax of 20% on gross gambling revenue of licensed casino operators. Of the eight scenarios assessed in this report, the most tax revenue would be generated by Scenario 8, which has the largest number of commercial Nebraska casinos operating, followed by Scenario 6 and Scenario 5, which each contain one of the two proposed sites located near the western border of the state. The following table shows the gross gaming revenue produced by all of the commercial Nebraska casinos operating in each scenario as well as the amount of tax revenue that they would be estimated to generate.

Table 41: Nebraska Gaming Tax Revenue (000s)

Scenario	Total Gaming Revenue	Total Tax Revenue
Baseline 2026	\$340,452	\$68,090
1. Bellevue	\$362,616	\$72,523
2. Norfolk	\$358,564	\$71,713
3. York	\$349,221	\$69,844
4. North Platte	\$364,876	\$72,975
5. Gering	\$379,242	\$75,848
6. Kimball	\$382,340	\$76,468
7. Ogallala	\$358,866	\$71,773
8. Combination of Scenarios 1-7	\$449,694	\$89,939

SOCIO-ECONOMIC IMPACT ANALYSIS

This section discusses the potential for social and community impacts by the commercial gaming industry across Nebraska. Since the industry is very new in the state and concentrated in the more populated eastern portion of the state, where commercial casinos have been available for 30 years in Iowa, it is not yet possible to measure impacts of Nebraska casinos. Potential impacts from Nebraska casino development would not be reflected yet in county data or municipal budgets.

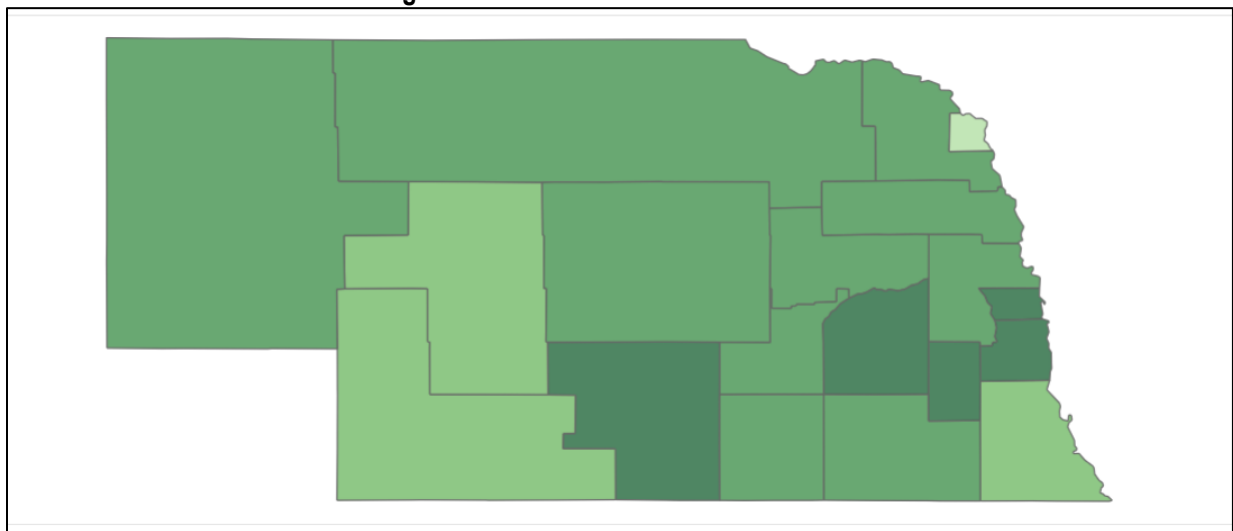
Therefore, in this report we provide benchmarks of socio-economic indicators from pre-Nebraska-casino development. These benchmarks can be compared in future reports with future data to assess the socio-economic impacts of Nebraska casino development over time. The relevant benchmark data is presented on a county, municipal, and regional basis, depending on how the data is available or which entity provides the service.

Population, employment, income, retail sales, property values, and vital statistics data are collected at the county level and presented in Appendix A.

In Appendix B, we memorialize current budgets for police protection expenditures, fire protection expenditures, road, bridge, and sidewalk expenditures, and capital project expenditures in host municipalities, potential municipalities, and control municipalities. For these items, county level is not appropriate unless the site is on unincorporated land and serviced by the county. Future trend analysis can be performed to see if there have been statistically significant differences between municipalities that host casinos and comparable municipalities that do not.

Public health data is collected at the district level by the Nebraska Department of Health and Human Services and is presented in Appendix C. Populous counties contain their own district while rural areas are aggregated into regions, as shown on the following map.

Figure 6: Nebraska Public Health Districts



We first provide a general framework for assessing impacts. In other jurisdictions that have implemented casino gaming, there has been an increase in local services and costs falling into three

categories: those arising from population and development growth, those arising from the impacts of increased visitation and traffic, and social impacts resulting from problem gambling.

The analysis draws upon social science research as well as data analysis conducted by The Innovation Group. Although casino developments are perceived to be different in kind from other commercial developments of comparable size and visitor base, inordinate negative impacts from casino developments have not materialized, even in small communities with limited infrastructure and resources. In fact, experience over the past two decades has demonstrated that mitigation payments designed in anticipation of drastic impacts have often exceeded the actual need of the communities.

The perception that casinos breed crime is not supported by the evidence. While the *number* of reported crimes can increase, as with any commercial development that attracts visitors, casino gaming has not been shown to lead to an increase in crime *rates*.

Host communities should expect impacts similar in kind to other commercial development of similar scope and visitor potential. The projected increase in visitor population should be expected to lead to increases in public safety services and judicial system caseload. The one significant difference in kind relates to the association between problem gambling and other social pathologies as discussed in Appendix D.

In summary, evidence suggests that on-going impacts to local communities are highly manageable, typically requiring only a small fraction of gaming revenues to address fully.

Comparative Analysis

Research in other jurisdictions show that impacts to local communities are manageable and are typically offset by the new local tax dollars generated by the development. For example, analyses performed by Purdue University and other research institutions on behalf of the Indiana Gaming Commission concluded that average actual costs borne by host communities are approximately 0.3% of gaming revenues.

Employment and Population Growth

A community can experience population growth from employment at a casino, resulting in an increase in school enrollment. The Innovation Group has performed several employment analyses and surveys over the years to understand patterns related to casino employment. The Innovation Group has found that casino employment is comprised mainly of workers already residing within commuting distance: a mixture of previously employed residents looking for a better opportunity or the ability to work closer to home, along with previously unemployed local residents. A recent survey of the Plainridge casino in Plainville, Massachusetts found that the percentage of workers who moved to take the position with Plainridge was a small percentage of the staff. Furthermore, most casino workers had not had prior casino work experience.

Table 42: Plainridge Casino Source of Workforce

	# of Responses	Percentage
<i>Prior Employment status:</i>		
Unemployed	162	15.5%
Employed Part-time	363	34.7%
<i>Underemployed</i>	189	18.1%
Employed Full-time	522	49.9%
Total	1,047	100.0%
<i>Reason for taking the position</i>		
Job closer to home	305	29.1%
<i>Other results</i>		
No prior casino experience	902	86.2%
Moved to take the position	75	7.2%

Source: New Employee Survey at Plainridge Park Casino: Analysis of First Two Years of Data Collection
University of Massachusetts Donahue Institute, Economic and Public Policy Research Group, May 10, 2017

Other studies show similar impacts on employment. The Rappaport Institute for Greater Boston and the John F. Kennedy School of Economics at Harvard University (Baxandall and Sacerdote 2005) in a national, county-level study of Native American casinos found a slight decrease in unemployment rates after casinos opened. The analysis included all California casinos in existence in the 1990s. From their total sample of 156 casino counties, the Rappaport study isolated out 57 counties with large casinos and relatively low population and nine counties with both large casinos and large populations to see if there were statistical differences in terms of community impacts. The authors compared the county unemployment rate averaged for the year before and after a casino opens in a county, and then subtracted that number from the average state change in unemployment to isolate the county-specific effect. The following table shows their results:

Table 43: Rappaport Study Employment Results

	All Casino- Counties ¹	Counties with Large- Capacity Casinos ²	Populous Casino Counties ³
Population Growth (%)	+5*	8.6	+8.1*
Total Employment (%)	+6.7*	+14.9*	5.7
Unemployment (%)	-0.3	-1.2*	0.5

*Statistically significant results at 99% confidence interval.

1. Reports how adjusted outcomes in 156 counties that introduced Indian-run casinos during the 1990s differed from the other 2,959 that did not.

2. The effect for 21 counties in the top 10th percentile in terms of number of slot machines (over 1,760).

3. The effect for the 57 casino counties in the top population quartile (over 55,000 residents).

The Rappaport study also highlighted results for three counties in southern California: Riverside, San Bernardino, and San Diego. In all three counties, the unemployment decreased relative to the state average. For example, before casino development, Riverside County had a slightly lower unemployment rate than the state average (by 0.3%). After casino development, the county's

unemployment rate was 1.7% lower than the state average, a relative decrease of 1.4 percentage points. San Bernardino had a relative decrease of 0.5 points and San Diego 0.4.

Table 44: Rappaport Study California County Results for Employment (%)

	Relative Unemployment % (County - State Average) Before	Relative Unemployment % (County - State Average) After	Change in Relative % Unemployment (Before - After)
Riverside, CA	-0.3	-1.7	-1.4
San Bernardino, CA	-2.2	-2.7	-0.5
San Diego, CA	-4.1	-4.5	-0.4

Crime

A national, county-level study of Native American casinos by The Rappaport Institute for Greater Boston and the John F. Kennedy School of Economics at Harvard University (Baxandall and Sacerdote 2005) found a slight decrease in crime rates after casinos opened. The study also highlighted results for three counties in southern California: Riverside, San Bernardino, and San Diego. In all three counties, crime decreased relative to the state average. For example, before casino development, Riverside County suffered 22 more crimes per 1,000 residents than the state average. After casino development, the county had just 6 more crimes per 1,000 residents than the state average, a relative decrease of 16 crimes per thousand residents. San Bernardino had a relative decrease of 10 crimes per thousand, and San Diego 9.⁵

Table 45: Rappaport Study California County Results for Crime

	Relative Crime (Before)	Relative Crime (After)	Change in Relative Crime (After - Before)
Riverside, CA	0.022	0.006	-0.016
San Bernardino, CA	0.016	0.006	-0.01
San Diego, CA	0.008	-0.001	-0.009

The introduction of a casino can lead to an increase in traffic patrol requirements and in the number of calls for police service. Arrests or citations related to increased visitation to the local area will create increased caseloads for the local judiciary. Even calls not resulting in arrest or citation can result in a need for increased police staffing.

A large, well-equipped fire department usually does not have to increase fire personnel in order to respond to incidents at a new casino. However, rural communities which do not have the types of equipment needed to respond to incidents at buildings beyond a certain height (e.g. ladder truck)

⁵ See Appendix B for more details

often invest in new equipment. In general, rural municipalities have more limited service-infrastructure to handle large-scale developments and increased visitation than large cities, where impacts are marginal relative to resources.

Appendix E has more research on crime impacts.

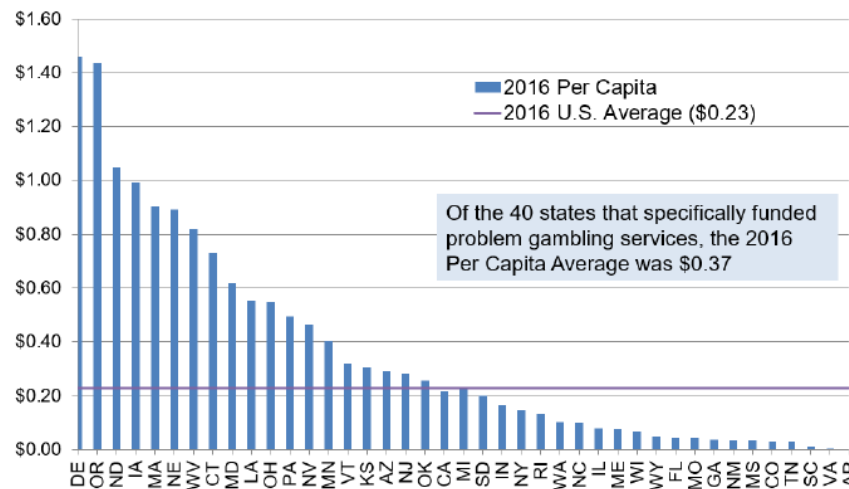
Problem Gambling

Since gambling (tribal casinos and lottery) already is prevalent in Nebraska and adjacent states, it is reasonable to assume a problem gambling population currently exists. In other words, those with a propensity for problem gambling already have ready access to gambling products, so this expansion of gaming is likely to impact the population of problem gamblers only marginally.

One of the most frequently cited studies on prevalence rates is *Estimating the Prevalence of Disordered Gambling Behavior in the United States and Canada: A Meta-analysis by the Harvard Medical School Division on Addictions*. The Harvard Medical School study analyzed 152 distinct previous prevalence studies and determined that 2.9% of the adult population could be considered problem or pathological gamblers.

The *2016 Survey of Problem Gambling Services in the United States* includes data on state-funded problem gambling programs. The bar chart below shows per capita funding for problem gambling services. Among the states with state-funded problem gambling programs average per capita funding is \$0.37. Delaware spends the most per capita at \$1.46. Iowa ranks fourth at approximately \$1.00.

Figure 7: 2016 Per Capita Allocation for Problem Gambling Services by U.S. State



Note: Includes only funds line itemed for problem gambling services and passing through a state agency. Missing states do not fund problem gambling services through legislative actions or utilize state agency budgets line itemed for problem gambling services. U.S. average is based on national population divided by total state agency spending from budgets line itemed for problem gambling services.

Source: 2016 Survey of Problem Gambling Services in the United States

Next, we analyzed total spend on problem gambling services by state. That chart below lists total spend by state (note: six states do not have any funding for problem gambling services).

Table 46: Total Spend on Problem Gambling Services by State (Fiscal Year 2016)

State	Total Spend on Problem Gambling Services
Alabama	\$50,000
Arizona	\$2,022,200
California	\$8,690,040
Colorado	\$201,837
Connecticut	\$3,204,500
Delaware	\$1,389,842
Florida	\$2,680,000
Georgia	\$400,000
Illinois	\$1,101,420
Indiana	\$1,100,000
Iowa	\$3,111,614
Kansas	\$889,198
Kentucky	\$69,650
Louisiana	\$2,834,673
Maine	\$100,000
Maryland	\$3,725,180
Massachusetts	\$6,782,969
Michigan	\$2,279,184
Minnesota	\$2,252,832
Mississippi	\$266,228
Missouri	\$258,960
Montana	\$375,000
Nebraska	\$1,700,000
Nevada	\$1,700,646
New Hampshire	\$25,000
New Jersey	\$2,636,400
New Mexico	\$859,431
New York	\$2,967,500
North Carolina	\$1,015,600
North Dakota	\$794,500
Ohio	\$6,402,000
Oklahoma	\$1,113,200
Oregon	\$5,921,830
Pennsylvania	\$6,475,000
Rhode Island	\$148,345
South Carolina	\$50,000
South Dakota	\$174,194
Tennessee	\$200,000
Texas	\$40
Vermont	\$200,000
Virginia	\$30,750
Washington	\$1,631,936
West Virginia	\$1,500,000
Wisconsin	\$450,000
Wyoming	\$27,900
Median	\$1,100,000

Source: 2016 Survey of Problem Gambling Services in the United States

More information on problem gambling research is contained in Appendix D.

Nebraska Benchmarks

The relevant benchmark data is presented on a county, municipal, and regional basis, depending on how the data is available or which government provides the service. For example, public safety (police and EMS/fire) is provided at the city or municipal level, whereas employment and vital statistics data are collected at the county level.

The data is presented in Appendices A-C, following a brief discussion below.

Population

Nebraska's current statewide population in 2023 is 1,994,532. Of counties with existing licensed racetracks, Douglas, Hall, and Lancaster are currently in the top five most populous counties in Nebraska, with Douglas County being the most populous county in Nebraska with over 600,000 residents. Platte, Adams, and Dakota counties are all within the fifteen most populous counties in the state. Populations by county can be found in Appendix A.

Employment Levels

Employment Levels were obtained from the Bureau of Labor Statistics for 2020, 2021, and 2022 and are available by county in Appendix A. Counties differed from each other, with some having employment levels increase while others decreased. All six counties with licensed racetracks had employment levels increase from 2020 through 2022.

Unemployment

Unemployment rates were obtained from the Bureau of Labor Statistics for 2020, 2021, and 2022 and are available by county in Appendix A. The vast majority of counties within Nebraska had a decrease in unemployment from 2020 to 2022. All six counties with licensed racetracks had significant decreases in unemployment rates which is a trend that followed statewide as well.

Household Income

Household income statistics for 2023 by county were obtained from ESRI and are available by county in Appendix A. The county with the highest average household income was Sarpy County at \$121,799. Those with licensed racetracks with licensed racetracks did not show a significant increase in household income vs. those without. Among those with licensed racetracks, Douglas County was the only one in the state in the top 10 counties according to household income.

Education

The counties with the largest number of people with graduate and bachelor's degrees are Douglas, Lancaster, and Sarpy counties. However, this metric seems to depend upon the population of a county, rather than if the county has a casino or not. There are 14 counties in Nebraska that have universities and 18 that have community colleges. All six of the counties with casinos have either a community college or a university. Adams, Douglas, and Lancaster counties have both a university and a community college. This data can be found in Appendix A.

Police and Fire Protection Expenditures

Among the cities listed in Appendix B, only Omaha and Lincoln had police and fire expenditures above \$100 million. Omaha had the highest expenditures by a significant margin, almost tripling Lincoln's budget.

Roads, Bridges, and Sidewalks Expenditures

Roads, bridges, and sidewalk expenditures followed the same pattern as police and fire expenditures, with Omaha and Lincoln being the only cities listed with expenditures above \$100 million.

Public Health and Social Services

Public health indicators were selected from the Nebraska Public Health Atlas, which is organized There were only five cities in the group that reported having public health and social services expenditures in 2022: Lincoln, Columbus, Scottsbluff, Sidney, and North Platte. Of these five, Lincoln was the highest.

Capital Projects Expenditures

Following similar trends above, Omaha and Lincoln had the highest capital project expenditures. Omaha's was significantly higher than any other city listed.

APPENDIX A: BENCHMARK COUNTY DATA

Appendix A presents relevant county level data with respect to population, employment, family and household income, property values, divorce rates, education levels, life expectancy, and homelessness is included below.

Table 47: Population by County - 2023

County	Population
Adams County	31,267
Antelope County	6,187
Arthur County	414
Banner County	660
Blaine County	412
Boone County	5,304
Box Butte County	10,573
Boyd County	1,727
Brown County	2,834
Buffalo County	51,149
Burt County	6,691
Butler County	8,371
Cass County	27,158
Cedar County	8,270
Chase County	3,806
Cherry County	5,358
Cheyenne County	9,351
Clay County	5,986
Colfax County	10,523
Cuming County	8,918
Custer County	10,394
Dakota County	21,716
Dawes County	7,985
Dawson County	23,941
Deuel County	1,828
Dixon County	5,474
Dodge County	37,096
Douglas County	601,201
Dundy County	1,600
Fillmore County	5,471
Franklin County	2,819
Frontier County	2,472
Furnas County	4,525
Gage County	21,568
Garden County	1,811
Garfield County	1,753

Gosper County	1,833
Grant County	592
Greeley County	2,131
Hall County	63,181
Hamilton County	9,473
Harlan County	2,970
Hayes County	818
Hitchcock County	2,515
Holt County	9,998
Hooker County	694
Howard County	6,470
Jefferson County	7,121
Johnson County	5,253
Kearney County	6,722
Keith County	8,224
Keya Paha County	730
Kimball County	3,331
Knox County	8,274
Lancaster County	332,169
Lincoln County	34,026
Logan County	679
Loup County	601
Madison County	35,767
McPherson County	372
Merrick County	7,609
Morrill County	4,459
Nance County	3,348
Nemaha County	6,995
Nuckolls County	3,990
Otoe County	15,883
Pawnee County	2,499
Perkins County	2,819
Phelps County	8,892
Pierce County	7,293
Platte County	34,753
Polk County	5,164
Red Willow County	10,542
Richardson County	7,672
Rock County	1,219
Saline County	14,223
Sarpy County	200,176
Saunders County	22,926
Scotts Bluff County	35,674
Seward County	17,762

Sheridan County	4,963
Sherman County	2,893
Sioux County	1,109
Stanton County	5,727
Thayer County	4,913
Thomas County	681
Thurston County	6,585
Valley County	3,993
Washington County	21,177
Wayne County	9,748
Webster County	3,319
Wheeler County	785
York County	14,184
Nebraska	1,994,532

Source: ESRI

Table 48: Nebraska Employment Levels by County

County	2020	2021	2022
Adams County	14,968	15,028	15,440
Antelope County	2,454	2,226	2,202
Arthur County	86	95	92
Banner County	116	117	112
Blaine County	127	125	121
Boone County	2,329	2,337	2,382
Box Butte County	3,563	3,631	3,569
Boyd County	561	539	540
Brown County	1,225	1,373	1,379
Buffalo County	26,088	26,659	27,017
Burt County	1,799	1,830	1,780
Butler County	2,461	2,542	2,596
Cass County	5,595	5,795	5,728
Cedar County	2,574	2,665	2,671
Chase County	1,813	1,763	1,796
Cherry County	2,183	2,278	2,215
Cheyenne County	3,855	3,854	3,871
Clay County	2,253	2,248	2,054
Colfax County	4,999	4,851	4,921
Cuming County	3,714	3,764	3,735
Custer County	4,387	4,467	4,457
Dakota County	12,018	12,291	13,183
Dawes County	2,936	3,094	3,075
Dawson County	11,354	11,558	11,717
Deuel County	512	529	574

Dixon County	1,723	1,775	1,837
Dodge County	17,535	17,799	18,357
Douglas County	326,831	331,137	337,267
Dundy County	549	553	565
Fillmore County	2,122	2,230	2,273
Franklin County	709	740	791
Frontier County	797	813	783
Furnas County	1,870	1,855	1,808
Gage County	8,546	8,553	8,474
Garden County	479	506	508
Garfield County	800	776	770
Gosper County	412	488	498
Grant County	285	286	274
Greeley County	618	621	627
Hall County	33,035	34,129	34,776
Hamilton County	3,498	3,606	3,666
Harlan County	807	843	860
Hayes County	206	196	179
Hitchcock County	700	715	684
Holt County	4,279	4,180	4,163
Hooker County	332	352	333
Howard County	1,528	1,561	1,646
Jefferson County	3,291	3,294	3,310
Johnson County	1,464	1,355	1,387
Kearney County	2,157	2,152	2,024
Keith County	3,199	3,245	3,283
Keya Paha County	137	141	120
Kimball County	1,368	1,356	1,372
Knox County	2,866	2,863	2,852
Lancaster County	165,194	167,099	169,665
Lincoln County	13,978	14,229	14,373
Logan County	188	186	198
Loup County	115	118	121
McPherson County	68	64	65
Madison County	21,278	21,577	21,692
Merrick County	2,126	2,160	2,240
Morrill County	1,471	1,479	1,504
Nance County	941	931	915
Nemaha County	2,932	2,964	2,936
Nuckolls County	1,499	1,538	1,545
Otoe County	6,062	6,253	6,237
Pawnee County	726	750	730
Perkins County	1,142	1,149	1,142
Phelps County	4,601	4,583	4,674

Pierce County	1,901	1,897	1,953
Platte County	18,729	19,297	19,621
Polk County	1,423	1,436	1,428
Red Willow County	4,831	4,841	4,970
Richardson County	2,399	2,428	2,358
Rock County	458	462	471
Saline County	6,744	6,674	6,576
Sarpy County	71,092	72,081	73,628
Saunders County	5,376	5,504	5,624
Scotts Bluff County	15,771	15,759	15,779
Seward County	5,678	5,705	5,833
Sheridan County	1,683	1,694	1,709
Sherman County	737	753	705
Sioux County	158	171	182
Stanton County	1,321	1,359	1,336
Thayer County	2,236	2,177	2,177
Thomas County	239	247	271
Thurston County	2,955	3,108	3,158
Valley County	1,775	1,751	1,752
Washington County	7,511	7,700	7,726
Wayne County	4,216	4,278	4,137
Webster County	1,006	1,016	1,024
Wheeler County	294	293	286
York County	7,274	7,328	7,461

Source: Bureau of Labor Statistics

Table 49: Unemployment Rates

County	2020	2021	2022
Adams County	4.1%	2.6%	2.2%
Antelope County	2.3%	1.8%	1.9%
Arthur County	5.1%	3.0%	2.1%
Banner County	3.0%	2.3%	3.1%
Blaine County	3.5%	2.8%	4.0%
Boone County	2.6%	1.7%	1.8%
Box Butte County	4.8%	2.6%	2.4%
Boyd County	2.9%	2.1%	2.3%
Brown County	2.8%	2.4%	2.6%
Buffalo County	4.1%	2.2%	2.0%
Burt County	3.9%	2.6%	2.4%
Butler County	3.4%	2.3%	1.8%
Cass County	4.4%	2.9%	2.5%
Cedar County	2.8%	1.9%	1.9%
Chase County	1.8%	1.7%	1.8%

Cherry County	2.5%	1.7%	1.8%
Cheyenne County	4.5%	3.0%	2.5%
Clay County	3.3%	2.5%	2.4%
Colfax County	2.9%	2.1%	2.0%
Cuming County	2.6%	1.8%	1.9%
Custer County	2.8%	1.7%	1.7%
Dakota County	4.9%	3.3%	2.8%
Dawes County	2.8%	2.0%	2.1%
Dawson County	3.5%	2.3%	2.5%
Deuel County	3.2%	2.2%	2.4%
Dixon County	3.3%	2.3%	2.2%
Dodge County	3.6%	2.5%	2.2%
Douglas County	5.2%	3.2%	2.7%
Dundy County	2.2%	1.7%	1.6%
Fillmore County	2.8%	2.1%	1.9%
Franklin County	3.4%	2.3%	2.3%
Frontier County	2.9%	1.8%	2.2%
Furnas County	2.8%	2.0%	2.0%
Gage County	4.1%	2.6%	2.6%
Garden County	3.6%	2.1%	2.0%
Garfield County	2.1%	2.1%	2.1%
Gosper County	2.6%	1.7%	2.0%
Grant County	1.9%	1.4%	1.7%
Greeley County	3.0%	1.9%	2.1%
Hall County	5.9%	3.1%	2.4%
Hamilton County	3.8%	2.3%	2.1%
Harlan County	2.9%	2.0%	1.9%
Hayes County	2.4%	1.6%	1.7%
Hitchcock County	3.5%	2.3%	2.4%
Holt County	2.5%	1.9%	1.9%
Hooker County	2.7%	1.6%	2.7%
Howard County	4.4%	2.3%	2.1%
Jefferson County	2.8%	1.9%	1.9%
Johnson County	4.0%	3.1%	2.9%
Kearney County	3.3%	1.9%	1.9%
Keith County	3.2%	2.2%	1.9%
Keya Paha County	2.2%	1.7%	2.2%
Kimball County	3.6%	2.4%	1.9%
Knox County	3.1%	2.2%	2.3%
Lancaster County	4.3%	2.6%	2.2%
Lincoln County	4.0%	2.4%	2.2%
Logan County	2.5%	1.9%	2.2%
Loup County	3.2%	2.2%	2.7%
McPherson County	2.5%	1.8%	1.8%

Madison County	3.9%	2.6%	2.1%
Merrick County	4.0%	2.5%	2.0%
Morrill County	3.6%	2.6%	2.1%
Nance County	3.3%	2.0%	2.1%
Nemaha County	3.6%	2.4%	2.4%
Nuckolls County	2.7%	2.0%	2.2%
Otoe County	3.6%	2.5%	2.3%
Pawnee County	2.7%	2.0%	2.2%
Perkins County	1.9%	1.4%	1.7%
Phelps County	3.0%	1.9%	2.0%
Pierce County	3.3%	2.3%	2.0%
Platte County	3.7%	2.3%	2.1%
Polk County	3.0%	2.0%	2.0%
Red Willow County	3.3%	2.2%	2.0%
Richardson County	3.3%	2.6%	2.1%
Rock County	2.1%	1.5%	1.7%
Saline County	3.7%	2.5%	2.6%
Sarpy County	4.1%	2.6%	2.3%
Saunders County	3.7%	2.4%	2.1%
Scotts Bluff County	4.2%	2.9%	2.6%
Seward County	4.2%	2.7%	2.2%
Sheridan County	2.4%	2.0%	2.0%
Sherman County	3.2%	2.2%	2.3%
Sioux County	2.3%	1.9%	1.9%
Stanton County	3.4%	2.3%	2.0%
Thayer County	2.8%	1.8%	1.9%
Thomas County	4.2%	2.8%	2.6%
Thurston County	5.3%	3.6%	3.4%
Valley County	2.9%	2.3%	2.2%
Washington County	3.7%	2.5%	2.2%
Wayne County	2.9%	2.1%	2.2%
Webster County	3.8%	2.2%	2.5%
Wheeler County	1.9%	1.3%	1.6%
York County	3.4%	2.1%	2.1%

Source: Bureau of Labor Statistics

Table 50: Average Household Income by County - 2023

County	Average Household Income
Adams County	\$83,652
Antelope County	\$76,325
Arthur County	\$75,314
Banner County	\$82,183
Blaine County	\$63,276
Boone County	\$93,174

Box Butte County	\$77,444
Boyd County	\$81,101
Brown County	\$68,978
Buffalo County	\$88,592
Burt County	\$80,331
Butler County	\$94,602
Cass County	\$112,727
Cedar County	\$90,526
Chase County	\$86,991
Cherry County	\$88,435
Cheyenne County	\$81,613
Clay County	\$91,307
Colfax County	\$84,533
Cuming County	\$92,037
Custer County	\$87,415
Dakota County	\$85,231
Dawes County	\$71,172
Dawson County	\$80,298
Deuel County	\$69,238
Dixon County	\$83,007
Dodge County	\$83,394
Douglas County	\$106,207
Dundy County	\$70,335
Fillmore County	\$98,148
Franklin County	\$73,243
Frontier County	\$76,352
Furnas County	\$73,956
Gage County	\$78,528
Garden County	\$69,500
Garfield County	\$78,747
Gosper County	\$91,161
Grant County	\$72,875
Greeley County	\$75,051
Hall County	\$87,016
Hamilton County	\$101,303
Harlan County	\$85,331
Hayes County	\$75,794
Hitchcock County	\$75,149
Holt County	\$87,538
Hooker County	\$69,994
Howard County	\$79,579
Jefferson County	\$77,462
Johnson County	\$77,812
Kearney County	\$90,820

Keith County	\$85,376
Keya Paha County	\$93,108
Kimball County	\$69,224
Knox County	\$82,821
Lancaster County	\$94,414
Lincoln County	\$82,032
Logan County	\$72,038
Loup County	\$63,600
Madison County	\$83,425
McPherson County	\$80,171
Merrick County	\$78,486
Morrill County	\$77,567
Nance County	\$83,948
Nemaha County	\$87,143
Nuckolls County	\$78,352
Otoe County	\$89,279
Pawnee County	\$66,190
Perkins County	\$84,339
Phelps County	\$87,411
Pierce County	\$85,862
Platte County	\$86,801
Polk County	\$91,516
Red Willow County	\$88,164
Richardson County	\$74,495
Rock County	\$110,350
Saline County	\$81,240
Sarpy County	\$121,799
Saunders County	\$94,529
Scotts Bluff County	\$78,787
Seward County	\$101,763
Sheridan County	\$71,889
Sherman County	\$76,238
Sioux County	\$76,877
Stanton County	\$84,657
Thayer County	\$86,060
Thomas County	\$85,071
Thurston County	\$83,273
Valley County	\$87,174
Washington County	\$103,417
Wayne County	\$80,616
Webster County	\$84,511
Wheeler County	\$73,722
York County	\$99,380

Source: ESRI

Table 51: Net Taxable Retail Sales by County - 2023

County	Retail Trade	Arts, Entertainment & Recreation	Accommodation & Food Services	Total Spending
Adams County	\$225,117,134	\$4,108,050	\$65,389,573	\$294,614,757
Antelope County	\$26,071,029	D	\$3,095,069	\$29,166,098
Arthur County	\$795,477		D	\$795,477
Banner County	D		D	\$0
Blaine County	D		D	\$0
Boone County	\$60,938,602	D	\$5,870,519	\$66,809,121
Box Butte County	\$46,984,147	\$824,730	\$16,135,430	\$63,944,307
Boyd County	\$6,343,548	D	\$1,895,784	\$8,239,332
Brown County	\$21,980,320	D	\$3,969,485	\$25,949,805
Buffalo County	\$504,154,607	\$9,998,428	\$174,695,676	\$688,848,711
Burt County	\$16,454,469	D	\$6,191,971	\$22,646,440
Butler County	\$15,528,585	D	\$6,770,103	\$22,298,688
Cass County	\$64,736,168	\$5,475,316	\$21,327,489	\$91,538,973
Cedar County	\$35,432,731	\$1,068,371	\$5,586,310	\$42,087,412
Chase County	\$24,506,824	D	\$3,476,957	\$27,983,781
Cherry County	\$39,304,988	\$8,344,051	\$16,267,561	\$63,916,600
Cheyenne County	\$79,256,852	D	\$24,552,239	\$103,809,091
Clay County	\$13,164,363	D	\$2,539,767	\$15,704,130
Colfax County	\$21,824,546	D	\$7,661,461	\$29,486,007
Cuming County	\$40,462,080	\$585,414	\$12,939,852	\$53,987,346
Custer County	\$51,821,500	\$618,741	\$16,925,796	\$69,366,037
Dakota County	\$99,534,024	D	\$42,730,459	\$142,264,483
Dawes County	\$57,688,770	\$835,765	\$19,225,455	\$77,749,990
Dawson County	\$129,169,928	\$3,300,826	\$37,440,310	\$169,911,064
Deuel County	\$11,392,117	D	D	\$11,392,117
Dixon County	\$7,855,485	D	\$2,681,295	\$10,536,780
Dodge County	\$381,654,508	\$6,056,627	\$73,229,091	\$460,940,226
Douglas County	\$4,609,359,811	\$247,274,137	\$1,783,279,954	\$6,639,913,902
Dundy County	\$4,942,169	D	\$1,640,857	\$6,583,026
Fillmore County	\$20,223,897	D	\$3,681,016	\$23,904,913
Franklin County	\$7,342,522		\$1,446,420	\$8,788,942
Frontier County	\$4,176,924	D	\$1,254,278	\$5,431,202
Furnas County	\$11,851,743	D	\$3,004,200	\$14,855,943
Gage County	\$133,622,264	\$1,351,379	\$34,790,304	\$169,763,947
Garden County	\$6,288,836	D	\$1,008,104	\$7,296,940
Garfield County	\$12,190,281	D	\$3,322,016	\$15,512,297
Gosper County	\$3,714,411	D	D	\$3,714,411
Grant County	\$4,161,555	D	D	\$4,161,555
Greeley County	\$4,594,931	D	D	\$4,594,931
Hall County	\$706,967,100	\$12,221,657	\$178,911,518	\$898,100,275
Hamilton County	\$29,406,575	\$635,034	\$7,632,169	\$37,673,778
Harlan County	\$10,301,153	D	\$3,169,656	\$13,470,809

Hayes County	D		D	\$0
Hitchcock County	\$10,651,839		\$826,032	\$11,477,871
Holt County	\$55,631,426	\$1,245,977	\$12,800,542	\$69,677,945
Hooker County	\$1,766,378	D	D	\$1,766,378
Howard County	\$21,055,136	\$940,799	\$5,348,336	\$27,344,271
Jefferson County	\$33,479,453	D	\$8,045,994	\$41,525,447
Johnson County	\$14,712,010	D	\$1,989,238	\$16,701,248
Kearney County	\$17,126,593	\$1,074,226	\$4,084,405	\$22,285,224
Keith County	\$70,039,259	\$1,538,217	\$31,409,986	\$102,987,462
Keya Paha County	\$969,293	D	D	\$969,293
Kimball County	\$11,954,093	D	\$4,384,551	\$16,338,644
Knox County	\$30,231,737	\$554,225	\$5,183,599	\$35,969,561
Lancaster County	\$2,301,238,370	\$105,323,124	\$794,620,718	\$3,201,182,212
Lincoln County	\$306,990,351	\$8,557,872	\$101,690,398	\$417,238,621
Logan County	\$1,458,222	D	D	\$1,458,222
Loup County	\$807,279		D	\$807,279
Madison County	\$392,219,567	\$9,273,217	\$90,837,097	\$492,329,881
McPherson County	D		D	\$0
Merrick County	\$22,972,720	\$1,245,014	\$7,484,838	\$31,702,572
Morrill County	\$13,491,482	D	\$5,924,986	\$19,416,468
Nance County	\$8,724,789	D	\$1,951,946	\$10,676,735
Nemaha County	\$16,015,490	\$521,209	\$7,397,583	\$23,934,282
Nuckolls County	\$18,760,707	\$840,065	\$3,041,554	\$22,642,326
Otoe County	\$77,605,729	\$8,366,211	\$35,530,654	\$121,502,594
Pawnee County	\$5,516,682	D	\$1,175,074	\$6,691,756
Perkins County	\$11,157,899	D	D	\$11,157,899
Phelps County	\$45,850,815	D	\$13,835,311	\$59,686,126
Pierce County	\$18,802,885	D	\$2,746,710	\$21,549,595
Platte County	\$275,770,365	\$3,615,795	\$73,637,815	\$353,023,975
Polk County	\$9,201,317	D	\$1,513,541	\$10,714,858
Red Willow County	\$97,896,188	\$1,488,644	\$24,731,495	\$124,116,327
Richardson County	\$21,167,743	D	\$8,779,084	\$29,946,827
Rock County	\$4,928,434	D	D	\$4,928,434
Saline County	\$59,925,708	\$597,563	\$13,816,477	\$74,339,748
Sarpy County	\$1,417,248,130	\$44,128,921	\$424,282,351	\$1,885,659,402
Saunders County	\$71,047,453	\$7,501,233	\$22,852,631	\$101,401,317
Scotts Bluff County	\$308,595,546	\$5,324,923	\$77,144,409	\$391,064,878
Seward County	\$79,514,178	\$1,814,773	\$19,237,900	\$100,566,851
Sheridan County	\$26,379,978	D	\$4,262,140	\$30,642,118
Sherman County	\$5,471,392	D	\$1,794,365	\$7,265,757
Sioux County	\$2,111,166		D	\$2,111,166
Stanton County	\$6,029,320	D	D	\$6,029,320
Thayer County	\$14,987,603	D	\$3,217,615	\$18,205,218
Thomas County	\$6,752,021	D	D	\$6,752,021

Thurston County	\$10,345,535	D	\$1,534,554	\$11,880,089
Valley County	\$19,873,124	D	\$3,605,519	\$23,478,643
Washington County	\$97,763,105	D	\$23,826,598	\$121,589,703
Wayne County	\$30,814,886	\$894,767	\$16,319,353	\$48,029,006
Webster County	\$10,779,942	\$393,406	\$1,498,333	\$12,671,681
Wheeler County	D		\$1,582,206	\$1,582,206
York County	\$110,345,810	D	\$42,753,072	\$153,098,882

Source: Nebraska Department of Revenue; "D" indicates values withheld to avoid disclosure of confidential information. Amounts are included in county totals. Blank values indicate that a county does not report revenue for that category.

Table 52: Total Property Value by County

County	2020	2021	% Change
Adams County	\$3,897,656,499	\$4,227,782,280	8.5%
Antelope County	\$2,460,901,512	\$2,588,086,578	5.2%
Arthur County	\$240,755,116	\$263,992,642	9.7%
Banner County	\$272,715,763	\$280,887,755	3.0%
Blaine County	\$344,867,171	\$354,518,194	2.8%
Boone County	\$2,295,624,579	\$2,367,972,177	3.2%
Box Butte County	\$1,517,735,099	\$1,576,055,593	3.8%
Boyd County	\$587,083,493	\$601,978,692	2.5%
Brown County	\$894,125,478	\$994,673,446	11.2%
Buffalo County	\$6,325,256,544	\$6,675,988,350	5.5%
Burt County	\$1,789,104,248	\$1,878,649,374	5.0%
Butler County	\$2,430,262,852	\$2,484,948,034	2.3%
Cass County	\$4,034,365,898	\$4,409,798,525	9.3%
Cedar County	\$2,524,296,557	\$2,630,791,693	4.2%
Chase County	\$1,391,112,815	\$1,455,499,568	4.6%
Cherry County	\$2,136,823,861	\$2,219,986,414	3.9%
Cheyenne County	\$1,398,536,412	\$1,452,186,414	3.8%
Clay County	\$2,079,507,480	\$2,170,390,088	4.4%
Colfax County	\$1,935,756,993	\$2,026,934,144	4.7%
Cuming County	\$2,730,816,899	\$2,831,595,255	3.7%
Custer County	\$3,450,938,930	\$3,483,938,639	1.0%
Dakota County	\$1,982,804,025	\$2,222,980,115	12.1%
Dawes County	\$979,344,579	\$1,038,844,388	6.1%
Dawson County	\$3,378,328,434	\$3,502,352,623	3.7%
Deuel County	\$400,662,266	\$426,862,014	6.5%
Dixon County	\$1,417,190,402	\$1,476,706,058	4.2%
Dodge County	\$4,755,853,398	\$5,054,376,372	6.3%
Douglas County	\$53,646,701,190	\$57,816,795,525	7.8%
Dundy County	\$886,182,155	\$916,462,776	3.4%
Fillmore County	\$2,377,054,926	\$2,423,957,887	2.0%
Franklin County	\$975,438,513	\$985,061,448	1.0%
Frontier County	\$862,133,146	\$886,946,410	2.9%

Furnas County	\$960,202,925	\$998,961,482	4.0%
Gage County	\$3,234,510,911	\$3,445,377,858	6.5%
Garden County	\$773,144,744	\$804,143,030	4.0%
Garfield County	\$443,887,754	\$468,763,858	5.6%
Gosper County	\$884,304,830	\$908,508,075	2.7%
Grant County	\$321,647,940	\$329,998,967	2.6%
Greeley County	\$947,621,355	\$986,946,910	4.1%
Hall County	\$5,925,061,465	\$6,191,544,621	4.5%
Hamilton County	\$2,931,343,374	\$3,050,699,069	4.1%
Harlan County	\$987,781,379	\$1,032,853,507	4.6%
Hayes County	\$490,353,047	\$517,577,753	5.6%
Hitchcock County	\$701,096,012	\$757,275,137	8.0%
Holt County	\$2,879,219,725	\$2,910,969,819	1.1%
Hooker County	\$335,896,635	\$350,634,420	4.4%
Howard County	\$1,400,522,653	\$1,456,868,875	4.0%
Jefferson County	\$1,840,981,881	\$1,877,722,050	2.0%
Johnson County	\$971,023,732	\$986,161,225	1.6%
Kearney County	\$1,853,668,831	\$1,917,078,015	3.4%
Keith County	\$1,919,574,989	\$2,084,466,328	8.6%
Keya Paha County	\$477,973,722	\$486,965,612	1.9%
Kimball County	\$706,610,544	\$724,574,423	2.5%
Knox County	\$2,240,360,609	\$2,294,475,228	2.4%
Lancaster County	\$32,609,379,673	\$33,872,765,406	3.9%
Lincoln County	\$5,153,887,956	\$5,315,423,416	3.1%
Logan County	\$348,613,143	\$369,012,857	5.9%
Loup County	\$317,553,115	\$327,952,070	3.3%
McPherson County	\$4,393,398,645	\$4,634,596,685	5.5%
Madison County	\$318,785,335	\$340,011,148	6.7%
Merrick County	\$1,784,710,323	\$1,876,702,877	5.2%
Morrill County	\$1,111,929,489	\$1,150,923,814	3.5%
Nance County	\$1,077,066,953	\$1,065,611,041	-1.1%
Nemaha County	\$1,185,659,756	\$1,208,226,989	1.9%
Nuckolls County	\$1,136,987,164	\$1,153,647,355	1.5%
Otoe County	\$2,475,364,808	\$2,536,808,182	2.5%
Pawnee County	\$785,810,273	\$814,845,254	3.7%
Perkins County	\$1,160,625,959	\$1,188,438,500	2.4%
Phelps County	\$2,272,528,150	\$2,331,076,834	2.6%
Pierce County	\$1,960,977,831	\$2,019,143,709	3.0%
Platte County	\$5,932,549,808	\$6,110,057,264	3.0%
Polk County	\$1,795,436,863	\$1,849,812,438	3.0%
Red Willow County	\$1,289,463,688	\$1,371,667,683	6.4%
Richardson County	\$1,415,348,326	\$1,458,130,429	3.0%
Rock County	\$661,423,288	\$663,200,051	0.3%
Saline County	\$2,420,327,166	\$2,488,800,127	2.8%

Sarpy County	\$19,513,624,113	\$21,682,111,476	11.1%
Saunders County	\$4,280,752,265	\$4,660,541,185	8.9%
Scotts Bluff County	\$3,144,391,357	\$3,258,371,156	3.6%
Seward County	\$3,219,646,281	\$3,369,187,368	4.6%
Sheridan County	\$1,136,228,299	\$1,165,228,561	2.6%
Sherman County	\$937,358,929	\$982,232,306	4.8%
Sioux County	\$662,271,912	\$666,140,887	0.6%
Stanton County	\$1,596,750,732	\$1,632,121,100	2.2%
Thayer County	\$1,882,486,091	\$1,916,233,586	1.8%
Thomas County	\$336,100,462	\$358,135,298	6.6%
Thurston County	\$1,002,763,252	\$1,030,550,086	2.8%
Valley County	\$898,169,421	\$991,050,558	10.3%
Washington County	\$3,540,764,107	\$3,798,116,591	7.3%
Wayne County	\$1,975,621,783	\$2,156,844,846	9.2%
Webster County	\$1,029,008,419	\$1,089,037,746	5.8%
Wheeler County	\$591,212,725	\$639,247,288	8.1%
York County	\$3,342,149,744	\$3,494,747,025	4.6%

Source: Nebraska Department of Revenue Property Assessment

Table 53: Divorce Rates by County

County	2014	2015	2016
Adams County	3.4%	3.1%	3.5%
Antelope County	2.2%	2.5%	2.1%
Arthur County	2.2%	0.0%	0.0%
Banner County	0.0%	1.3%	1.3%
Blaine County	2.0%	0.0%	2.1%
Boone County	1.7%	2.6%	2.6%
Box Butte County	3.8%	3.8%	4.7%
Boyd County	0.5%	0.5%	0.5%
Brown County	3.7%	3.7%	2.7%
Buffalo County	3.4%	3.0%	2.5%
Burt County	2.9%	3.3%	3.2%
Butler County	2.7%	3.2%	3.2%
Cass County	2.9%	3.9%	2.8%
Cedar County	1.4%	1.5%	1.2%
Chase County	2.8%	2.3%	1.5%
Cherry County	1.9%	2.6%	2.6%
Cheyenne County	3.4%	3.9%	3.7%
Clay County	2.7%	2.5%	3.7%
Colfax County	2.1%	3.8%	3.1%
Cuming County	1.8%	2.3%	1.9%
Custer County	3.4%	3.0%	4.3%
Dakota County	2.6%	2.3%	3.0%
Dawes County	2.0%	2.5%	3.0%

Dawson County	3.2%	3.0%	2.3%
Deuel County	2.6%	2.6%	3.2%
Dixon County	3.3%	1.9%	2.8%
Dodge County	3.8%	3.8%	3.4%
Douglas County	3.1%	3.3%	3.2%
Dundy County	3.2%	5.0%	4.9%
Fillmore County	3.2%	3.2%	2.1%
Franklin County	3.9%	3.4%	3.0%
Frontier County	2.6%	3.4%	2.7%
Furnas County	3.3%	4.5%	4.0%
Gage County	3.5%	3.1%	4.3%
Garden County	2.6%	1.0%	3.1%
Garfield County	2.5%	3.0%	2.5%
Gosper County	3.6%	2.5%	4.1%
Grant County	4.8%	3.1%	0.0%
Greeley County	2.8%	1.2%	2.9%
Hall County	3.3%	3.7%	3.3%
Hamilton County	2.5%	3.3%	2.9%
Harlan County	2.0%	3.8%	2.3%
Hayes County	1.1%	3.2%	0.0%
Hitchcock County	2.8%	3.5%	1.1%
Holt County	2.0%	2.4%	2.0%
Hooker County	1.4%	5.5%	2.8%
Howard County	2.4%	2.0%	3.3%
Jefferson County	2.9%	3.7%	3.9%
Johnson County	3.3%	4.4%	2.9%
Kearney County	1.8%	3.2%	3.1%
Keith County	2.3%	2.9%	4.6%
Keya Paha County	2.5%	2.5%	1.3%
Kimball County	2.7%	3.3%	4.3%
Knox County	2.7%	2.8%	2.6%
Lancaster County	2.9%	3.0%	2.8%
Lincoln County	4.0%	4.3%	3.8%
Logan County	1.3%	1.3%	2.6%
Loup County	5.1%	5.1%	0.0%
McPherson County	2.0%	0.0%	0.0%
Madison County	2.9%	2.9%	3.4%
Merrick County	2.1%	2.2%	2.3%
Morrill County	3.5%	3.3%	2.7%
Nance County	1.7%	2.5%	2.8%
Nemaha County	3.5%	2.7%	4.0%
Nuckolls County	2.0%	2.8%	3.8%
Otoe County	3.3%	2.6%	2.8%
Pawnee County	3.3%	4.5%	1.9%

Perkins County	3.1%	2.7%	2.1%
Phelps County	4.1%	3.9%	4.4%
Pierce County	2.9%	2.4%	1.5%
Platte County	2.9%	2.6%	3.0%
Polk County	2.3%	1.5%	1.9%
Red Willow County	3.0%	4.6%	3.9%
Richardson County	2.6%	3.8%	3.2%
Rock County	3.5%	2.2%	3.6%
Saline County	4.4%	3.2%	2.7%
Sarpy County	3.6%	3.1%	3.5%
Saunders County	2.2%	3.1%	2.4%
Scotts Bluff County	3.1%	4.1%	4.1%
Seward County	2.3%	2.6%	2.4%
Sheridan County	2.9%	2.7%	2.5%
Sherman County	1.3%	3.2%	3.6%
Sioux County	3.1%	2.4%	0.8%
Stanton County	1.8%	3.4%	2.5%
Thayer County	2.7%	2.9%	2.7%
Thomas County	0.0%	2.9%	0.0%
Thurston County	2.4%	2.0%	2.8%
Valley County	2.1%	2.6%	4.8%
Washington County	3.0%	2.8%	2.9%
Wayne County	1.7%	1.6%	2.1%
Webster County	2.2%	3.6%	5.0%
Wheeler County	3.9%	2.7%	0.0%
York County	2.8%	3.2%	3.3%

Source: Vital Statistics Report, Nebraska Department of Health and Human Services

Table 54: Highest Degree Achieved by County – 2023

County	Grad. Degree	Bach. Degree	Assoc. Degree	Some College	GED/Alt. Cred.	H.S. Diploma
Adams County	2,306	3,507	2,689	5,422	821	4,950
Antelope County	287	611	795	908	135	1,525
Arthur County	28	62	53	60	1	66
Banner County	53	91	78	156	11	78
Blaine County	17	56	45	55	3	108
Boone County	257	549	602	722	134	1,448
Box Butte County	316	1,200	795	2,026	314	2,181
Boyd County	82	159	195	256	24	570
Brown County	165	354	304	414	39	773
Buffalo County	4,261	8,008	3,419	6,998	1,098	7,270
Burt County	283	949	597	927	306	1,541
Butler County	331	1,173	859	1,119	207	2,005
Cass County	2,189	3,932	2,764	3,905	728	4,880

Cedar County	400	969	934	1,088	117	2,128
Chase County	191	470	250	832	114	620
Cherry County	318	781	632	880	182	1,123
Cheyenne County	409	1,192	991	1,421	366	1,907
Clay County	275	647	746	830	195	1,371
Colfax County	251	854	752	1,119	260	1,830
Cuming County	435	1,156	769	1,223	189	2,009
Custer County	531	1,362	1,033	1,746	363	2,145
Dakota County	538	1,523	1,451	2,638	615	4,179
Dawes County	1,005	1,080	595	1,302	195	934
Dawson County	751	2,055	1,615	3,120	976	4,172
Deuel County	77	199	182	361	99	298
Dixon County	233	667	517	659	120	1,198
Dodge County	2,024	3,521	3,146	5,220	1,409	8,288
Douglas County	63,124	109,625	35,194	75,731	13,504	70,849
Dundy County	151	239	154	267	16	260
Fillmore County	346	599	598	861	149	1,287
Franklin County	124	247	338	463	121	664
Frontier County	110	357	298	420	41	462
Furnas County	238	525	460	783	104	977
Gage County	912	2,445	2,224	2,869	701	5,143
Garden County	131	270	176	299	95	363
Garfield County	81	346	186	363	58	292
Gosper County	127	333	219	282	44	325
Grant County	28	105	35	116	26	106
Greeley County	70	202	240	343	31	535
Hall County	3,412	6,545	3,920	8,993	2,105	11,540
Hamilton County	643	1,272	1,044	1,732	195	1,722
Harlan County	160	445	452	437	66	558
Hayes County	13	109	109	162	45	142
Hitchcock County	134	248	253	583	59	554
Holt County	596	1,454	1,159	1,475	147	2,101
Hooker County	13	137	49	101	12	195
Howard County	193	807	555	1,093	80	1,799
Jefferson County	211	734	776	1,133	235	1,816
Johnson County	268	523	344	592	408	1,420
Kearney County	281	1,063	613	1,220	153	1,222
Keith County	418	929	803	1,604	290	1,543
Keya Paha County	46	117	72	131	15	144
Kimball County	121	220	303	576	105	873
Knox County	400	806	995	1,208	224	1,961
Lancaster County	35,086	58,443	27,502	40,089	8,333	38,363
Lincoln County	1,924	3,507	3,720	5,946	1,408	5,972
Logan County	16	117	85	120	11	108

Loup County	27	59	75	115	23	141
McPherson County	1,939	4,267	3,807	4,983	904	6,720
Madison County	17	55	71	39	3	68
Merrick County	317	655	727	1,355	155	1,971
Morrill County	184	496	381	752	156	980
Nance County	189	284	407	573	53	783
Nemaha County	446	1,034	478	1,063	270	1,105
Nuckolls County	246	496	434	652	99	916
Otoe County	1,062	2,146	1,430	2,200	478	3,409
Pawnee County	136	189	206	333	88	673
Perkins County	63	468	202	594	93	414
Phelps County	561	1,177	743	1,649	182	1,622
Pierce County	314	929	999	954	112	1,655
Platte County	1,890	4,138	3,403	4,803	874	6,349
Polk County	205	523	656	696	171	1,225
Red Willow County	550	1,383	942	1,787	366	2,098
Richardson County	370	834	727	1,189	274	2,074
Rock County	66	231	123	198	14	275
Saline County	648	1,206	1,262	2,006	424	2,261
Sarpy County	21,038	35,787	15,144	26,179	2,923	24,538
Saunders County	1,549	3,454	2,472	3,035	653	4,346
Scotts Bluff County	2,029	4,480	2,553	6,194	1,031	5,977
Seward County	1,120	2,705	1,890	2,147	385	3,029
Sheridan County	186	601	423	862	186	1,052
Sherman County	150	320	230	502	78	688
Sioux County	56	173	102	245	28	190
Stanton County	228	627	844	819	83	1,157
Thayer County	273	627	549	796	131	1,117
Thomas County	31	100	82	139	13	108
Thurston County	231	556	556	825	263	1,115
Valley County	209	616	385	718	98	795
Washington County	1,635	3,731	1,994	2,970	313	3,816
Wayne County	800	1,260	865	1,103	112	1,571
Webster County	190	318	444	547	74	728
Wheeler County	53	105	76	167	6	144
York County	915	1,810	1,710	2,204	394	2,592

Source: ESRI

Table 55: Number of Community College, College, and Universities by County

County	Community College Count	College and University Count
Adams County	1	1
Antelope County		
Arthur County		

Banner County		
Blaine County		
Boone County		
Box Butte County	1	
Boyd County		
Brown County		
Buffalo County		1
Burt County		
Butler County		
Cass County		
Cedar County		
Chase County		
Cherry County		
Cheyenne County	1	
Clay County		
Colfax County		
Cuming County	1	
Custer County		
Dakota County	2	
Dawes County		1
Dawson County		
Deuel County		
Dixon County		
Dodge County		1
Douglas County	1	7
Dundy County		
Fillmore County		
Franklin County		
Frontier County		1
Furnas County		
Gage County	1	
Garden County		
Garfield County		
Gosper County		
Grant County		
Greeley County		
Hall County	1	
Hamilton County		
Harlan County		
Hayes County		
Hitchcock County		
Holt County	1	
Hooker County		
Howard County		

Jefferson County		
Johnson County		
Kearney County		
Keith County		
Keya Paha County		
Kimball County		
Knox County	1	
Lancaster County	1	4
Lincoln County	1	
Logan County		
Loup County		
McPherson County		
Madison County	1	
Merrick County		
Morrill County		
Nance County		
Nemaha County		1
Nuckolls County		
Otoe County		
Pawnee County		
Perkins County		
Phelps County		
Pierce County		
Platte County	1	
Polk County		
Red Willow County	1	
Richardson County		
Rock County		
Saline County		1
Sarpy County		1
Saunders County		
Scotts Bluff County	1	1
Seward County	1	1
Sheridan County		
Sherman County		
Sioux County		
Stanton County		
Thayer County		
Thomas County		
Thurston County	2	
Valley County		
Washington County		
Wayne County		1
Webster County		

Wheeler County		
York County		1
Total	20	23

Table 56: Average Life Expectancy

County	Average Life Expectancy (Yrs.)
Adams County	77.9
Antelope County	82.7
Arthur County*	N/A
Banner County*	N/A
Blaine County*	N/A
Boone County	81.1
Box Butte County	77.7
Boyd County	77.6
Brown County	79.1
Buffalo County	80.4
Burt County	75.9
Butler County	78.1
Cass County	79.2
Cedar County	81.1
Chase County	79.4
Cherry County	79.3
Cheyenne County	77.4
Clay County	78.3
Colfax County	80.3
Cuming County	79.8
Custer County	80.3
Dakota County	77.6
Dawes County	78.4
Dawson County	78.3
Deuel County	79.3
Dixon County	80.2
Dodge County	76.8
Douglas County	78.6
Dundy County	77.7
Fillmore County	80.8
Franklin County	76.0
Frontier County	84.3
Furnas County	78.1
Gage County	77.8
Garden County	76.0
Garfield County	79.8
Gosper County	76.8

Grant County*	N/A
Greeley County	82.0
Hall County	77.9
Hamilton County	81.2
Harlan County	81.4
Hayes County*	N/A
Hitchcock County	75.9
Holt County	79.7
Hooker County*	N/A
Howard County	78.1
Jefferson County	78.2
Johnson County	77.6
Kearney County	79.2
Keith County	79.1
Keya Paha County*	N/A
Kimball County	73.7
Knox County	79.6
Lancaster County	79.9
Lincoln County	77.8
Logan County*	N/A
Loup County*	N/A
Madison County	78.2
McPherson County*	N/A
Merrick County	78.1
Morrill County	76.9
Nance County	76.1
Nemaha County	77.0
Nuckolls County	77.6
Otoe County	80.3
Pawnee County	76.9
Perkins County	79.2
Phelps County	80.0
Pierce County	81.1
Platte County	79.7
Polk County	77.4
Red Willow County	78.1
Richardson County	77.4
Rock County*	N/A
Saline County	79.0
Sarpy County	80.7
Saunders County	78.8
Scotts Bluff County	76.0
Seward County	79.2
Sheridan County	76.5

Sherman County	80.7
Sioux County*	N/A
Stanton County	80.2
Thayer County	78.7
Thomas County*	N/A
Thurston County	66.6
Valley County	81.3
Washington County	81
Wayne County	83.2
Webster County	77
Wheeler County*	N/A
York County	79.7

Source: County Health Rankings, University of Wisconsin Population Health Institute;

*Data not available for these counties

APPENDIX B: BENCHMARK CITY DATA

Appendix B presents relevant city level data with respect to police and fire, roads, bridge, sidewalk, public health and social services, and capital project expenditures. We selected cities where the tracks are located or proposed as well as several comparable cities to act as controls, including Chadron, Scottsbluff, and Sidney.

Table 57: Police and Fire Expenditures – FY 2022-2023

City	Police and Fire Expenditures
Chadron	\$1,740,804
Columbus	\$30,613,099
Grand Island	\$24,159,401
Hastings	\$12,999,921
Kimball	\$819,363
Lincoln	\$104,667,641
Norfolk	\$16,012,706
North Platte	\$15,414,836
Ogallala	\$1,816,042
Omaha*	\$297,855,946
Scottsbluff	\$7,386,020
Sidney	\$2,085,492
South Sioux City	\$7,615,719
York	\$6,184,629

Source: Nebraska Auditor of Public Accounts; *Omaha budget represents CY2022 budget

Table 58: Road, Bridge, and Sidewalk Expenditures – FY 2022-2023

City	Road, Bridge, and Sidewalk Expenditures
Hastings	\$10,964,119
Sidney	\$2,950,894
South Sioux City	\$5,707,500
Chadron	\$1,194,259
Omaha*	\$185,344,351
Grand Island	\$21,136,917
Ogallala	\$1,671,682
Kimball	\$673,646
Lincoln	\$134,920,395
North Platte	\$2,165,080
Norfolk	\$23,625,637
Columbus	\$13,417,576
Scottsbluff	\$4,184,981
York	\$9,072,259

Source: Nebraska Auditor of Public Accounts; *Omaha budget represents CY2022 budget

Table 59: Public Health and Social Services Expenditures – FY 2022-2023

City	Public Health and Social Services Expenditures
Hastings	\$0
Sidney	\$453,431
South Sioux City	\$0
Chadron	\$0
Omaha*	\$0
Grand Island	\$0
Ogallala	\$0
Kimball	\$0
Lincoln	\$25,188,715
North Platte	\$190,865
Norfolk	\$0
Columbus	\$2,100,375
Scottsbluff	\$654,769
York	\$0

Source: Nebraska Auditor of Public Accounts; *Omaha budget represents CY2022 budget

Table 60: Capital Project Expenditures – FY 2022-2023

City	Capital Project Expenditures
Hastings	\$42,895,439
Sidney	\$3,083,650
South Sioux City	\$74,241,036
Chadron	\$900,050
Omaha*	\$634,945,835
Grand Island	\$30,453,535
Ogallala	\$3,633,546
Kimball	\$3,420,000
Lincoln	\$170,057,985
North Platte	\$50,839,600
Norfolk	\$27,900,128
Columbus	\$38,615,091
Scottsbluff	\$8,174,234
York	\$23,671,947

Source: Nebraska Auditor of Public Accounts; *Omaha budget represents CY2022 budget

APPENDIX C: BENCHMARK REGION DATA

Appendix C presents relevant regional level data with respect to public health. We have selected six data points to represent general health, access to medical care, and behavioral risk factors.

Table 61: General Health Fair or Poor, Adults 18 and Older – 2020

Sub-Region	Percentage*
Central District Health Department	11.5%
Dakota County Health Department	18.7%
Douglas County Health Department	11.0%
East Central District Health Department	8.8%
Elkhorn Logan Valley Public Health Department	10.4%
Four Corners Health Department	11.5%
Lincoln-Lancaster County Health Department	8.1%
Loup Basin Public Health Department	13.0%
North Central District Health Department	12.0%
Northeast Nebraska Public Health Department	9.8%
Panhandle Public Health District	13.8%
Public Health Solutions District Health Department	15.7%
Sarpy-Cass Health Department	9.2%
South Heartland District Health Department	13.3%
Southeast District Health Department	12.7%
Southwest Nebraska Public Health Department	14.6%
Three Rivers Public Health Department	12.5%
Two Rivers Public Health Department	10.1%
West Central District Health Department	11.2%

Source: Nebraska Public Health Atlas; *Percentage of Adults 18 and older who reported health as fair or poor

Table 62: Needed to See a Doctor but Could Not Due to Cost in Past Year, Adults 18 and Older – 2020

Sub-Region	Percentage
Central District Health Department	11.5%
Dakota County Health Department	11.0%
Douglas County Health Department	11.1%
East Central District Health Department	8.5%
Elkhorn Logan Valley Public Health Department	7.0%
Four Corners Health Department	5.7%
Lincoln-Lancaster County Health Department	9.7%
Loup Basin Public Health Department	5.3%
North Central District Health Department	7.8%
Northeast Nebraska Public Health Department	6.5%
Panhandle Public Health District	10.8%
Public Health Solutions District Health Department	7.8%
Sarpy-Cass Health Department	6.7%
South Heartland District Health Department	11.2%
Southeast District Health Department	5.6%
Southwest Nebraska Public Health Department	7.7%
Three Rivers Public Health Department	7.1%
Two Rivers Public Health Department	10.4%
West Central District Health Department	10.2%

Source: Nebraska Public Health Atlas

Table 63: No Personal Doctor or Healthcare Provider, Adults 18 and Older – 2020

Sub-Region	Percentage
Central District Health Department	24.0%
Dakota County Health Department	24.4%
Douglas County Health Department	24.0%
East Central District Health Department	18.5%
Elkhorn Logan Valley Public Health Department	20.3%
Four Corners Health Department	14.3%
Lincoln-Lancaster County Health Department	19.5%
Loup Basin Public Health Department	12.1%
North Central District Health Department	14.3%
Northeast Nebraska Public Health Department	19.5%
Panhandle Public Health District	23.7%
Public Health Solutions District Health Department	19.2%
Sarpy-Cass Health Department	19.5%
South Heartland District Health Department	12.2%
Southeast District Health Department	13.8%
Southwest Nebraska Public Health Department	16.2%
Three Rivers Public Health Department	20.8%
Two Rivers Public Health Department	18.7%
West Central District Health Department	18.6%

Source: Nebraska Public Health Atlas

Table 64: Binge Drank in the Past 30 Days, Adults 18 and Older – 2020

Sub-Region	Percentage*
Central District Health Department	17.6%
Dakota County Health Department	13.6%
Douglas County Health Department	20.8%
East Central District Health Department	22.5%
Elkhorn Logan Valley Public Health Department	20.8%
Four Corners Health Department	20.4%
Lincoln-Lancaster County Health Department	24.5%
Loup Basin Public Health Department	20.4%
North Central District Health Department	20.8%
Northeast Nebraska Public Health Department	21.8%
Panhandle Public Health District	18.3%
Public Health Solutions District Health Department	20.9%
Sarpy-Cass Health Department	18.0%
South Heartland District Health Department	17.9%
Southeast District Health Department	15.1%
Southwest Nebraska Public Health Department	14.4%
Three Rivers Public Health Department	20.7%
Two Rivers Public Health Department	20.3%
West Central District Health Department	16.7%

Source: Nebraska Public Health Atlas; *Reported having five or more alcoholic drinks for men/four or more alcohol drinks for women on at least one occasion during the last 30 days

Table 65: Opioid Misuse in Past Year, Adults 18 and Older – 2020

Sub-Region	Percentage*
Central District Health Department	3.6%
Dakota County Health Department	7.9%
Douglas County Health Department	3.5%
East Central District Health Department	3.0%
Elkhorn Logan Valley Public Health Department	4.0%
Four Corners Health Department	4.3%
Lincoln-Lancaster County Health Department	2.5%
Loup Basin Public Health Department	2.7%
North Central District Health Department	2.9%
Northeast Nebraska Public Health Department	0.3%
Panhandle Public Health District	3.8%
Public Health Solutions District Health Department	2.8%
Sarpy-Cass Health Department	1.7%
South Heartland District Health Department	1.3%
Southeast District Health Department	2.9%
Southwest Nebraska Public Health Department	2.5%
Three Rivers Public Health Department	1.3%
Two Rivers Public Health Department	4.7%
West Central District Health Department	1.7%

Source: Nebraska Public Health Atlas; *Reported opioid pain medication use more frequently or in higher doses than directed by a doctor for their last filled prescription, or opioid pain medication not prescribed to them during the past 12 months

Table 66: Current Cigarette Smoking, Adults 18 and Older – 2020

Sub-Region	Percentage*
Central District Health Department	14.5%
Dakota County Health Department	14.5%
Douglas County Health Department	13.3%
East Central District Health Department	13.4%
Elkhorn Logan Valley Public Health Department	16.6%
Four Corners Health Department	13.1%
Lincoln-Lancaster County Health Department	13.7%
Loup Basin Public Health Department	11.3%
North Central District Health Department	13.5%
Northeast Nebraska Public Health Department	13.7%
Panhandle Public Health District	19.0%
Public Health Solutions District Health Department	16.9%
Sarpy-Cass Health Department	10.0%
South Heartland District Health Department	16.0%
Southeast District Health Department	16.8%
Southwest Nebraska Public Health Department	16.1%
Three Rivers Public Health Department	18.6%
Two Rivers Public Health Department	13.3%
West Central District Health Department	16.3%

Source: Nebraska Public Health Atlas; *Reported current cigarette use either every day or on some days

APPENDIX D: PROBLEM GAMBLING MITIGATION

Definition and Prevalence

A majority of Americans, about 86%, report having gambled at least once in their lifetime⁶. Most people gamble for recreational purposes without the behavior becoming a problem. Studies, however, estimate that 0.4%-1.6% of the United States population can be classified as pathological gamblers.^{7,8} Pathological gambling has been commonly associated with relationship problems, employment issues, and significant financial difficulties.

The American Psychiatric Association (2004) defines a pathological gambler as a person who features a continuous loss of control over gambling. Furthermore this gambler illustrates a progression, in gambling frequency and amounts wagered, in the preoccupation with gambling and in obtaining monies with which to gamble. However, problem gambling is a more loosely defined term and is commonly associated with gaming-related difficulties that are considered less serious than those of a pathological gambler. For the sake of this report we will utilize the definition by noted researchers Cox, Rosenthal and Volberg which defines problem gambling as a pattern of gambling behavior that compromise, disrupt or damage personal, family or vocational pursuits.⁹

The National Research Council¹⁰ utilizes a three-level metric. Level 1 gambling is considered social and or recreational gambling with no appreciable harmful effects. Level 2 gambling is synonymous with problem gambling. Level 3 gambling is synonymous with pathological gambling. Problem gambling is an urge to gamble despite harmful negative consequences or a desire to stop. It is often defined by whether harm is experienced by the gambler or others, such as the gamblers family, significant other, spouse, friends, or coworkers. A problem gambler may or may not be a pathological gambler. Pathological or compulsive gambling is defined as a mental disorder characterized by a continuous or periodic loss of control over gambling, a preoccupation with gambling and with obtaining money with which to gamble, irrational thinking, and a continuation of the behavior despite adverse consequences.

Prevalence rates to determine adult problem gambling rates are measured by administering a survey (often a variation of the South Oaks Gambling Screen or a modified DSM-IV questionnaire) to a statistically valid sample of the adult population of the jurisdiction being measured. Adolescent rates are measured in a similar manner. Such a method and analysis of data that accompanies the process is referred to as a general population prevalence study.

⁶ James KC, Bible WA, Dobson JC, Lanni JT, Leone RC, Loescher RW, et al. *National gambling impact study commission final report*. National Gambling Impact Study Commission. 1999.

⁷ Shaffer HJ, Hall MN, Vander Bilt J. "Estimating the prevalence of disordered gambling behavior in America and Canada: a research synthesis." *Am J Public Health*. 1999

⁸ Petry NM, Stinson FS, Grant BF. "Comorbidity of DSM-IV pathological gambling and other psychiatric disorders: results from the national epidemiologic survey on alcohol and related conditions." *J Clin Psychiatry*. 2005

⁹ Cox, S., H. R. Lesieur, R. J. Rosenthal & R. A. Volberg. 1997. *Problem and Pathological Gambling in America: The National Picture*. Columbia, MD: National Council on Problem Gambling.

¹⁰ National Research Council, pp. 20-21.

Jurisdictions, both domestically and internationally, have conducted studies to estimate the percentage of the population that could be classified as having some level of problem gambling behavior. These studies, commonly referred to as prevalence studies, are designed to reflect the scope and severity of problem gambling behavior.¹¹

One of the most frequently cited studies on prevalence rates is *Estimating the Prevalence of Disordered Gambling Behavior in the United States and Canada: A Meta-analysis by the Harvard Medical School Division on Addictions*. The meta-analysis method of estimating prevalence rates has been used in related addiction fields of drug prevention and patterns of alcohol use and alcohol treatment. It is considered a more cost-effective method than a national study since it makes use of existing research already conducted in a field.

The Harvard Medical School study, believed to be the first to use meta-analysis measurements for problem gambling prevalence rates, analyzed 152 distinct previous prevalence studies available for review by June 15, 1997. The study determined that 2.0 percent of the adult population could be considered as Level 2 of disordered gambling (often referred to as problem gambling) and 0.9 percent of Level 3 or disordered gambling (also referred to as pathological gambling) during the past year. The vast majority of adults in the general population, then, do not experience gambling-related problems of any clinical significance.

The meta-analysis raw data was given to the Committee on the Social and Economic Impact of Pathological Gambling of the National Research Council (NRC) in its analysis for the National Gaming Impact Study Commission. After an extensive review, the NRC agreed with the above rates of problem gambling and used the numbers in its own analysis of problem gambling in its final report.

The introduction of casino gambling has the potential of negative social impacts. These potential impacts can be controlled and minimized through proper planning, awareness campaigns, and prevention and treatment programs applied in a coordinated manner by all relevant stakeholders. By utilizing some of the many proven prevention and treatment programs, the potential social impact of the advent of gaming can be minimized. Allocating funds to problem gambling services can help mitigate problem gambling and promote responsible gambling.

As an example, by devoting more resources to prevention and treatment, Connecticut was able to cut prevalence rates despite further gaming development. In 1996, Connecticut had only a single clinic, but by the time of an updated study in 2008, the state had 17 clinics.¹² Prevalence rates declined substantially during that period, despite the opening of Mohegan Sun late in 1996 and further expansion at Foxwoods, including the opening of Grand Pequot Tower hotel in 1997.

¹¹ *Estimating the Prevalence of Disordered Gambling Behavior in the United States and Canada: A Meta-analysis*, Harvard Medical School Division on Addictions, 1997.

¹² Spectrum Gaming Group, *Gambling in Connecticut: Analyzing the Economic and Social Impacts*, prepared for the State of Connecticut, Division of Special Revenue, June 2009.

Table 67: Connecticut Prevalence Rates

	2008 Survey	1997 Study
Problem Gamblers	0.90%	2.20%
Probable Pathological Gamblers	0.70%	0.60%
Total Disordered Gamblers	1.60%	2.80%

Source: Spectrum Gaming Group.

Responsible Gaming and Harm Minimization

Responsible gambling/gaming programs take several forms in an effort to combat and prevent gambling-related harms. Instances of problem gambling manifest in two categories of harm: (1) personal harm, including effects on health, well-being, and relationships, and/or (2) economic harm. Research on responsible gaming falls short of the levels of scientific analysis necessary to develop responsible gaming “best practices.” While various publications have attempted to synthesize existing research on common responsible gaming and harm minimization practices, the field of research often lacks peer-reviewed scientific analyses.

In their current form, the most common responsible gaming practices reflected in the field of research are self-exclusion programs, gambling help lines, tracking behavioral characteristics, setting gambling limits, providing responsible gaming-oriented game features, and employee training. Each of these strategies will be discussed below.

As a condition of licensing, commercial casino states may mandate that casinos prepare and submit for approval a wide-ranging plan for addressing responsible gaming issues. Required elements of the plan often include employee training and public awareness efforts along with other policies that various states have addressed specifically through standalone statutes, or regulations, that address only a single subject. The required elements of these plans vary by state.

In Maryland, for example, a responsible gambling program must consist of mechanisms that both mitigate the effects of problem gambling in the State and maximize the access of individuals with a gambling problem to problem gambling resources.¹³

Massachusetts makes the issuance of gaming licenses contingent upon the submission of a plan to “address lottery mitigation, compulsive gambling problems, workforce development and community development [,] and host and surrounding community impact and mitigation issues.”¹⁴ The State intends for these requirements to advance its objective of providing a gaming environment that is safe and productive for all stakeholders. In furtherance of this objective,

¹³ Maryland responsible gaming plan statute. COMAR 36.01.03.07(B).

¹⁴ Massachusetts responsible gaming statute. M.G.L. Ch. 23K, § 15(6).

Massachusetts prompts gaming licensees to develop plans that train employees to identify patrons exhibiting problems with gambling, and prevention programs for vulnerable populations.¹⁵

Other states, such as Ohio, connect their responsible gaming plans to other mitigation mechanisms, such as voluntary exclusion programs, to better protect vulnerable groups.¹⁶ Overall, the development of responsible gaming plans serves to establish concrete frameworks to better promote safe gaming.

Self-Exclusion Programs

Voluntary self-exclusion programs, typically operated by casinos and online gambling sites or gaming regulators, give individuals the ability to exclude themselves from gambling activities. Many states require that patrons have the ability to authorize a casino to refuse their right to gamble and to expel them if they are found gambling or, in some cases, otherwise found on the premises. Program management models vary; in some cases, they are run by the state or a state-appointed group, in others they are managed directly by licensees. State statutes vary in the length of the self-exclusion periods available – typically ranging from a six month ban to lifetime restriction – and in the procedures for reversing self-exclusion. In some states, third parties also have the ability to voluntarily exclude patrons exhibiting problem gambling behavior. Many state laws specify that, in addition to banning play, the casino must also eliminate direct promotional outreach to these individuals as well as exclude them from complimentary offerings (“comps”) or access to credit. Such programs illustrate efforts to mitigate the potential social harms of expanded gaming in a state, including mental health issues, relationship concerns, and financial and work problems resulting from problem gambling.¹⁷ As one of the most investigated responsible gaming strategies, self-exclusion programs benefit from a robust body of research conducted around the world.

Generally, the research on the effectiveness of self-exclusion programs concludes that this method is a safe and, for some gamblers, effective form of intervention against problem gambling. As one study suggests, self-exclusion may have similar outcomes to counseling and may reduce harm in the short-term. Additional research has indicated that self-excluded persons also engage in treatment, self-help groups, or other forms of support experience more positive outcome than those who do not. This research suggests that self-exclusion programs that serve as a gateway to treatment are most successful for individuals harmed by problem gambling. Research has also indicated that problem gamblers appear to be more receptive to self-exclusion mitigation strategies when compared to self-led efforts to seek professional help.¹⁸ Ultimately, self-exclusion has transitioned from a “punitive” enforcement model to one that aims to provide individual assistance in order to connect vulnerable persons with counseling and other support services.

¹⁵ M.G.L., Ch. 23K, § 18(6)

¹⁶ See e.g., Ohio Regulation 3772-12-06.

¹⁷ Nerilee Hing, Barry Tolchard, Elaine Nuske & Louise Holdsworth, *A Process Evaluation of a Self-Exclusion Program: A Qualitative Investigation from the Perspective of Excluders and Non-Excluders*, 12 INTERNATIONAL JOURNAL OF MENTAL HEALTH AND ADDICTION 509, 510 (2014), [10.1007/s11469-014-9482-5](https://doi.org/10.1007/s11469-014-9482-5).

¹⁸ Hing, *supra* note 5, at 510.

The framework for self-exclusion programs varies from state to state, but many states mandate that patrons have the ability to refuse their right to gamble and to expel them from the premises.¹⁹ In Kansas, for example, the voluntary exclusion statutes require that each self-exclusion applicant “refrain from visiting gaming facilities, pari-mutuel licensee locations, and fair association race meets.”²⁰ Kansas’ statutes also enable the gaming commission to “prohibit the applicant from entering the premises of all gaming facilities.”

Similarly, Massachusetts enables a person to be placed on a self-exclusion list by “acknowledging that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person shall not collect any winnings or recover any losses.”²¹ Massachusetts also prohibits gaming establishments from marketing “to persons on any excluded persons list,” and requires gaming establishments to deny access to complimentary credits. Ultimately, Massachusetts identifies voluntary self-exclusion as “one means to help address problem gambling behavior or deter an individual with family, religious, or other personal concerns from entering . . . a gaming establishment.”²²

Various challenges interfere with the effectiveness of self-exclusion. First, the number of gambling facilities within a jurisdiction may make the enforcement of self-exclusion impractical; if alternative facilities can be easily accessed, the effectiveness of self-exclusion may be compromised. Notably, statutorily required training may not sufficiently prepare officials responsible for self-exclusion enforcement.²³ The diversity of socioeconomic and psychological conditions among voluntary self-excluders may require responsive enforcement mechanisms. Furthermore, the need to apply for placement on a self-exclusion list within a gaming facility may compromise the integrity of the process, thereby deterring potential self-excluders from participating.

Individual compliance poses another well-documented challenge to the effectiveness of self-exclusion programs. For example, one study determined that more than half of the participants for whom self-exclusion was still in effect had returned to a casino or breached their contracts by the six month follow-up interview. Additionally, a study of self-excluded individuals in Missouri found similar breaches, indicating that the benefits of the program were attributable more to the act of enrollment than to enforcement. This research has led to the frequent conclusion that responsibility for self-exclusion lies with both the gaming industry and the self-excluding individual.

¹⁹ Regulatory Management Counselors, *Comparative Governance and Regulatory Structure of Gaming Regulations Related to Expanded Legalized Gaming Activities in the Commonwealth of Virginia* (Aug. 5, 2019), at 160 (hereinafter *Comparative Governance Report*).

²⁰ *Id.* at 161.

²¹ *Id.* at 169.

²² *Id.* at 171.

²³ Hing, *supra* note 5, at 511.

In conclusion, voluntary self-exclusion programs may reduce the urge to gamble and increase the perception of control over personal behavior.²⁴ While self-exclusion alone cannot substitute for dedicated treatment, it provides an external control mechanism that may limit problem gambling and encourage voluntary excluders to seek professional help.

Tracking Behavioral Characteristics

In an effort to predict the likelihood that a patron will experience harm from gambling and to introduce preventative interventions before the onset of such problems, gaming jurisdictions have implemented systems to track player behavioral characteristics. These behavioral tracking systems are based on algorithms of play. Implementation strategies vary with the form of gaming: whereas in online gaming environments tracking procedures benefit from access to all player transaction information, in brick-and-mortar environments, the strategy is often designed around player tracking systems (e.g., Players Clubs) that depend upon an individual patron's participation.

Research on the effectiveness of tracking frameworks has produced informative findings. Based on analysis of player habits, studies have suggested that efforts to promote responsible gaming should be tailored to each type of gambling offered at a gaming location, rather than adhering to a general mitigation program. By studying behaviors and thoughts patrons use to control the amount they gamble, such as attempts to set a budget or to seek help, research has identified characteristics that could be used to develop prevention and early intervention programs for problem gamblers. Research dedicated to tracking the behavioral characteristics of online gamblers has determined that patrons who engaged in more than two types of gambling within their first month of play, with high variability of wagers, were more likely to benefit from responsible gaming programs.

The study of behavioral characteristics remains a highly-variable task. Given the limitations inherent in the use of personalized player data, there remains a lack of definitive evidence of any behavioral algorithm that can accurately predict patterns of gambling disorder.

Setting Gambling Limits

The ability to set gambling limits, a process also known as pre-commitment, allows gamblers to predetermine the amount of time or money they are permitted to devote to gambling activities before play begins. Depending on the gaming venue or website, spending limits can include deposit, play, loss, win, bet, and time limits.

Research on the effectiveness of pre-determined gambling limits has demonstrated mixed outcomes and has illustrated positive and negative results of this mitigation technique. Studies have indicated that requiring individuals to set such limits may reduce overall money spent on gambling, but evidence is still lacking to suggest that this spending reduction occurred in individuals who were experiencing gambling-related harms, or that gambling-related harm was reduced. Furthermore, research has indicated that voluntary money limit setting was more effective than time limits in reducing problem gambling behavior. While self-limiting has been found to

²⁴ Robert Ladouceur, Caroline Sylvain & Patrick Gosselin, *Self-Exclusion Program: A Longitudinal Evaluation Study*, 23 J. GAMBLING STUDIES 85, 85 (2007), [10.1007/s10899-006-9032-6](https://doi.org/10.1007/s10899-006-9032-6).

reduce the variety of games played and the number of bets placed, gambling limits have not been found to reduce the amount wagered per bet. Additionally, research has indicated that pre-commitment may have little effect on decreasing gambling expenditures, especially among those who are intent on continued gambling and who are likely to find methods of circumventing gambling limits.

Finally, the emergence of GameSense, a program that employs in-house responsible gaming information centers or advisors, and other limit-setting programs like PlayMyWay, signal that the future direction of gambling mitigation plans is likely to employ gambling limits. Further research will be required to produce evidence that supports the effectiveness of pre-commitment initiatives.

Responsible Gaming-Oriented Game Features

This harm minimization technique involves the modification to the structure or operation of games to assist patrons in making informed choices about their gambling activity, and to encourage responsible gaming behavior. While research on this mitigation strategy is often focused on the use of warning messages, select studies have explored the use of additional modifications, such as slowing down the rate of play, posting clocks around gambling facilities, and offering “play money” modes.

A threshold study evaluating the effectiveness of five game features (messages, bank meters, clocks, demo mode, and charity donations) found that most participants were aware of at least one feature, but that only a small portion actually utilized the features. Further research concluded that, when compared to warning messages that appear on the periphery of a screen, messages that appear in the middle of a screen are more frequently recalled and considered more useful. Patrons in one study also identified a cash display as helpful to controlling gambling activities.

The research on responsible gaming-oriented game features has provided varying insights on the effectiveness of such features. While evidence confirming the efficacy of responsible game features is mixed, little research has shown that game features reduce gambling-related harm in a real-world setting.

Employee Training

Training of gaming facility employees in responsible gaming is a nearly universal practice. Some states require that this training include instruction on the complex question of how to identify problem gamblers on the gaming floor. Other states provide for in-depth education on the nature and symptoms of problem gambling.²⁵ With this training, employees of gambling facilities can better serve patrons who may be identified as problem gamblers by providing information about problem gambling programs. Delaware, for example, requires that the rules for state lottery games provide “procedures for the display and presentation of messages concerning responsible gaming and the regulations, procedures and training for identification of and assistance to compulsive gamblers.”²⁶

While few studies exist that explore the effectiveness of employee training programs, research has determined that there is considerable disparity in employee ability to accurately identify problem gambling behavior among patrons. Studies indicate that employee training can improve employee knowledge of responsible gambling, however, there is limited evidence that this enhanced understanding enables employees to more accurately identify patrons with a gambling disorder.

Additional obstacles to the effectiveness of employee training are found in the difficulty, awkwardness, and uncertainty present in the act of confronting a patron. Studies have indicated that gaming facility employees often experience difficulty when approaching patrons due to uncertain estimations of a patron’s potential problems or in an attempt to avoid causing a patron embarrassment.

Ultimately, the spectrum of harm from problem gambling manifests differently from state to state. As a result, the role of employee training may vary with the extent of a state’s understanding of the gambling problems its residents face.

Public Health

By understanding gambling and its potential impacts on public health, policymakers and health practitioners alike can work to minimize gambling’s negative impacts, while promoting its potential benefits. Today, public health perspectives are not limited to the biological and behavioral dimensions of gambling. Rather, a contemporary public health perspective can also target the social and economic determinants of gambling, such as income, employment, and poverty. Four principles have emerged as the basis for a public health framework on gambling: (1) scientific research is the foundation of public health knowledge, (2) public health knowledge is derived from population-based observations, (3) health initiatives are proactive (i.e., health promotion and prevention are primary, while treatment is secondary), and (4) public health is balanced and considers both the costs and benefits of gambling. This framework can stimulate a

²⁵ Mississippi employee training: MGC Regs. Title 13, Part 3, Rule 10.6

²⁶ Delaware employee training: 19 Del. C. § 4805(a)(29).

better understanding of gambling, further elucidate the determinants of problem gambling, and indicate a range of intervention strategies.

Throughout the past decade, publicly-funded problem gambling services have received increased support in the United States. The total number of states that reported publicly-funded problem gambling services increased from 37 in 2010 to 40 in 2016, and the total amount of public funding allocated to problem gambling services increased from \$60.6 million in 2013 to \$73.0 million in 2016. Among the states that provided funding, the most commonly supported services were problem gambling awareness programs, counselor training, helplines, and problem gambling treatment. Despite the continued growth of problem gambling efforts throughout the United States, in 2016, about one quarter of one percent of people who needed problem gambling treatment received publicly-funded care from a gambling treatment specialist.

Public Education and Informed Choice

Across gaming jurisdictions worldwide, governments and gaming providers have recognized the importance of providing patrons sufficient information to make informed decisions about their gambling. While individuals retain the ultimate responsibility over their gambling choices and level of participation, optimal decision-making depends significantly on the availability of reliable and comprehensive information. This concept of the “informed decision” is pervasive in systems of law and economics and remains an essential component of effective problem gambling mitigation efforts.

Several environmental factors may influence gambling behavior simultaneously, making it difficult to determine the local impact of any one factor. Advertising to promote problem gambling awareness, for example, has attempted to influence gambling behavior and reduce gambling-related harm. Various studies have concluded that the impact of advertising is not likely to be overt, and it may be difficult to measure the impact of advertising efforts to promote problem gambling awareness.

States may require that casinos post signs and/or offer brochures identifying the risks of gambling, signs of gambling disorder, the odds of casino games and/or toll-free phone numbers and other resources for assistance. Common practices among the states include requirements that gambling facilities ensure their advertisements display problem gambling help-line phone numbers. Additionally, some states, like Maryland, require that radio, television, and video advertisements contain a gambling assistance message.²⁷

Some states provide regulations that specifically address risk-related advertisements for internet and mobile gaming. Delaware, for example, mandates that internet lottery websites include advertisements for and links to information for treatment, education, and assistance of compulsive

²⁷ Maryland advertising requirements. COMAR 36.03.06.03(B)(5).

gamblers and their families.²⁸ Similarly, West Virginia requires online sportsbooks and mobile gambling applications to display links to responsible gaming resources.²⁹

Gaming jurisdictions have acknowledged that different messaging approaches may work better for different groups. One Canadian study prospectively detailed the most effective messaging approach for different styles of gaming. For casual gamblers (new and occasional gamblers), programs that enhance gambling literacy, including key safeguards and main risk factors, are essential. Frequent gamblers (i.e., those that gamble at least once per month, but not weekly) need a deeper understanding of how gambling works, including information on house edge, randomness, and independence of events. Finally, the study concluded that intensive gamblers (i.e., those who gamble weekly or more often) need to be informed of their play activity, offered self-assessment tools that draw attention to the consequences of their gaming habits, and made aware of the options available for help in addressing gambling-related problems.

Additional Mitigation Strategies

In addition to the main mitigation techniques discussed above, various jurisdictions also employ additional strategies to promote healthy gambling practices. These strategies include restrictions on alcohol, treatment and research funding, and casino credit restrictions along with bet limits.

Restrictions on Alcohol

Several states require casinos to limit alcoholic beverage service on the gaming floor, or to limit access to gambling services for patrons who are visibly intoxicated. The extent of restrictions on the sale of alcoholic beverages varies across different states. Some states, like Michigan and Kansas do not impose any restriction on alcohol service in gaming facilities. Other states, however, like Massachusetts and Maryland limit the time and place of alcohol sales.

Many states that restrict alcohol service mandate that gambling facilities refuse to sell or serve alcohol to patrons that appear intoxicated, or are younger than 21-years old.³⁰ Maryland, for example, requires that video lottery licensees prevent intoxicated individuals from playing video lottery or table games and prohibit intoxicated individuals from entering areas where such games are located. Maryland further restricts alcohol service by prohibiting licensed operators from providing complimentary alcoholic beverages.³¹

As a further restriction on alcohol service in gambling facilities, Massachusetts requires gambling facilities to obtain a gaming beverage license in order to serve alcohol on the premises of such a facility.³² The sale of alcohol must adhere to the conditions of the issued gaming beverage license, which may be imposed on such license “in the interest of the integrity of gaming and/or public

²⁸ Delaware advertising requirements. 29 Del. C. § 4826.

²⁹ West Virginia advertising requirements. WV CSR § 179-9-13.4.

³⁰ See e.g., 4 Del. C § 706; Md. Code Ann., State Govt. Law, § 9-1A-24(c)(1); 205 CMR 136.02.

³¹ COMAR 36.03.10.09(A)(2)

³² M.G.L. Ch. 23K, § 26.

health, welfare, or safety.”³³ Massachusetts further requires that gaming licensees promulgate a system of internal controls to monitor the sale of alcohol. At minimum, such a system must include procedures to (1) ensure proper training of employees involved in the service of alcoholic beverages, (2) prevent serving alcoholic beverages to underage or visibly intoxicated individuals, (3) ensure that visibly intoxicated or impaired patrons are not permitted to play slot machines or table games, and (4) ensure that alcohol is properly secured and stored.³⁴ In addition, Massachusetts prohibits the sale of alcohol between 2:00AM and 4:00AM to patrons who are not in the gaming area and not actively engaged in gambling.³⁵

Restrictions on the sale of alcohol play a significant role in the gambling regulations of several states. While the extent of such restrictions may vary, the motivation to promote public health and welfare remains widely relevant.

Treatment and Research Funding

States may implement financial commitments to support treatment for problem gamblers, education services concerning problem gambling, and research to advance responsible gaming and prevent problem gambling. Most states that implement such commitments earmark certain state revenues from gaming for these programs.

Pursuant to advancing public health efforts, Massachusetts assesses an annual fee in proportion to the number of gaming positions at each gaming establishment. This fee is meant to cover the costs of public health services and programs dedicated to addressing problems associated with compulsive gambling.³⁶ Monies within the Fund may be expended to assist social service programs that address gambling prevention, substance abuse services, and educational campaigns to mitigate the potential addictive nature of gambling.³⁷ Massachusetts also imposes upon each gaming licensee a requirement to provide on-site space for independent substance abuse, compulsive gambling, and mental health counseling services.³⁸

Efforts in other states pursue a more targeted approach, focusing treatment funding specifically on problem gambling, rather than on addictive behavior in general. Kansas, for example, established the Problem Gambling and Addictions Grant Fund to provide assistance for the treatment of “persons diagnosed as suffering from pathological gambling.”³⁹

The scope of research efforts varies from state to state. Massachusetts has established an annual research agenda to study the social and economic effects of gaming in the State and to obtain

³³ 205 CMR 136.02.

³⁴ Massachusetts alcohol service restriction: 205 CMR 138.12.

³⁵ Massachusetts alcohol service restriction: 205 CMR 136.07(7)(i).

³⁶ Massachusetts research statutes. M.G.L., Ch. 23K, § 56(e).

³⁷ M.G.L., Ch. 23K, § 58.

³⁸ M.G.L., Ch. 23K, § 21.

³⁹ Kansas problem gambling treatment statutes. K.S.A. §79-4805(c)(1).

scientific information relative to neuroscience, psychology, sociology, epidemiology, and etiology of gambling.⁴⁰ Similarly, Michigan reserves a significant portion of the monies within its Compulsive Gambling Prevention Fund for, among other things, “research, and evaluation of pathological gamblers and their families.”⁴¹

The majority of states have implemented treatment and research funding provisions to make gaming as healthy for participating individuals, and the environment around them, as possible.

Casino Credit Restrictions and Bet Limits

Some state laws aim to protect patrons from betting more than they can afford to lose by banning casinos from offering credit advances and limiting bet amounts. Methods to limit credit advances include both patron-driven efforts, such as voluntarily placing one’s name on a credit exclusion list, and facility efforts, including policies and procedures that limit those patrons to whom a gambling facility may issue credit.

Generally, the procedures established by states aim to ensure that a gaming facility does not extend credit to patrons beyond an amount that those patrons lack a reasonable ability to repay. Regulations may range from broad mandates to gaming operators to exercise caution and good judgment in extending credit⁴², to more specific rules that identify groups to whom credit should be limited. As an example of targeted restrictions, Massachusetts requires that a gaming licensee’s policies prevent the extension of credit to patrons who self-identify as problem gamblers, place themselves on a voluntary credit suspension list, or are on public assistance.⁴³

While the use of credit restrictions as a mitigation tool may vary across states, the desired effect of such restrictions and limitations remains similar. The promotion of safe gambling habits through credit restrictions and bet limits emerges as a primary goal of many states.

⁴⁰ Massachusetts research statutes. M.G.L., 23K, § 71.

⁴¹ Michigan problem gambling research statutes. MCL 432.253.

⁴² Delaware credit restrictions. 10 Del. Admin. Code 204-6.1.10.

⁴³ Massachusetts credit restrictions. 205 CMR 138.43(1)(d).

APPENDIX E: CASINOS AND CRIME

The social and community impacts of gaming development have been extensively studied. In many areas research findings have been inconclusive and thus considerable resources continue to be devoted to researching possible negative impacts given the unique nature of gaming compared to other commercial enterprises.

A number of broad studies of the social and economic impact of casinos have been conducted in the United States. In the late 1990s, prompted by the expansion of casinos throughout the United States, mainly in the form of riverboat casinos, Native American casinos, and racetrack slot parlors, Congress set up the National Gambling Impact Study Commission (NGISC). Its findings were released in 1999.

The Commission retained the National Research Council (NRC) to review the existing research on the socio-economic impacts of casino development. The NRC concluded that the existing research on the subject was inadequate:

The NRC project involved a review of all existing and relevant studies by representatives of a variety of scientific fields. In the end, NRC recommended that further study be initiated. Study of the benefits and costs of gambling “is still in its infancy.” Lamenting past studies that utilized “methods so inadequate as to invalidate their conclusions,” the absence of “systematic data,” the substitution of “assumptions for the missing data,” the lack of testing of assumptions, “haphazard” applications of estimations in one study by another, the lack of clear identification of the costs and benefits to be studied, and many other problems, NRC concluded the situation demands a “need for more objective and extensive analysis of the economic impact that gambling has on the economy.”⁴⁴

The Commission then retained the National Opinion Research Center (NORC) to undertake said “objective and extensive analysis” concerning impacts. The NORC came to the following conclusion:

First, the casino effect is not statistically significant for any of the bankruptcy or crime outcome measures..... This is not to say that there is no casino-related crime or the like; rather, these effects are either small enough as not to be noticeable in the general wash of the statistics, or whatever problems that are created along these lines when a casino is built may be countered by other effects.⁴⁵

Despite the NGISC’s authoritative findings, some researchers continue to claim that casinos cause crime.⁴⁶ However, there are three major flaws in much of this research:

⁴⁴ National Gambling Impact Study, Chapter 7. 1999. Gambling’s Impact on People and Places.

⁴⁵ The National Gambling Impact Study Commission, “National Gambling Impact Study” (1999).

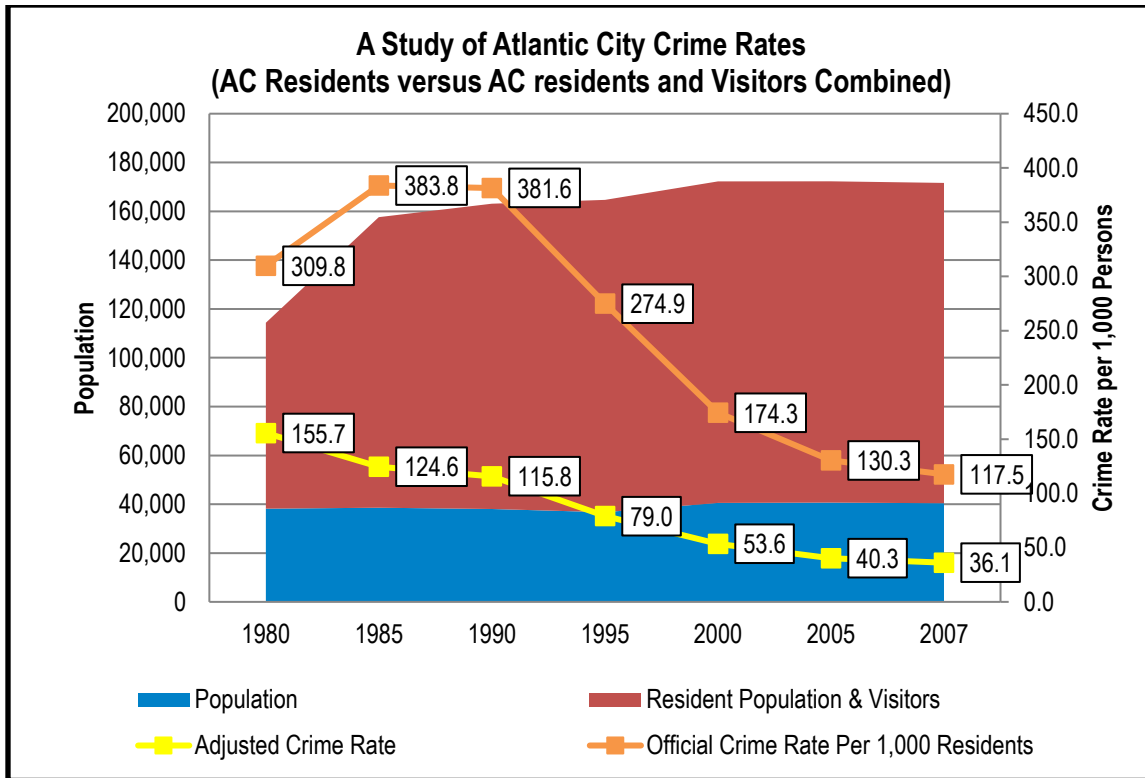
⁴⁶ See Grinols and NBER discussion below.

1. Much of the research that attributes an increase in crime to casinos has ignored the temporary population increases brought about by casino visitation. When crime rates are calculated not accounting for the influx of visitors, there appears to be an increase in crime. While this may be true in absolute terms, it radically overestimates the increase in likelihood of residents being victims of crime.
2. Further to #1, some research applies crimes such as on-site thefts of casino visitors to the local population, leading to an invalid increase in the local crime rate.
3. The crimes rates are not studied over a sufficient period of time and therefore temporary increases or long term trends attributable to more primary causal factors are not always recognized or are misinterpreted.

One of the earliest examples of flawed research is related to Atlantic City. The **number** of crimes tripled after casinos opened in 1978, and some researchers applied the increase to the local resident population, which in the resulting invalid calculation resulted in a tripling of the crime **rate**. However, most of the increase related to thefts within the casinos, which did not impact the local population. A valid calculation of the crime rate has to include the visitation base.

In fact, there has been a **decreased** chance of being a victim of crime since casinos were developed in Atlantic City. Factors likely include an increase in casino employment and law enforcement resources, safer infrastructure with well-lit garages, and an increase in general tourism activity. According to more recent data supplemented to the study completed by Margolis et al,⁴⁷ this decline in crime rates per 1,000 residents continued through 2007 to a rate of 36.1 per thousand residents. The chart below illustrates the crime rate trends from 1980 to 2007.

⁴⁷ Margolis, J. & Altheimer & Gray. (December 1997). "Casinos and crime: An analysis of the evidence." American Gaming Association. <http://www.americangaming.org/assets/files/studies/Crime.pdf> . The Innovation Group.



The Rappaport Institute for Greater Boston and the John F. Kennedy School of Economics at Harvard University (Baxandall and Sacerdote 2005) in a national, county-level study of Native American casinos found a slight decrease in crime rates after casinos opened. The analysis included all California casinos in existence in the 1990s. From their total sample of 156 casino counties, the Rappaport study isolated out 57 counties with large casinos and relatively low population and nine counties with both large casinos and large populations to see if there were statistical differences in terms of community impacts. The following table shows their results:

Table 68: Rappaport Study Results

	All Casino-Counties ¹	Counties with Large-Capacity Casinos ²	Populous Casino Counties ³
Population Growth (%)	+5*	8.6	+8.1*
Total Employment (%)	+6.7*	+14.9*	5.7
Unemployment (%)	-0.3	-1.2*	0.5
House Prices	\$5,869	\$8,924	\$7,083
Crime (Per 1,000 People)	-3	-6	-1

*Statistically significant results at 99% confidence interval.

1. Reports how adjusted outcomes in 156 counties that introduced Indian-run casinos during the 1990s differed from the other 2,959 that did not.

2. The effect for 21 counties in the top 10th percentile in terms of number of slot machines (over 1,760).

3. The effect for the 57 casino counties in the top population quartile (over 55,000 residents).

The Rappaport study concluded:

Our analysis shows that while total crime can be expected to increase when casinos open, the increase is due to increased population, not to a casino-created crime wave. Looking at FBI indexed crimes per resident in all [156] counties; we find that introducing a casino is associated with a decrease of 3 reported crimes per 1,000 people. The introduction of a casino, however, had no statistically significant effect on per-capita crime rates in either large-population casino counties or in large-casino counties. The per-capita crime rate in the 9 large-population counties that also hosted large-capacity casinos dropped 9 crimes per 1,000 residents, however.⁴⁸

It is worth noting that the study included two of the largest casinos in the world, Foxwoods and Mohegan Sun. In Ledyard, Connecticut (which hosts the Foxwoods casino), crimes outside the casino increased from 214 in 1991 to 364 in 1998, but in subsequent years, State Police data show that off-casino crimes in Ledyard fell below pre-casino levels. In Montville, Connecticut (host to Mohegan Sun), as with Ledyard, the number of crimes reported “remained relatively constant,” which the authors conclude is “surprising since the sheer increase in activity around these towns might have led to greater crime.”⁴⁹

The study also highlighted results for three counties in southern California: Riverside, San Bernardino, and San Diego. In all three counties, crime decreased relative to the state average. For example, before casino development, Riverside County suffered 22 more crimes per 1,000 residents than the state average. After casino development, the county had just 6 more crimes per 1,000 residents than the state average, a relative decrease of 16 crimes per thousand residents. San Bernardino had a relative decrease of 10 crimes per thousand, and San Diego 9.

Table 69: Rappaport Study California County Results for Crime

	Relative Crime (Before)	Relative Crime (After)	Change in Relative Crime (After - Before)
Riverside, CA	0.022	0.006	-0.016
San Bernardino, CA	0.016	0.006	-0.01
San Diego, CA	0.008	-0.001	-0.009

⁴⁸ IBID. As summarized in their 2008 report, “Betting on the Future: The Economic Impact of Legalized Gambling.”

⁴⁹ Baxandall, P. & B. Sacerdote (January 2005). *The Casino Gamble in Massachusetts: Full Report and Appendices*. Rappaport Institute for Greater Boston, John F. Kennedy School of Economics, Harvard University. Page 14.

In other western jurisdictions, the Montana legislature in 1997 commissioned a study on the video gaming industry. The resulting analysis found no impact on crime rates in Montana:

While gambling may have caused an increase of certain types of crime, Montana's overall crime rate increase is not any higher than the increases in matched cities with little or no legal gambling. In fact, in almost three-quarters of the specific comparisons carried out, crime rates rose more (or decreased less) in the matched cities than in the Montana cities.

Each of the seven largest Montana cities was matched with an out-of-state city in the region with similar population size, similar population growth rate, similar racial composition, but with little or no legal gambling. The percentage change in crime rates for three indices of crime (total serious crime, property crime, and violent crime) was computed for three time periods... between 1984 and 1994. [The data] illustrate the lack of a systematic pattern in crime rate changes between Montana cities and those in states with little or no gambling. For example, the violent crime rate grew faster in Cheyenne, Wyo., than in Great Falls between 1984 and 1994, yet the index of property crime decreased in Cheyenne while it increased in Great Falls during the same period.⁵⁰

In summary, there is no evidence from gross level data that the advent of casinos has a measurable impact on local crime rates in general, whether in Eastern, Midwestern, or Western jurisdictions. It is highly likely any crimes associated with casinos are either offset by economic benefits or that the level of crime is so small as to be overwhelmed by other factors such as economic trends.

Primary Research from Select Casino Jurisdictions

The figures from the casinos used in the Comparative Analysis Criminal Incidents section, provide a general picture of criminal activity at a casino. Other communities have found lower and higher levels of incidents. For example, figures from the Kenner Police Department note an average of 9 criminal incidents at the Treasure Chest Casino from 2012 to 2014. Attendance at the Treasure Chest Casino in Kenner is over one million annually.

A recent article in The Enterprise provided additional qualitative data from the casinos in this analysis. An officer from the Pittsburgh Police department compared the number of calls to games at the local baseball and football stadiums, "Nothing different than when there's a ball game," Luczak said. "I wouldn't say there's much change."⁵¹

Des Plaines Police Deputy Chief Nick Treantafeles had similar sentiments, "It's just like any place that serves alcohol," he said. "You get drunk and disorderly, but their security handles 98 percent of the issues there. We might get called for a fight that gets out of hand. ... It hasn't put a damper on the services we offer the rest of the community."⁵²

⁵⁰ Montana Gambling Commission Study, 1998, Chapter 8.

⁵¹ <http://www.enterpriseneews.com/article/20150517/NEWS/150516955/12741/NEWS/?Start=1>

⁵² <http://www.enterpriseneews.com/article/20150517/NEWS/150516955/12741/NEWS/?Start=1>

While specific increase in police staffing varies from community to community, many communities found no need to increase police staffing, as shown below in the examples from Indiana. The Center for Urban Policy and the Environment at Indiana University-Purdue University has prepared 5-year evaluations of riverboat licensees for the Indiana Gaming Commission which contain sections on community impacts. The following bullet points include summaries and excerpts from these reports with respect to police and fire protection.

Casino Aztar:

- The Evansville Police Department reports no increases in crime since the riverboat opening. They do report a drop in crime in 1999 when compared to the previous year.
- “No new police officers or firefighters were added. Traffic control has not been a problem...”

Majestic Star:

- The community purchased 12 police cars with Year 1 incentive payments.
- Gary’s Chief of Police reports no additional criminal activity surrounding the riverboat.

Horseshoe Hammond (formerly Empress Casino Hammond):

- The Hammond Police Department reports crime has fallen in most categories when compared to before the boat opened.

Hollywood (formerly Argosy):

- According to the Lawrenceburg Police Department, casino-related arrests for public intoxication, DWI, and minor theft, as well as traffic accidents in the area have increased slightly each year from 1997 to 2000.
- Lawrenceburg has added two police officers since the boat opened to deal with the increased caseload.

Ameristar (formerly Harrah’s East Chicago):

- According to East Chicago’s police department, no additional criminal activity can be attributed to the riverboat’s presence.
- “Crime in East Chicago has decreased substantially over this time period due to increased cooperation with federal agencies, community policing and increased staffing.”

Blue Chip Casino:

- According to Michigan City’s chief of police, no additional criminal activity can be attributed to Blue Chip’s presence.

On the issue of crime, Jeremy Margolis, who had served as Assistant U.S. Attorney in Chicago, Illinois Inspector General, and Director of the Illinois State Police, found in a 1997 study⁵³ that the chance of being victim of a crime decreases after casino development. Factors include an increase in employment brought by casinos, increased law enforcement resources, safer infrastructure with well-lit garages, and an increase in general tourism activity.

In testimony before the Pennsylvania Gaming Control Board (PGCB) in 2006, Margolis was asked to give an update of his seminal study. Margolis concluded, based on examining updated crime data from the F.B.I. as well as interviews with the Executive Director of the Illinois Crime Commission, the Illinois State Police, and the Illinois Gaming Board, that the situation is “really unchanged except for the maturation of the industry, the maturation of the regulatory process has probably settled things down more than it had settled when I completed my study in 1997. It’s just not an issue.”⁵⁴

⁵³ Margolis, J. (December 1997). “Casinos and crime: An analysis of the evidence.” American Gaming Association.

⁵⁴ PGCG hearing transcript, September 7, 2006, pages 22-23.

DISCLAIMER

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

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

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