

QUAPAW TRIBE OF OKLAHOMA

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August 30, 2017

TO: Bureau of Indian Affairs
United States Department of the Interior
Attention: Elizabeth K. Appel, Director, Office of Regulatory Affairs
1849 "C" Street, N.W. (MS 3642-MIB)
Washington, D.C. 20240

FROM: Quapaw Tribe of Oklahoma (the O-Gah-Pah)

DATE: August 30, 2017

RE: Traders with Indians Regulations
Docket ID: BIA-2016-0007

Dear Sir or Madam:

I am writing on behalf of the Quapaw Tribe of Oklahoma (the O-Gah-Pah) to submit these comments in response to the Advance Notice of Proposed Rulemaking (the "ANPR"), and solicitation of comments, published by the Department of the Interior (the "Department") at 82 Fed. Reg. 9707 (Feb. 8, 2017). In the ANPR, the Department requests comments on an ongoing evaluation of the longstanding Licensed Indian Trader regulations, 25 C.F.R. Part 140.

The Indian Trader regulations—which represent a 19th century approach to federal oversight over tribal economic activities—are long outdated, they have been superseded in many instances by other laws, and they are widely ignored. An attempt to revitalize these regulations actually could damage tribes' ongoing revenue-generating and economic development initiatives. Nevertheless, this situation points to the need for broader review of how the Department's Bureau of Indian Affairs interacts with Indian nations in the area of economic development.

Indian tribes—and particularly tribes that have regained full self-governance—increasingly are assuming responsibility for generating the revenues they need to run their governments. Federal self-governance funding continues to be important to tribes such as the Quapaw Tribe. But federal dollars no longer are adequate to serve the many needs of our people. As a tribe, we want to increasingly be self-sustaining economically.

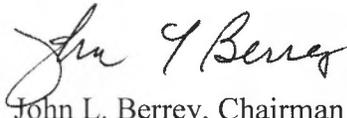
The last thing Indian tribes need is a return to the type of paternalism and oversight represented by the Indian Trader regulations. But I believe these regulations, as well as others, could be recast not simply to reflect modern realities but to support and encourage tribal economic development. Through the loss of their lands during the allotment era, most Indian tribes also lost the ability to develop the types of tax bases enjoyed by other governments. I believe the regulations could be changed to address obstacles tribes face in economic development, including:

- Double-taxation
- Overregulation
- Unnecessary and outmoded supervision by the Department of self-governance activities and programs
- Jurisdictional uncertainties, including gray areas that serve as a deterrent to investment in Indian country
- Lack of access to capital

In some instances, action by Congress ultimately may be required to address some of these areas. But I believe the review being pursued under the ANPR could help more clearly identify the areas in which regulations need to be repealed, revised, and rewritten.

The Quapaw Tribe will continue to monitor and support this consultation, and I will look forward to providing additional comments on the important topics under discussion.

Sincerely,



John L. Berrey, Chairman
Quapaw Tribe of Oklahoma (the O-Gah-Pah)

JLB/



**QUAPAW TRIBE
OF OKLAHOMA**

**ECONOMIC IMPACT OF
DOWNSTREAM CASINO RESORT**

MAY 15, 2012



Mr. John Berrey
Chairperson
Business Committee
Quapaw Tribe of Oklahoma
5681 South 630 Road
Quapaw, OK 74363

Dear Mr. Chairman:

KlasRobinson Q.E.D. is pleased to present the accompanying report entitled: "Quapaw Tribe of Oklahoma, Economic Impact of Downstream Casino Resort," which has been prepared in accordance with our engagement letter dated December 5, 2011.

The report presents an analysis of the economic impact of Downstream Casino Resort of the Quapaw Tribe of Oklahoma on tribal, local and state economies, including tax revenue generated to the local, state and federal government. We have also examined the impact of the various tribal businesses on employment, state and federal government services, tourism, and the Indian and non-Indian community.

Our analysis was based upon information obtained from direct interviews with and subsequent data from representatives of the Quapaw Tribe of Oklahoma and management at Downstream Casino Resort, as well as figures provided by various state agencies pertaining to issues such as unemployment compensation and human services.

Estimates of indirect and induced impact were prepared by KlasRobinson Q.E.D. using the IMPLAN (IMpact Analysis for PLANing) economic model. No effort has been made to obtain independent verification of the source data, which has been assumed to be accurate. Under the terms of our engagement we are under no obligation to revise this report to reflect events occurring after the completion date shown below.

Our report is intended for the Quapaw Tribe of Oklahoma and Downstream Casino Resort for use in public relations and lobbying efforts. It may, therefore, be distributed to the press, to various interest groups and to governmental representatives. Under no circumstances can this report be used in support of efforts to obtain financing for any development or enterprise. Publication of the report or any information contained therein in any manner must explicitly indicate that it was prepared by KlasRobinson Q.E.D.

May 15, 2012

Quod erat demonstrandum,

KlasRobinson Q.E.D.



James M. Klas
Founder & Principal



Matthew S. Robinson
Founder & Principal

QUAPAW TRIBE OF OKLAHOMA ECONOMIC IMPACT OF DOWNSTREAM CASINO RESORT

Letter of Transmittal

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INTRODUCTION

BACKGROUND

Several hundred years ago, the Quapaw were a division of a larger group known as the Dhegiha Sioux. They split into the tribes known today as the Quapaw, Osage, Ponca, Kansa, and Omaha when they left the Ohio Valley. The Quapaw moved down the Mississippi River into Arkansas, displacing the Tunica and the Illinois. This is the origin of the word “Ugaxpa” or “O-Gah-Pah,” as the Quapaw were known to other tribes, which means the downstream people.

The downstream people settled in the area where the Arkansas River met the Mississippi, and the meandering of the two massive rivers had deposited nutrient-rich soil conducive to farming. They settled into four villages at the mouth of the Arkansas River. In fact, the state of Arkansas was named after the Quapaw, who were called *Akansea* or *Akansa*, meaning "land of the downriver people", by other Native Americans. This is where the Quapaw stayed until they were pushed out by European-Americans several hundred years later, to their present location in northeastern Oklahoma.

The Tribal Headquarters of the Quapaw Tribe is located in Quapaw, Oklahoma. The Quapaw Tribe of Oklahoma formally organized as a federally recognized tribal government in 1818.

The Quapaw Tribe of Oklahoma has a government-to-government relationship with the United States Government. As a federally recognized Tribe and sovereign tribal entity, the Quapaw Tribe of Oklahoma has governmental authority over its reservation land and people. The government arm of the Quapaw Tribe of Oklahoma is governed by the business committee. The business committee has developed a variety of successful tribal enterprises that have generated much needed revenue for the Tribe and created employment for tribal members and residents of the surrounding communities.

One such enterprise is Downstream Casino Resort, located just off Interstate 44 at the tri-state region of Oklahoma, Kansas and Missouri. Opening in July 2008, the entertainment destination features a casino, numerous food and beverage outlets, a 12-story hotel, meeting and banquet space, a multi-purpose pavilion, outdoor concert venue and a golf course.

In an effort to better educate the public and to provide current, factual, supportable information to submit to state and local governments, the Quapaw Tribe of Oklahoma has commissioned a study demonstrating the economic benefits of its tribal enterprises.

KlasRobinson Q.E.D. was selected to perform this study due to its accumulated experience in analyzing Indian gaming and other tribal enterprises in Oklahoma and throughout North America, as well as its experience in estimating the economic impact of individual projects and entire industries. For additional information on KlasRobinson Q.E.D. refer to the addendum.

OBJECTIVE

The purpose of this study is to quantify, to the extent possible, the benefits accruing from Downstream Casino Resort to the Quapaw Tribe itself, communities in the surrounding area, the state of Oklahoma as well as the neighboring states of Missouri, Kansas, Arkansas and, to a certain degree, the entire country. The study provides estimates of the direct, indirect and induced impact from Downstream Casino Resort.

Direct impacts are changes in the industry in which a final demand change is made. In the case of Downstream Casino Resort, direct impacts are those generated directly, including employment, wages, purchases of goods and services, as well as taxes or payments in lieu of taxes paid to the local, state and/or federal governments.

Indirect impacts are changes in the inter-industry purchases as they respond to the demands of the directly affected industry, namely the presence of the Downstream Casino Resort operation in the local and regional economy. This includes increased production and subsequent employment, earnings and expenditures at businesses, many located in the area and region, which supply goods and services to Downstream Casino Resort.

Induced impacts are derived from changes in spending from households as income/population increases or decreases due to changes in the production. This includes increased production and subsequent employment, earnings and expenditures at area and regional businesses that supply goods and services to the employees of Downstream Casino Resort. Indeed, as will be apparent, the magnitude of the direct, indirect and induced benefits provides compelling evidence of the overwhelming positive impact that Downstream Casino Resort has generated.

APPROACH & METHODOLOGY

The primary source material for this study was derived from direct interviews with representatives of Downstream Casino Resort and the Quapaw Tribe of Oklahoma. Information from interviews was supplemented by written documentation, including financial statements, payroll records, customer counts and surveys and a variety of other data. Information pertaining to unemployment compensation, government assistance and similar matters was obtained through information requests from various state government agencies.

Estimates of indirect and induced impact were prepared by KlasRobinson Q.E.D. using the IMPLAN (IMpact Analysis for PLANing) economic model originally developed for the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management. The IMPLAN model was developed at the University of Minnesota and is maintained by Minnesota IMPLAN Group in Stillwater. The IMPLAN model has been in use since 1979. The IMPLAN model accounts closely follow the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis and the rectangular format recommended by the United Nations.

Induced impact calculated by the IMPLAN model reflects changes in spending from households as income/population increases or decreases due to changes in production, effectively measuring the impact of wages paid as they cycle through the economy. Indirect impact calculated by the IMPLAN model reflects changes in inter-industry purchases, effectively measuring the impact of expenditures for other goods and services by the tribal enterprises as they too cycle through the economy. Three levels of indirect and induced impact have been calculated: output - equivalent to GDP, employment, and earnings - equivalent to personal income.

EXECUTIVE SUMMARY

The following table presents a summary of the findings and conclusions from the 2012 study entitled, “**Quapaw Tribe of Oklahoma, Economic Impact of Downstream Casino Resort,**” conducted by KlasRobinson Q.E.D. on behalf of the Quapaw Tribe of Oklahoma. **Q.E.D. ∴**

DIRECT IMPACT

- ∴ **Total project cost of over \$361.0 million to date**, creating a total of **1,300 construction jobs**
- ∴ Downstream Casino Resort is the **largest employer in Ottawa County, Oklahoma**
- ∴ **1,062 employees**, consisting of 872 full-time, 167 part-time and 23 seasonal positions
- ∴ Employees live in **Oklahoma (18.9%), Missouri (62.2%), Kansas (18.6%) and Arkansas (0.2%)**
- ∴ Annual employee earnings of **\$34.0 million** and average earnings per job of **\$32,000**
- ∴ Annual employee benefits of **\$12.3 million** including health care, retirement and other benefits
- ∴ Annual payroll related taxes of almost **\$11.6 million**, gaming taxes to the State of Oklahoma of **\$5.7 million** and liquor and tobacco taxes to the State of Oklahoma **\$350,000**
- ∴ More than **\$41.0 million** annually for purchase of goods and services for on-going operations
- ∴ Approximately **2.0 million visitors each year** – more than **85.0 percent from outside of Oklahoma**
- ∴ **Charitable donations of more than \$1.5 million since opening**

INDIRECT AND INDUCED IMPACT

- ∴ Increased annual output of almost **\$10.0 million** in the State of Oklahoma, over **\$49.0 million** in the State of Missouri and more than **\$9.7 million** in the State of Kansas
- ∴ Increased employment of approximately **87 jobs** in the State of Oklahoma, **407 jobs** in the State of Missouri and **86 jobs** in the State of Kansas
- ∴ Increased annual earnings of **\$3.4 million** in the State of Oklahoma, over **\$17.4 million** in the State of Missouri and more than **\$3.3 million** in the State of Kansas

CUMULATIVE IMPACT

- ∴ Since breaking ground in 2007, Downstream Casino Resort has generated a cumulative **economic impact of over \$1.0 billion.**

SOURCE: KlasRobinson Q.E.D.

DIRECT IMPACTS

GENERAL

Tribal enterprises such as Downstream Casino Resort have a direct impact, not only on the Quapaw Tribe of Oklahoma, but on the economies of the entire State of Oklahoma, as well as the neighboring states of Missouri and Kansas. Direct expenditures in the form of wages to the more than 1,000 employees, and millions of dollars in purchases of goods and services from various suppliers and industries bring an increased measure of vitality to the area. The following section provides a summary of the estimated levels of employment and direct expenditures which Downstream Casino has generated on an annual basis. ***All estimates are in stated year dollars.***

OVERVIEW

Downstream Casino Resort is northeast Oklahoma's only Las Vegas-style destination resort. It is located in the historic Tri-State district where the Oklahoma, Missouri and Kansas state borders intersect off of Interstate Highway 44, Exit 1, four miles southwest of Joplin. The resort is owned and operated by the Downstream Development Authority on behalf of the Quapaw Tribe.

Opening to the public on July 5, 2008, Downstream Casino features a 70,000-square-foot gaming floor with state of the art ventilation/air filtration system for a virtually smoke-free environment, 2,000 popular electronic gaming machines, 32 table games and a 14-table, state-of-the-art Poker Room. Food and beverage options include Red Oak Steakhouse, Spring River Buffet, Buffalo Grille, Wa-Na-Bée-Déa Snack Bar, Legends Sports Bar and Devils Promenade – an upscale bar and lounge at the center of the casino floor.

The hotel has 222 upscale rooms including 15 luxury one- and two-bedroom suites, Penthouse level VIP lounge, gift shop/coffee bar, state-of-the-art fitness center and pool area with outdoor bar, fire-pit, cabanas and a hot tub. Meeting, function and entertainment facilities include the 1,200-person capacity "Pavilion" indoor/outdoor concert/events center, five banquet rooms a business center and The Venue at Downstream, an outdoor concert facility with capacity for 6,000 people. Other amenities include Eagle Creek Golf Club at Downstream, less than a mile from the hotel/casino with an 18-hole championship course, driving range, putting green, clubhouse and pro shop.

Just opened this spring is the Downstream Q-Store and RV park on the Missouri side of the property. Currently under construction, Phase II of the Downstream development will include a second hotel with 152 rooms including hospitality suites, an upscale spa and an indoor pool.

EMPLOYMENT

Downstream Casino Resort provides employment for both American Indian and non-natives living either on or near the reservation. Downstream Casino Resort currently has **1,062 employees**, consisting of 872 full-time, 167 part-time and 23 seasonal positions.

More than **54.0 percent** of employees are male and less than **46.0 are female**. By ethnicity, more than **17.0 percent are American Indian/Alaskan Native**, **0.3 percent Asian**, **1.4 percent Black/African American**, **2.3 percent Hispanic/Latino**, **0.8 percent Native Hawaiian/Other Pacific Islander**, **0.8 percent two or more races** and **77.0 percent White**. Combined, minorities account for approximately 23.0 percent of total employees.

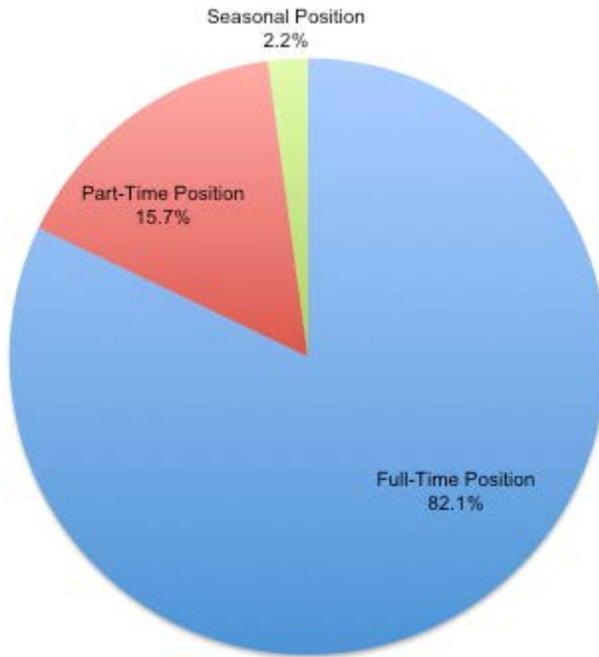
Employees at Downstream Casino Resort reside not only in Oklahoma, but in neighboring Missouri, Kansas and even Arkansas. Less than 19.0 percent reside in Oklahoma, more than 62.0 percent reside in Missouri and over 18.0 percent reside in Kansas. There are also several residents that travel to work from Arkansas.

The following table presents a summary of current employment at Downstream Casino Resort. This information is presented graphically on the following pages.

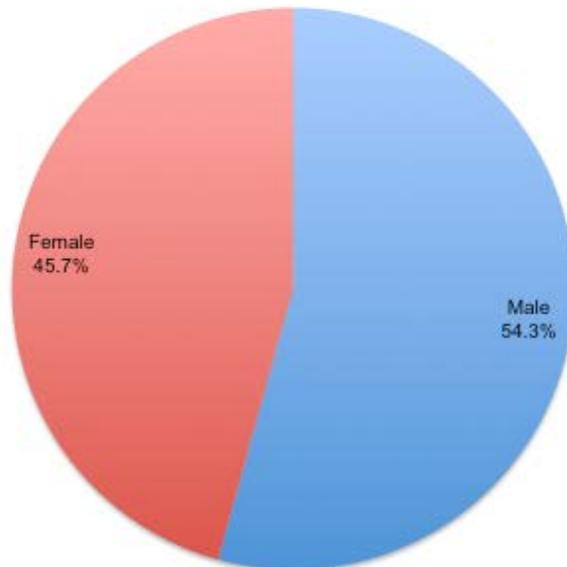
<u>Downstream Casino Resort – Employee Summary</u>			
<u>Status</u>	<u>Percent</u>	<u>Gender</u>	<u>Percent</u>
Full-Time Position	82.1%	Male	54.3%
Part-Time Position	15.7%	Female	45.7%
Seasonal Position	2.2%		
		<u>Ethnicity</u>	<u>Percent</u>
		American Indian/Alaskan Native	17.3%
		Asian	0.3%
		Black or African American	1.4%
		Hispanic or Latino	2.3%
		Native Hawaiian/Pacific Islander	0.8%
		Two or more Races	0.8%
		White	77.0%
<u>State of Residence</u>	<u>Percent</u>		
Oklahoma	18.9%		
Missouri	62.2%		
Kansas	18.6%		
Arkansas	0.2%		

Source: Downstream Casino Resort and KlasRobinson Q.E.D.

Downstream Casino Resort - Employment by Status

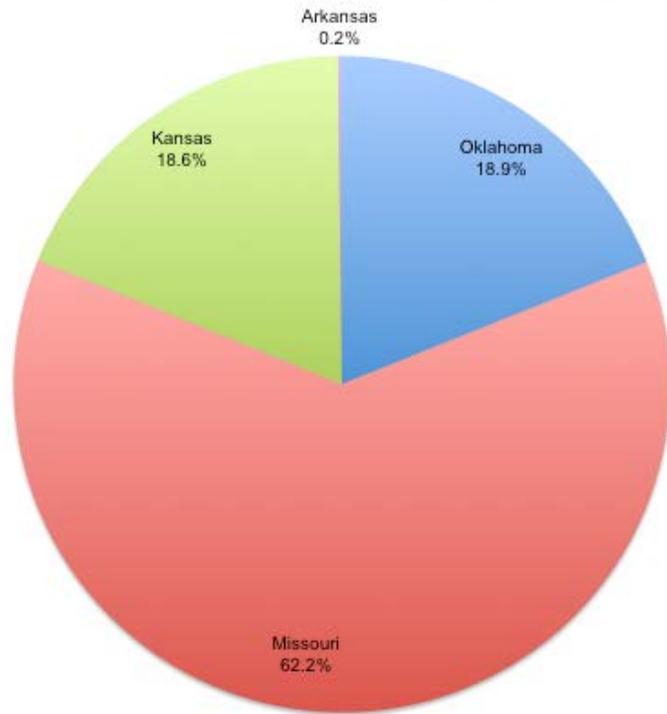


Downstream Casino Resort - Employment by Gender

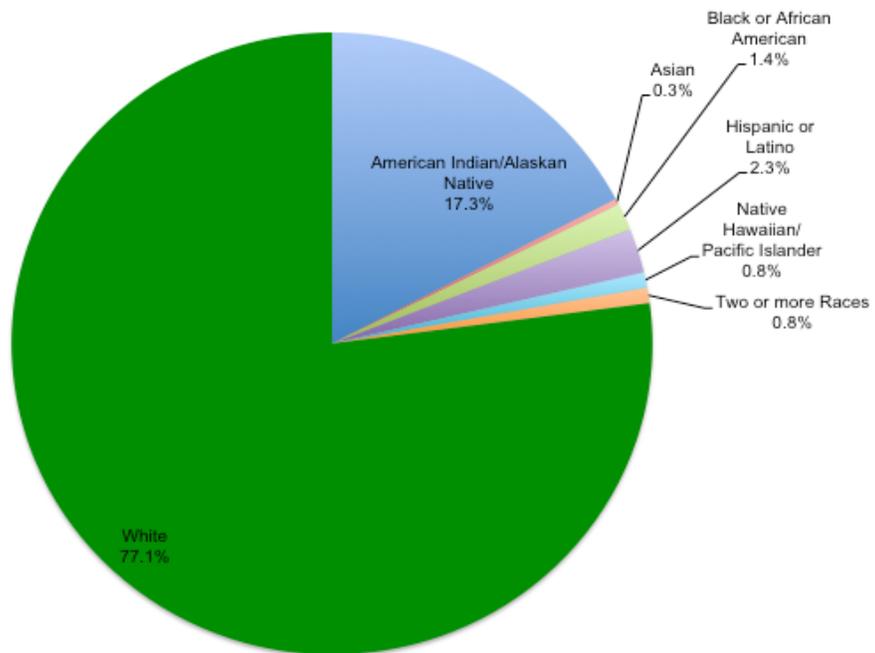


Source: Downstream Casino Resort and KlasRobinson Q.E.D.

Downstream Casino Resort - Employment by Residence



Downstream Casino Resort - Employment by Ethnicity



Source: Downstream Casino Resort and KlasRobinson Q.E.D.

It is important to note that these jobs are directly related to Downstream Casino Resort. The previous employment estimates do not take into account jobs at vendors which supply the casino resort with millions of dollars of goods and services annually, nor jobs at area businesses including lodging, retail, gasoline and other goods and services due to an increase in area visitors attributable to Downstream Casino Resort.

As discussed previously, Downstream Casino Resort recently opened a travel plaza and RV park which will add another 20 employees. Currently under construction is a new 152-unit hotel tower and ancillary expansion which will create at least 40 new employee positions. **Combined, the new travel plaza, RV park, hotel tower and ancillary expansion will bring total employment at Downstream Casino Resort to approximately 1,200 jobs.**

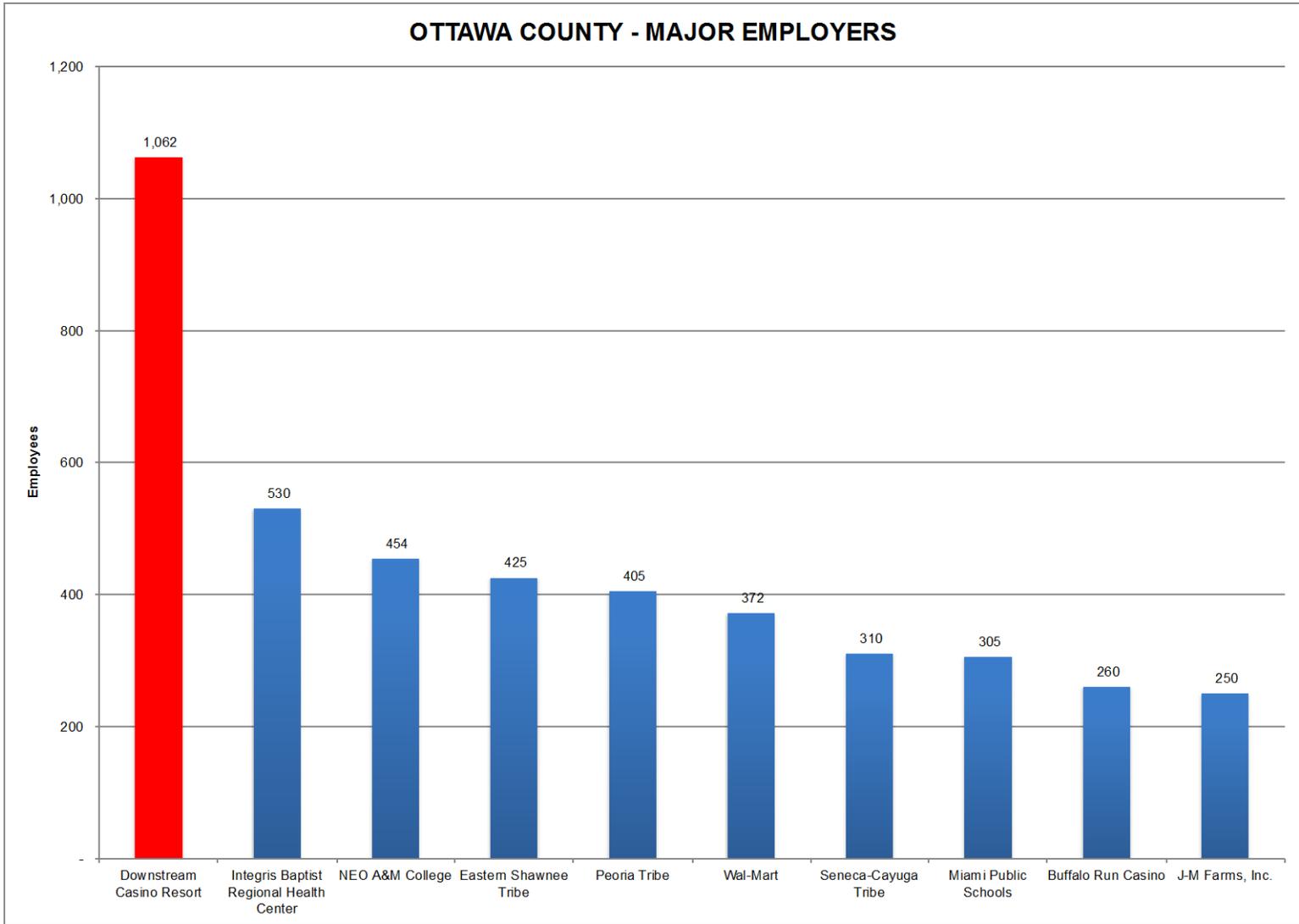
EMPLOYMENT IMPACT

One way to examine to examine the employment impact of Downstream Casino Resort is to compare the number of jobs at the Tribal operation with other area employers.

With an estimated 1,062 employees, *Downstream Casino Resort is the largest employer in Ottawa County, Oklahoma.* In fact, it employs more than twice that of the next largest employer. The following table presents the top 10 employers in Ottawa County. This information is also presented on the chart on the following page.

Major Employers - Ottawa County		
<u>Rank</u>	<u>Company</u>	<u>Employees</u>
1	<i>Downstream Casino Resort</i>	1,062
2	Integris Baptist Regional Health Center	530
3	NEO A&M College	454
4	Eastern Shawnee Tribe	425
5	Peoria Tribe	405
6	Wal-Mart	372
7	Seneca-Cayuga Tribe	310
8	Miami Public Schools	305
9	Buffalo Run Casino	260
10	J-M Farms, Inc.	250

Source: Miami Area Economic Development Service, Inc. & KlasRobinson Q.E.D.



Source: Miami Area Economic Development Service, Inc. & KlasRobinson Q.E.D.

Employment data by major industry group measures the number of people employed at jobs located within Ottawa County, Oklahoma, regardless of where those people reside. According to the Oklahoma Employment Security Commission, Ottawa County had 668 business establishments with an average total employment of 11,328 persons as of Third Quarter 2011 – the most current data available. Accordingly, *Downstream Casino Resort with its 1,062 employees accounts for approximately 9.4 percent of total jobs in the county - one in every 11 jobs in the Ottawa County being located at Downstream Casino Resort.*

By contrast, labor force and unemployment data measure the number of residents in an area (county) in the work force regardless of where their jobs are located. According to preliminary statistics provided by the U.S. Department of Labor - Bureau of Labor Statistics, Ottawa County, Oklahoma had a labor force of 18,493 with 17,439 persons employed in 2011. According to information provided by Downstream Casino Resort, approximately 182 employees reside in Ottawa County. Accordingly, *Downstream Casino Resort accounts for approximately 1.0 percent of all employed residents in Ottawa County – one in every 100 employed residents in Ottawa County works at Downstream Casino Resort.*

Jasper County, Missouri had a labor force of 58,876 with 54,335 persons employed in 2011. According to information provided by Downstream Casino Resort, approximately 555 employees reside in Jasper County. Accordingly, *Downstream Casino Resort accounts for approximately 1.0 percent of all employed residents in Jasper County, Missouri – one in every 100 employed residents in Jasper County, Missouri works at Downstream Casino Resort.*

Newton County, Missouri had a labor force of 28,356 with 26,069 persons employed in 2011. According to information provided by Downstream Casino Resort, approximately 92 employees reside in Newton County. Accordingly, *Downstream Casino Resort accounts for approximately 0.35 percent of all employed residents in Newton County, Missouri – one in every 280 employed residents in Newton County, Missouri works at Downstream Casino Resort.*

Cherokee County, Kansas had a labor force of 11,431 with 10,552 persons employed in 2011. According to information provided by Downstream Casino Resort, approximately 171 employees reside in Cherokee County. Accordingly, *Downstream Casino Resort accounts for approximately 1.6 percent of all employed residents in Cherokee County, Kansas – one in every 62 employed residents in Cherokee County, Kansas works at Downstream Casino Resort.*

WAGES & EARNINGS

As previously discussed, Downstream Casino Resort provides an estimated **1,062 jobs**. This figure includes 872 full-time, 167 part-time and 23 seasonal positions. The total combined annual wages at Downstream Casino Resort are estimated to equal approximately **\$24.4 million**, or approximately **\$23,000 per job**, including full-time, part-time and seasonal positions. Accordingly, average wages per job for full-time employees are considerably higher. Tipped employees earn an additional **\$9.6 million in tip income** on a stabilized basis, bringing **total direct earnings to \$34.0 million** and average earnings per job to **\$32,000**.

As discussed previously, Downstream Casino Resort recently opened its Q Store and RV Park. Currently under construction is a new 152-unit hotel tower and ancillary expansion. Based on the current average earnings, **the Q Store and RV Park, hotel tower and ancillary expansion will bring total annual earnings at Downstream Casino Resort to almost \$36.0 million**.

BENEFITS

In addition to wages, Downstream Casino Resort sets aside additional funds for employee benefits for its 1,062 employees including health insurance, retirement accounts and other benefits. Based on current levels of benefit payments, the various tribal enterprises pay an estimated **\$12.3 million in other benefits** for its employees on an annual basis, which equates to approximately \$11,600 per employee, per year.

PAYROLL RELATED TAXES

There is a common misconception that Indian tribes, particularly those with gaming facilities, operate completely free of tax. The belief arises out of the fact that Indian tribal enterprises, such as Indian casinos and their related ancillary facilities are, like any government run enterprise - such as the Oklahoma State Lottery, not subject to federal and state income taxes.

Indian employees who both live and work on the reservation, while exempt from state income taxes, pay federal income taxes. Indian owned businesses and their employees are also subject to Social Security and Medicare taxes. In addition, non-Indian employees and Indian employees not living on the reservation are subject to both federal and state income taxes.

Consequently, Indian owned businesses make major contributions to state and federal tax revenue both directly and indirectly. The table on the following page presents the estimated direct payroll related income taxes for Downstream Casino Resort. This information is presented graphically on the following page.

Annual Payroll Related Taxes

Federal Withholding	\$5,100,000
State Withholding	1,700,000
Social Security - Employer Paid	2,108,000
Social Security - Employee Paid	1,428,000
Medicare - Employer Paid	493,000
Medicare - Employee Paid	493,000
State Unemployment Insurance	<u>\$266,000</u>
Total	\$11,588,000

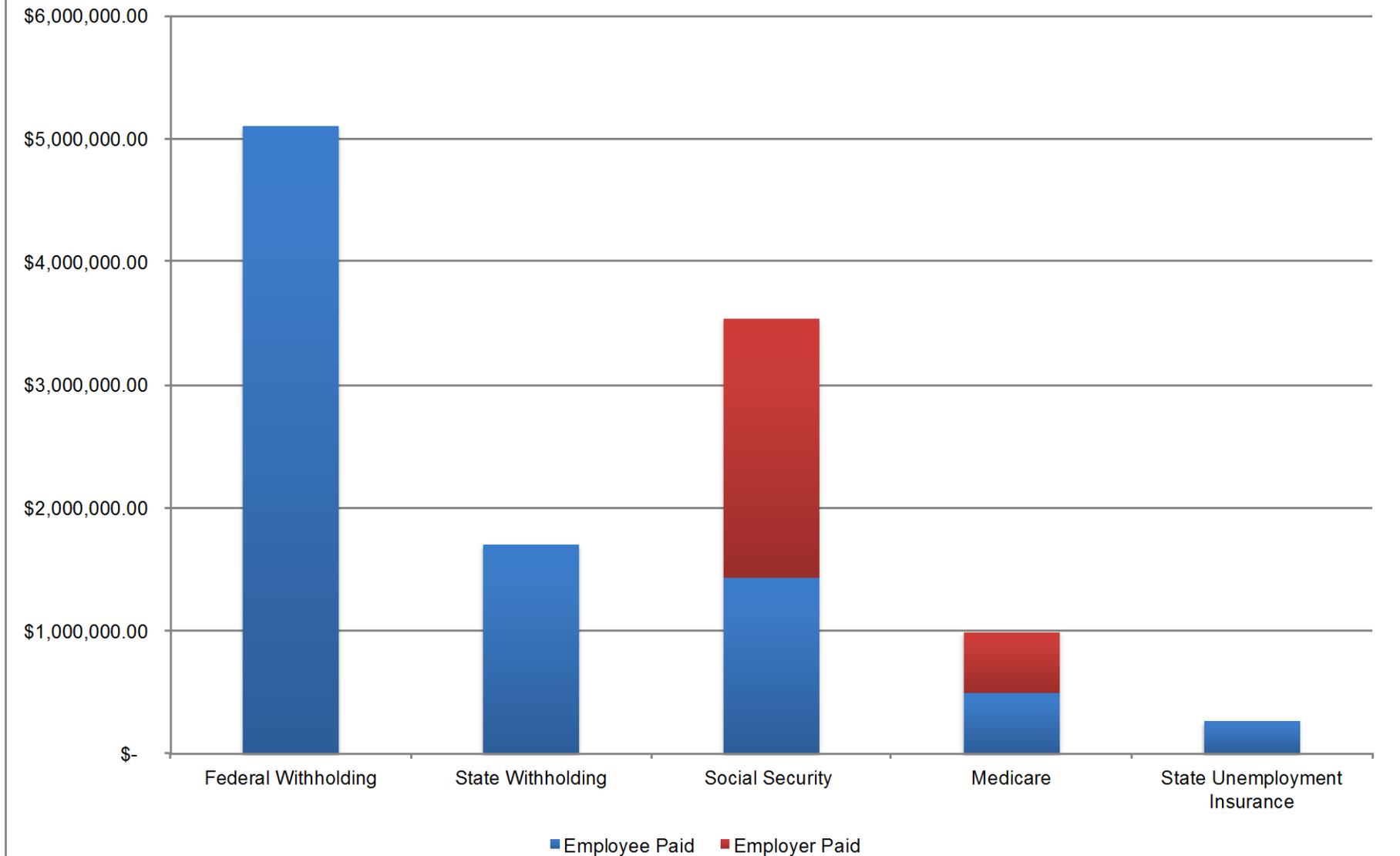
Source: KlasRobinson Q.E.D.

The above figures do not include increased federal and state payroll and income taxes paid by the suppliers of Downstream Casino Resort as a result of increased business volume. The magnitude of expenditures by the Downstream Casino for goods and services is discussed later in this report. It should also be noted that these figures do not include the tax revenue derived from expenditures by gaming facility patrons or employees for lodging, food or beverage or other taxable items away from the gaming and associated facilities.

OTHER TAX REVENUE

In 2011, Downstream Casino paid over \$5.7 million in gaming taxes to the State of Oklahoma. Downstream Casino also paid almost \$350,000 in liquor and tobacco taxes to the State of Oklahoma for the same period.

Annual Payroll and Related Taxes



PURCHASES OF GOODS AND SERVICES

In addition to wages and taxes, Downstream Casino Resort spends considerable sums annually to purchase goods and services for on-going operations. Estimates of goods and services purchased were derived from income and expense statements for fiscal year 2011 provided by Downstream Casino Resort.

As presented on the following table and graph, **Downstream Casino Resort spends more than \$41.0 million annually on the purchase of goods and services for on-going operations, including almost \$5.4 million at companies in Oklahoma, over \$14.9 million at companies in Missouri, almost \$2.3 million at companies in Kansas and more than \$830,000 at companies in Arkansas.** The various expenditure categories listed in the following table and graph are described below.

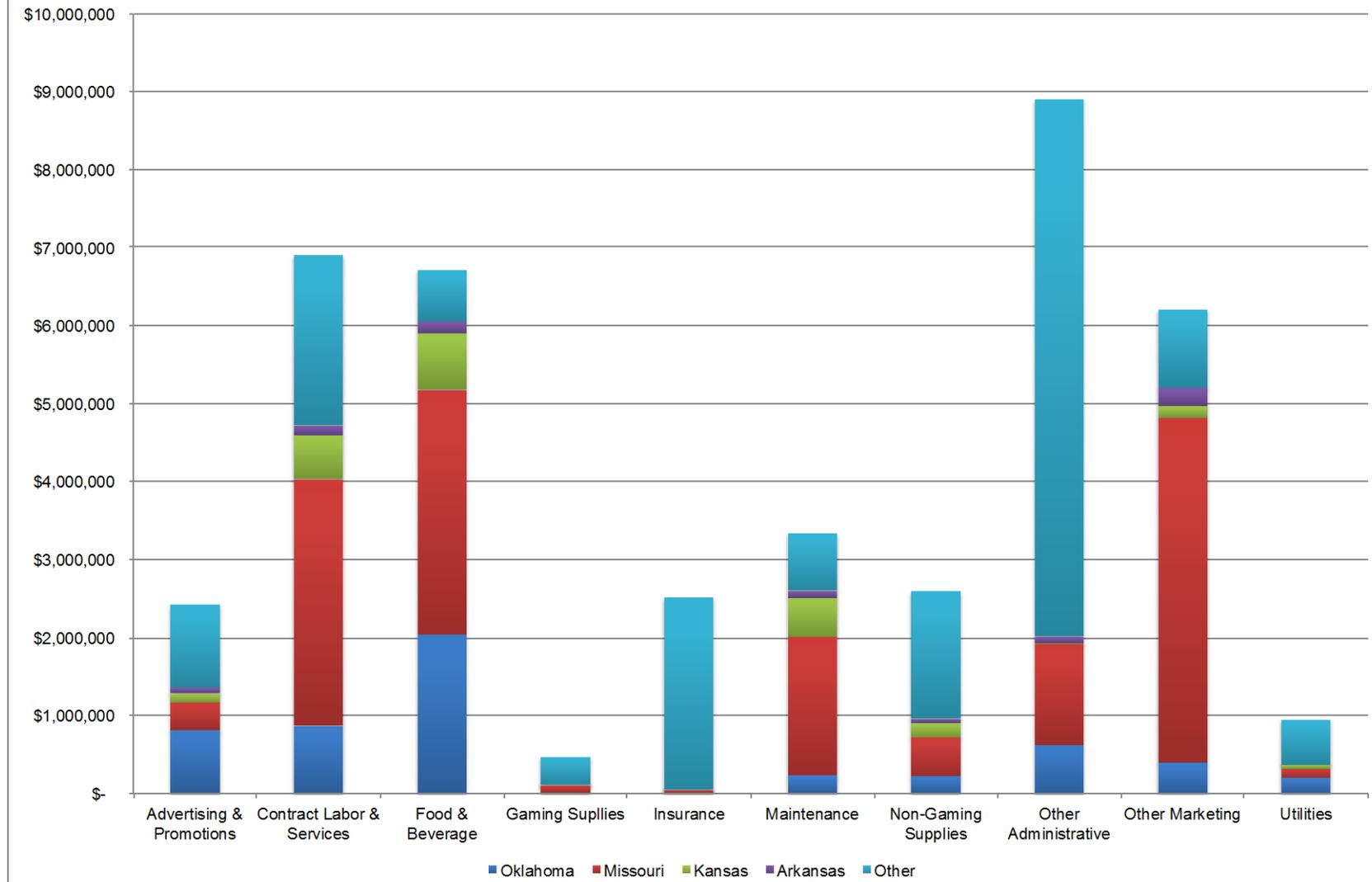
- ∴ **Advertising & Promotion** Includes expenditures for advertising in the print, radio or television media, as well as outdoor signs.
- ∴ **Contract Labor & Services** Includes fees for live performers, professional fees, contract labor, linen and cleaning services and other related items.
- ∴ **Food & Beverage** Includes purchases of food and beverage raw materials for the restaurant and bar operations.
- ∴ **Gaming Supplies** Includes purchases of gaming supplies for the casino for on-going operations.
- ∴ **Insurance** Includes property insurance and liability insurance.
- ∴ **Maintenance Supplies & Contracts** Includes supplies and repair costs as well as maintenance contracts. Maintenance labor costs are included under the wage estimates previously discussed
- ∴ **Non-Gaming Supplies** Includes the costs of office supplies, paper and cleaning products and other supplies needed for on-going operations. Also included are the supply costs for the hotel, convention/entertainment complex, food and beverage and golf course, as well as the cost of goods sold in the gift/retail outlets.
- ∴ **Other Administrative** Includes bank charges, other cash handling costs, dues and fees, travel and business entertainment and the multitude of other miscellaneous administrative costs attendant to a complex of this size.
- ∴ **Other Marketing** Includes the costs of production for advertising, purchases of prizes and awards, and donations and sponsorships.
- ∴ **Utilities** Includes, as applicable, the costs of electricity, gas, fuel, water and waste removal, as well as telephone costs.

Annual Purchases of Goods and Services

<u>Category</u>	<u>Oklahoma</u>	<u>State %</u>	<u>Missouri</u>	<u>State %</u>	<u>Kansas</u>	<u>State %</u>	<u>Arkansas</u>	<u>State %</u>	<u>Other</u>	<u>State %</u>	<u>Total</u>	<u>Percent</u>
Advertising & Promotions	\$ 808,000	33.3%	\$ 355,000	14.6%	\$ 119,000	4.9%	\$ 76,000	3.1%	\$ 1,066,000	44.0%	\$ 2,424,000	5.9%
Contract Labor & Services	866,000	12.5%	3,163,000	45.8%	561,000	8.1%	129,000	1.9%	2,183,000	31.6%	6,902,000	16.8%
Food & Beverage	2,035,000	30.3%	3,139,000	46.8%	727,000	10.8%	149,000	2.2%	663,000	9.9%	6,714,000	16.4%
Gaming Supplies	8,000	1.7%	98,000	20.7%	-	0.0%	-	0.0%	366,000	77.4%	473,000	1.2%
Insurance	-	0.0%	47,000	1.9%	-	0.0%	-	0.0%	2,470,000	98.1%	2,517,000	6.1%
Maintenance	229,000	6.9%	1,780,000	53.4%	492,000	14.8%	97,000	2.9%	735,000	22.0%	3,334,000	8.1%
Non-Gaming Supplies	222,000	8.6%	495,000	19.1%	184,000	7.1%	56,000	2.2%	1,634,000	63.1%	2,591,000	6.3%
Other Administrative	620,000	7.0%	1,295,000	14.6%	9,000	0.1%	88,000	1.0%	6,886,000	77.4%	8,898,000	21.7%
Other Marketing	391,000	6.3%	4,421,000	71.2%	154,000	2.5%	234,000	3.8%	1,008,000	16.2%	6,208,000	15.1%
Utilities	199,000	21.1%	116,000	12.3%	50,000	5.3%	2,000	0.2%	576,000	61.1%	943,000	2.3%
Total	\$5,378,000	13.1%	\$14,909,000	36.4%	\$2,296,000	5.6%	\$831,000	2.0%	\$17,587,000	42.9%	\$41,004,000	

Sources: Downstream Casino Resort and KlasRobinson Q.E.D.

Annual Purchases of Goods and Services



Sources: Downstream Casino Resort and KlasRobinson Q.E.D.

IMPACT ON TOURISM

Downstream Casino Resort, by location and design, has moved aggressively and successfully to capture patrons from outside the state of Oklahoma, and for that matter the Tri-State Region. Downstream Casino Resort spent **almost \$6.5 million in 2011 on marketing, advertising and promotions**. These figures include advertising costs, mail campaigns, and payments to tour operators. The value of internal promotions such as coupons or cash giveaways was excluded.

Downstream Casino Resort attracts approximately **2.0 million visitors annually**. These visitors not only come from Oklahoma, but from neighboring states and beyond. The following table presents visitor origin by state. This information is also presented on the graph on the following page.

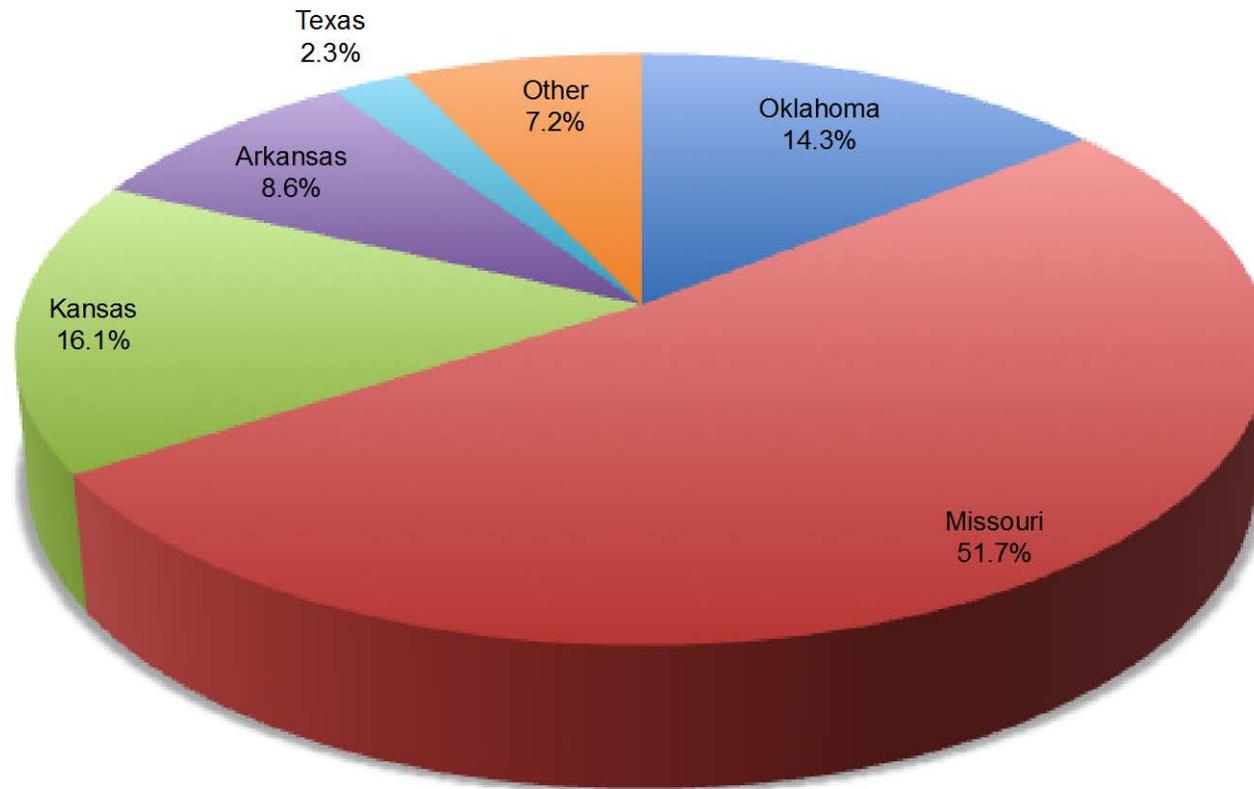
<u>Downstream Casino Resort</u> <u>Annual Visitors by Origin</u>		
State	Visits	Percent
Oklahoma	285,000	14.3%
Missouri	1,033,000	51.7%
Kansas	321,000	16.1%
Arkansas	172,000	8.6%
Texas	46,000	2.3%
Other	143,000	7.2%
Total	2,000,000	100.0%

Source: Downstream Casino Resort and KlasRobinson Q.E.D.

As presented above, less than 15.0 percent of visitors at Downstream Casino Resort reside in Oklahoma. In fact, neighboring Missouri accounts for over 1.0 million visitors per year - more than half of all visitors at Downstream. Kansas also accounts for more visitors than Oklahoma – over 16.0 percent of total visitors. Arkansas accounts for almost 9.0 percent of visitors, Texas accounts for more than 2.0 percent of visitors and other states make up the remaining 7.0 plus percent.

Accordingly, more than 85.0 percent of visitors at Downstream Casino Resort reside outside of Oklahoma - These visitors not only spend money at Downstream Casino Resort, but at other area businesses and attractions. Furthermore, the more time visitors spend in the Quapaw area, the greater the amount of money spent at area businesses, particularly those living outside the region.

Visitors by Origin



IMPACT ON LODGING

As discussed previously, Downstream Casino Resort has 222 rooms and suites. According to information provided by hotel management, the hotel accommodates approximately 150,000 overnight guests per year. These overnight hotel guests not only spend money at Downstream Casino Resort, but at other area businesses and attractions. Furthermore, the more time visitors spend in Quapaw and the surrounding area, the greater the amount of money spent at area businesses. The following table presents a summary of Downstream Casino Resort hotel guests based on origin. This information is also presented on the graph on the following page.

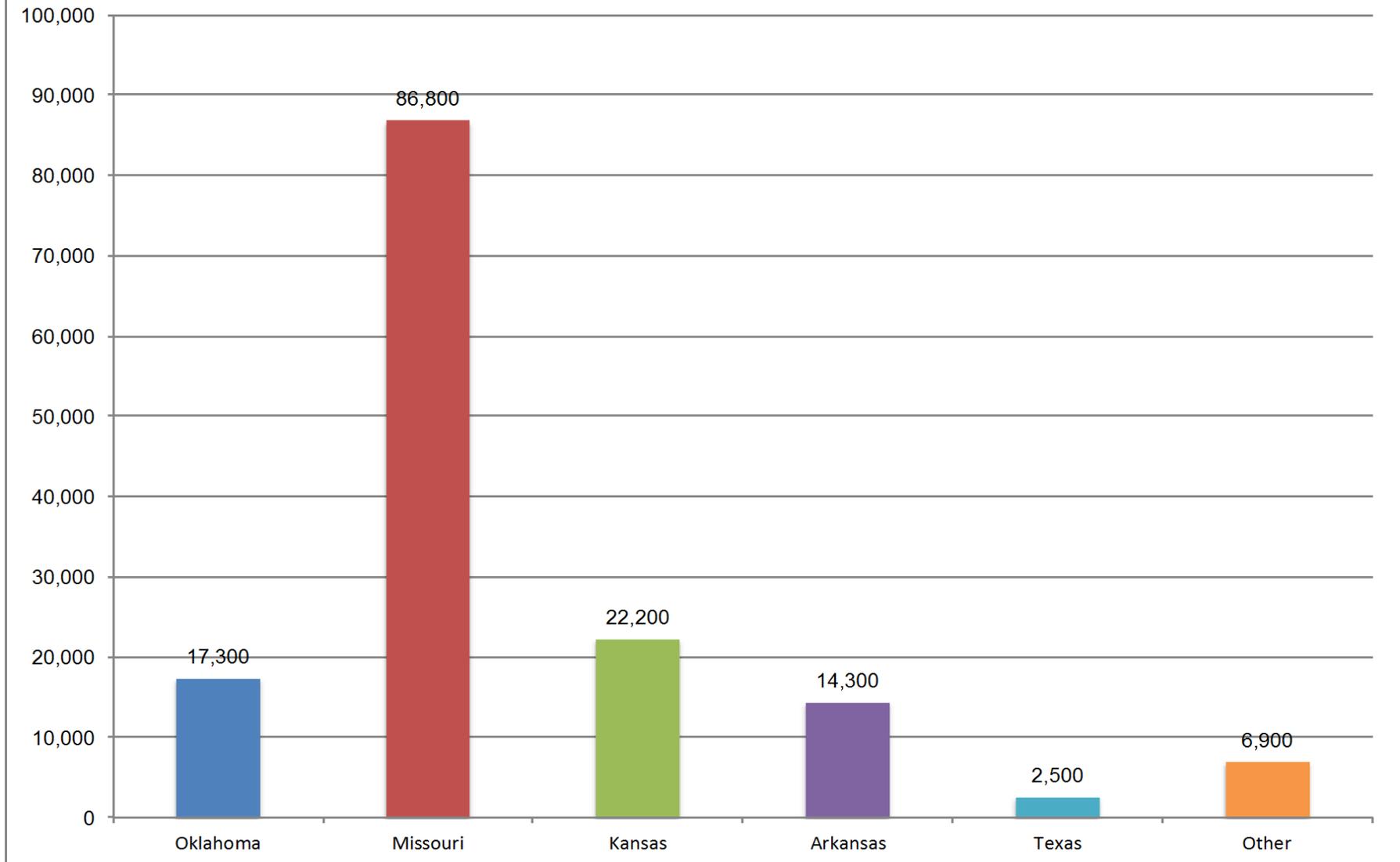
<u>Downstream Casino Resort</u> <u>Annual Hotel Guests by Origin</u>		
State	Visits	Percent
Oklahoma	17,300	11.5%
Missouri	86,800	57.9%
Kansas	22,200	14.8%
Arkansas	14,300	9.5%
Texas	2,500	1.7%
Other	6,900	4.6%
Total	150,000	100.0%

Source: Downstream Casino Resort and KlasRobinson Q.E.D.

As presented above **almost 90.0 percent of all overnight guests originate outside of Oklahoma – that’s more than 132,000 overnight hotel guests traveling to Oklahoma from other states to stay at the property.** This does not include overnight guests staying at other properties in the area that visit Downstream Casino Resort during the course of their visit.

As mentioned before, Downstream recently completed a 40-pad RV park and will soon its second hotel tower with 152 additional units. As discussed in the following section, these new facilities will not only enable Downstream Casino Resort to accommodate more visitors, they will further stimulate the local and regional economies, create additional construction jobs and related payroll, as well as additional jobs and payroll at Downstream Casino Resort.

Annual Overnight Guests by Origin



∴ DIRECT IMPACTS

24

CONSTRUCTION IMPACT

On August 10, 2007, the Quapaw Tribe of Oklahoma broke ground on Downstream Casino Resort. On July 5, 2008 the casino, five restaurants and two lounges opened. From groundbreaking to opening, construction took only 10 months, 26 days. It was the fastest built casino resort of this scope and size in the country and included more than 18,000 cubic yards of concrete, 2,000 tons of structural steel, 350,000 cubic yards of dirt moved, over 500,000 lineal feet (about 80 miles) of electrical conduit and over 2,000,000 lineal feet (about 330 miles) of wire and cable.

Completed in July 2008, the \$301.0 million Downstream Casino Resort created approximately 700 construction jobs. Based on the average construction wage in Ottawa County and the approximate 11-month construction period, total payroll for the project was estimated to equal almost \$18.0 million.

The completed \$3.2 million "Pavilion" which opened in Fall 2009 created approximately 85 construction jobs. Based on the average construction wage in Ottawa County and the approximate six-month construction period, total payroll for the project was estimated to equal almost \$1.3 million.

The completed \$1.5 million "Learning Center" which opened in March 2011 near the casino complex created approximately 40 construction jobs. Based on the average construction wage in Ottawa County and the approximate six-month construction period, total payroll for the project was estimated to equal \$600,000.

The recently completed \$5.6 million "Q Store" and "RV Park" at Downstream Casino Resort created approximately 75 construction jobs. Based on the average construction wage in Ottawa County and the approximate four-month construction period, total payroll for the project was estimated to equal over \$750,000.

Currently under construction, the over \$50.0-million 152-unit hotel and ancillary expansion at Downstream Casino Resort is creating approximately 400 construction jobs. Based on the average construction wage in Ottawa County and the approximate nine-month construction period, total payroll for the project is estimated to equal approximately \$9.0 million.

Combined, construction at Downstream Casino Resort will have created more than 1,300 construction jobs with a total payroll of almost \$30.0 million during the periods of its construction and expansion.

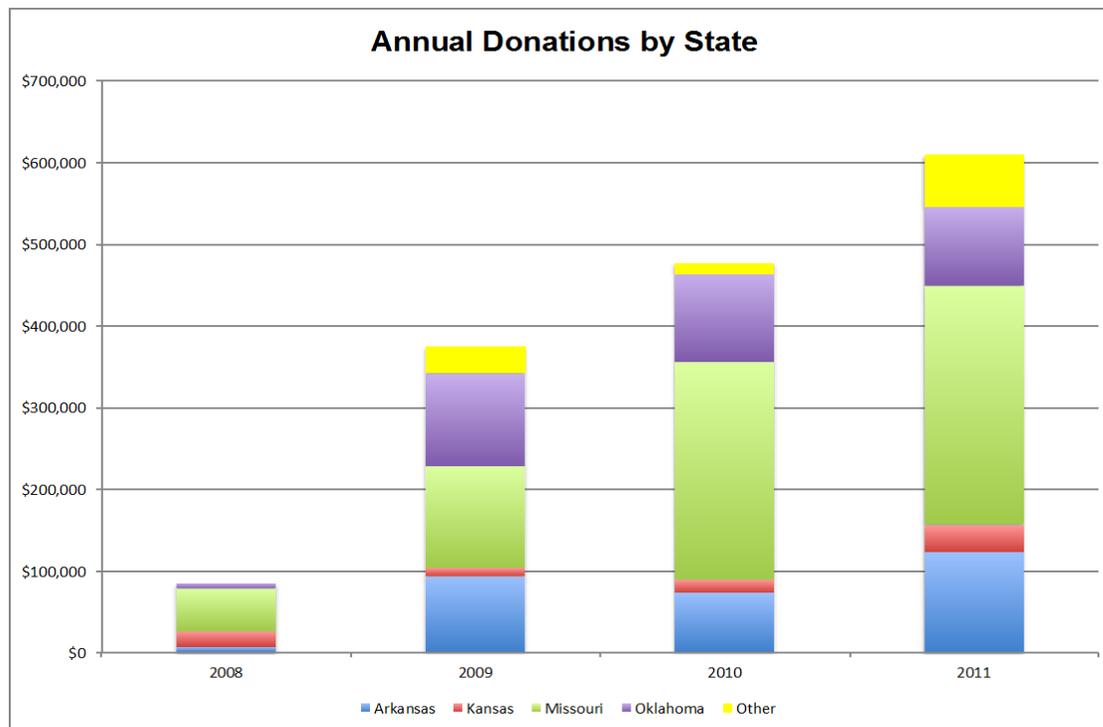
CHARITABLE DONATIONS

Since opening, Downstream Casino has **donated more than \$1.5 million** over the past four years to charitable organizations and sponsorships in the region including almost \$300,000 (19.0 percent) in Arkansas, almost \$80,000 (5.0 percent) in Kansas, over \$735,000 (48.0 percent) in Missouri over \$325,000 (21.0 percent) in Oklahoma and almost \$110,000 (7.0 percent) in other states around the country. The following table presents the annual donations made by Downstream Casino by state since opening. This information is also presented in the following graph.

Historic Charitable Donations by State

State	2008	2009	2010	2011	Total
Arkansas	\$6,500	\$92,415	\$72,500	\$122,325	\$293,740
Kansas	19,065	10,916	16,194	33,607	79,782
Missouri	52,113	123,971	266,606	292,538	735,228
Oklahoma	6,300	113,347	108,296	97,464	325,407
Other	-	33,600	12,792	62,808	109,199
Total	\$83,978	\$374,249	\$476,388	\$608,741	\$1,543,356

Source: Downstream Casino and KlasRobinson Q.E.D.



Source: Downstream Casino and KlasRobinson Q.E.D.

DISASTER RELIEF EFFORTS

On May 22, 2011, the neighboring community of Joplin, Missouri was struck by a catastrophic EF5 multiple-vortex tornado, causing significant loss of life and billions of dollars in damage. In the wake of the 2011 Joplin tornado, Downstream Casino Resort and its employees have contributed countless hours to assist the victims in the recovery from the disaster, as well as significant monetary and supply donations.

Not included in the donations presented on the previous pages, **Downstream Casino Resort has made more than \$140,000 in donations to assist victims in the recovery from the May 2011 Joplin tornado disaster.** Downstream Casino Resort housed relief workers and victims in its hotel rooms and donated its banquet space for a triage and shelter for victims, immediately following the tornado. Downstream also paid its employees whether they were on the property or assisting in the rescue and recovery effort. The following table presents a summary of food, water and other supply donations. This information is also presented on the graph on the following page.

<u>Disaster Relief Donations</u>	
<u>Donation by Type</u>	<u>Amount</u>
Food and Water	\$33,311
Labor	29,812
Hotel Rooms	24,520
Portable Weather Stations and Radios	19,779
Clothes	6,000
Banquet Space	4,750
Baby Supplies	3,950
Rain Jackets	3,825
Other	3,000
Bedding	3,000
Misc	3,000
Batteries	2,493
Crisis Counseling	2,160
Shoes	2,000
Flashlights	1,455
Cleaning Supplies	800
Total	\$143,855

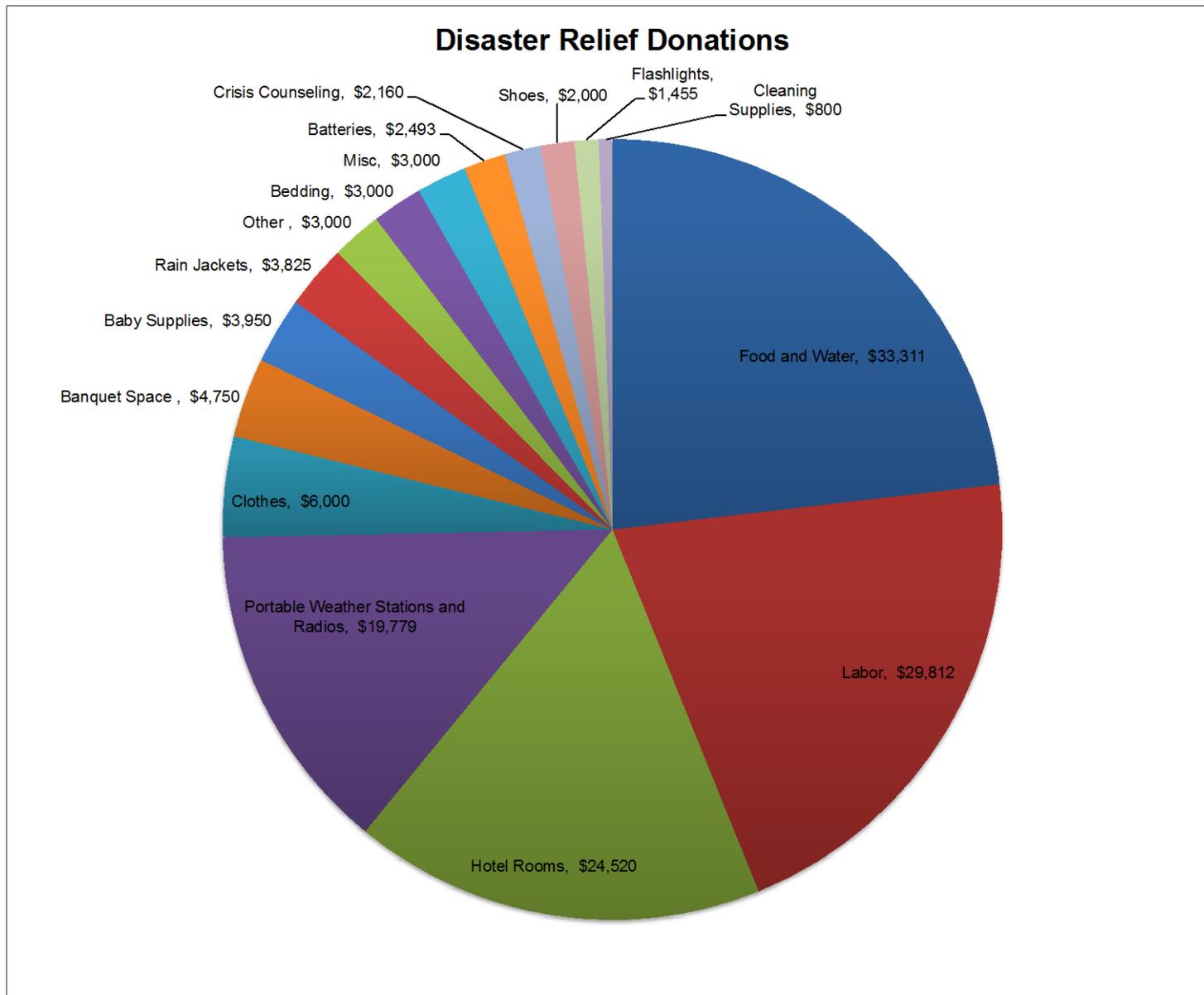
Source: Downstream Casino and KlasRobinson Q.E.D.

In addition to the donations noted above, Downstream provided direct financial assistance to storm affected casino employees. Direct financial assistance provided to storm affected casino employees totaled approximately \$216,000 and was used to assist with insurance deductibles, purchase of household goods, clothing and other emergency related needs.

Downstream has made a long-term commitment toward the rebuilding of

Joplin, and in 2012 is donating \$5.00 from every ticket sold for Downstream's six summer concerts. The money, estimated to total between \$60,000 and \$90,000, will go to the Joplin Tornado First Response Fund.

In addition, employees at Downstream Casino Resort have also established a **Team Member Relief Fund** to assist employees and their families recovering from the disaster. Many employees at Downstream Casino Resort have opted to contribute portions of their paychecks to the fund. During the fiscal year ending September 30th, 2011, the fund received almost \$50,000 from the employees at Downstream Casino Resort. During the first four months of fiscal year 2012, employees donated more than \$14,000.



Source: Downstream Casino and KlasRobinson Q.E.D.

**INDIRECT AND INDUCED
IMPACTS**

GENERAL

The concepts of indirect and induced impact are among the most widely used and poorly understood tools in economic analysis. Fundamentally they are based upon an extension of the direct expenditures by the businesses and their patrons described above, also known as the “multiplier” effect. Money spent at tribal enterprises is redistributed back into the economy in the form of wages, taxes and expenditures for goods and services.

In the case of the tribally owned and operated gaming operations, money is never actually “lost” in a casino. Rather it too is redistributed back into the economy in the form of wages, taxes and expenditures for goods and services. In the same manner that the casino redistributes the gaming win and other revenue it receives, the people to whom those wages are paid and from whom the goods and services are purchased further redistribute the money they receive in wages to their employees and purchases for their own operating needs. It is the measurement of this on-going cycle of redistribution which estimates of indirect and induced impact attempt.

Estimates of indirect and induced impact were prepared by KlasRobinson Q.E.D. using the IMPLAN (IMpact Analysis for PLANing) economic model originally developed for the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management. The IMPLAN model was developed at the University of Minnesota and is maintained by Minnesota IMPLAN Group in Stillwater. The IMPLAN model has been in use since 1979. The IMPLAN model accounts closely follow the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis and the rectangular format recommended by the United Nations.

Induced impact calculated by the IMPLAN model reflects changes in spending from households as income/population increases or decreases due to changes in production, effectively measuring the impact of wages paid as they cycle through the economy. Indirect impact calculated by the IMPLAN model reflects changes in inter-industry purchase, effectively measuring the impact of expenditures for other goods and services by the tribal enterprises as they too cycle through the economy. Three levels of impact have been calculated: output - equivalent to GDP, employment, and earnings - equivalent to personal income.

OUTPUT

Indirect and induced output includes increases in production and/or sales at area businesses due to the increased demand generated by Downstream Casino Resort, as well as at businesses impacted by the providers of goods and services to the facility.

The total annual induced and indirect impact on the economic output (GDP) from Downstream Casino Resort is estimated to equal approximately \$3.9 million for Ottawa County and \$9.9 million for the State of Oklahoma as a whole.

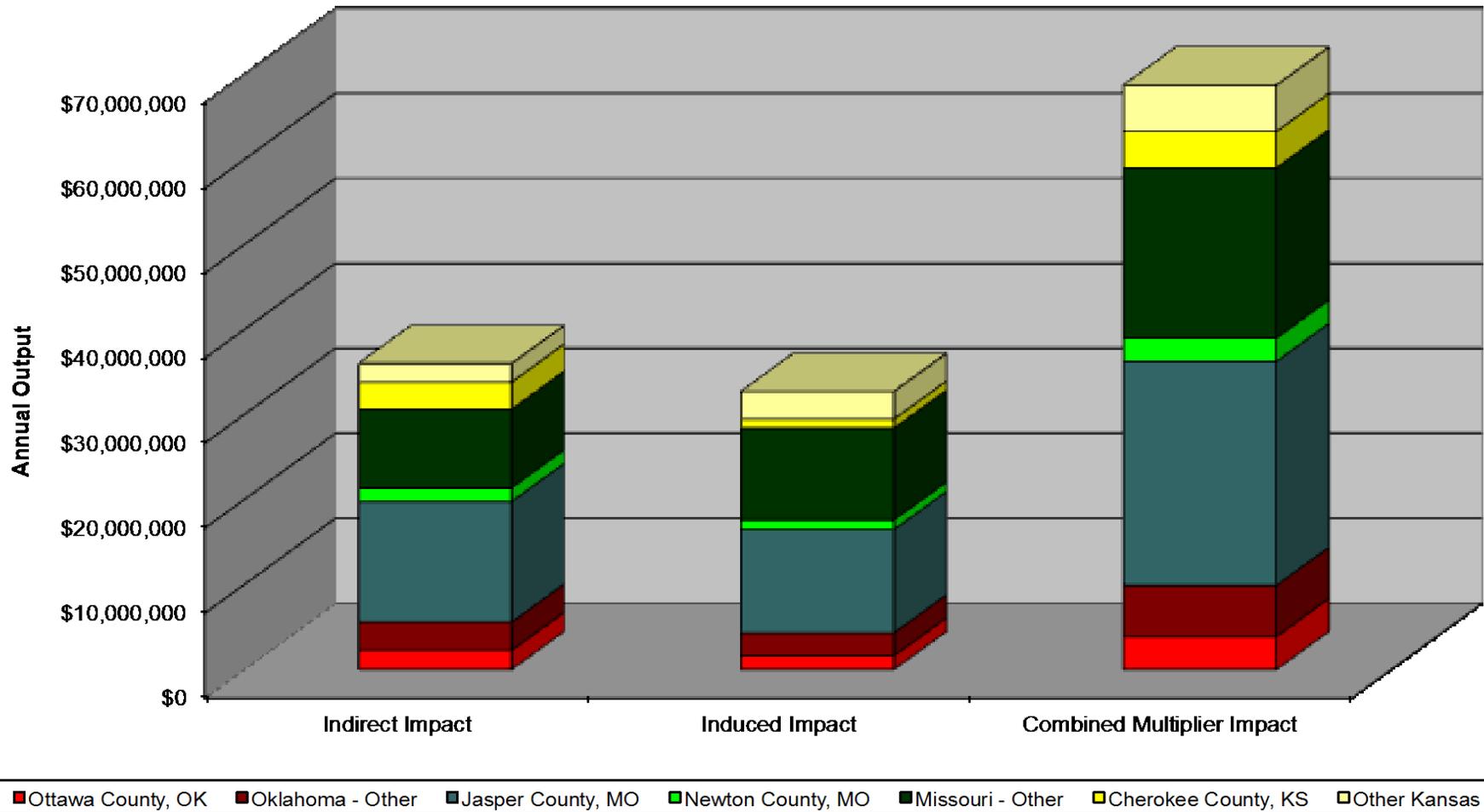
The total annual induced and indirect impact on the economic output (GDP) from Downstream Casino Resort is estimated to equal approximately \$26.3 million for Jasper County, \$2.7 million for Newton County and \$49.1 million for the State of Missouri as a whole.

The total annual induced and indirect impact on the economic output (GDP) from Downstream Casino Resort is estimated to equal approximately \$4.3 million for Cherokee County and \$9.7 million for the State of Kansas as a whole.

The following table presents a summary of the estimated impact on economic output from the subject Downstream Casino Resort. The table on the next page presents the following information graphically.

<u>Estimated Annual Direct, Indirect and Induced Output Impact</u>			
Impact		Ottawa County, OK	State of Oklahoma*
Indirect Impact		\$2,268,000	\$5,599,000
Induced Impact		1,632,000	4,333,000
Total Multiplier		\$3,900,000	\$9,932,000
* Includes Ottawa County			
Impact	Jasper County, MO	Newton County, MO	State of Missouri**
Indirect Impact	\$14,184,000	\$1,618,000	\$25,044,000
Induced Impact	12,156,000	1,129,000	24,077,000
Total Multiplier	\$26,340,000	\$2,747,000	\$49,121,000
** Includes Jasper and Newton County			
Impact		Cherokee County, KS	State of Kansas***
Indirect Impact		\$3,187,000	\$5,380,000
Induced Impact		1,081,000	4,338,000
Total Multiplier		\$4,268,000	\$9,718,000
*** Includes Cherokee County			
Source: KlasRobinson Q.E.D.			

ANNUAL OUTPUT IMPACT



∴ MULTIPLIER IMPACT

EMPLOYMENT

Indirect and induced employment includes increases in employment at area businesses due to the increased demand generated by Downstream Casino Resort as well as at businesses impacted by the providers of goods and services to the facility.

The total induced and indirect impact on employment from Downstream Casino Resort is estimated to equal 42 jobs for Ottawa County and 87 jobs for the State of Oklahoma as a whole.

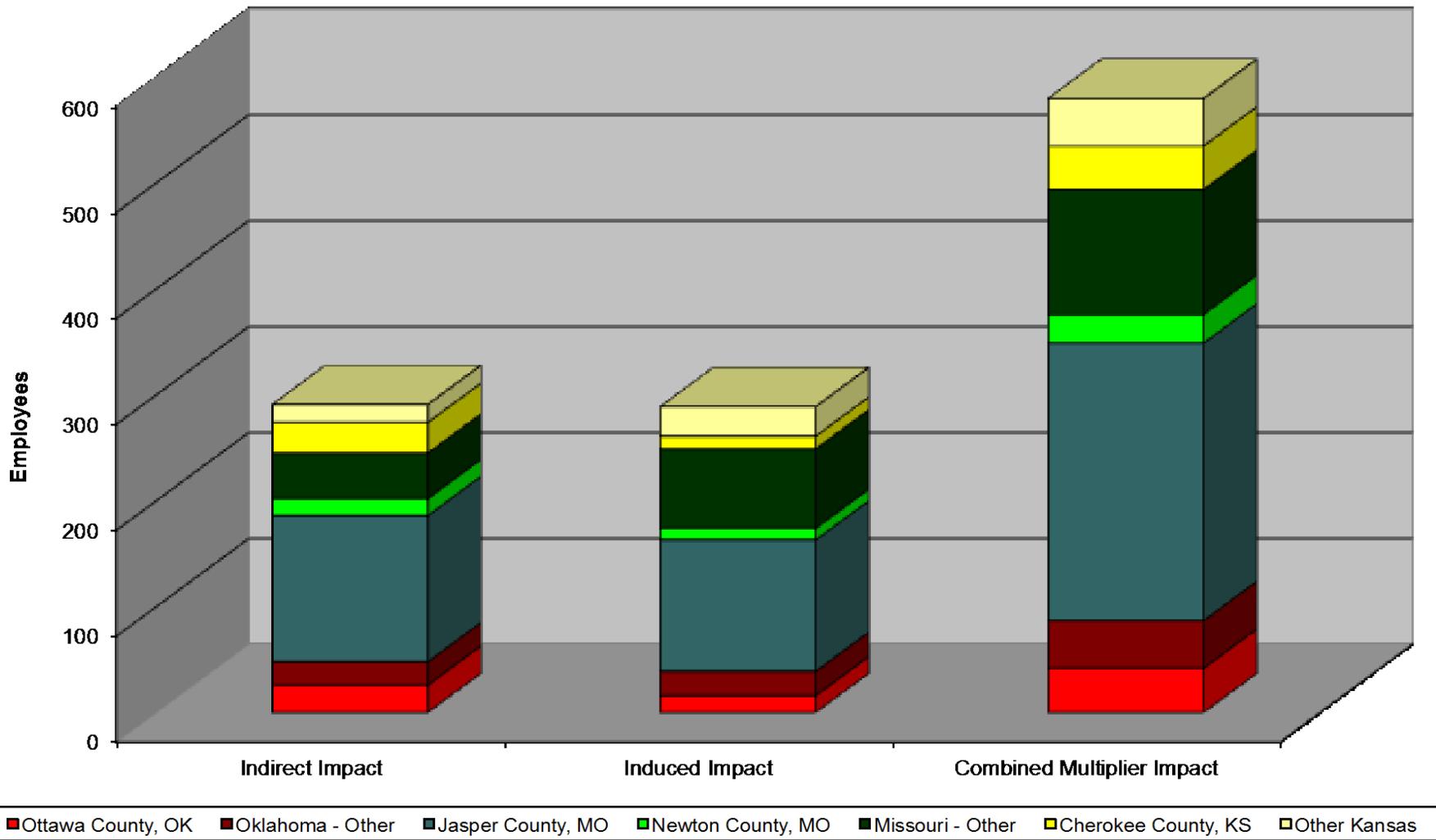
The total induced and indirect impact on employment from Downstream Casino Resort is estimated to equal 262 jobs for Jasper County, 27 jobs for Newton County and 407 jobs for the State of Missouri as a whole.

The total induced and indirect impact on employment from Downstream Casino Resort is estimated to equal 41 jobs for Cherokee County and 86 jobs for the State of Kansas as a whole.

The following table presents a summary of the estimated impact on employment from Downstream Casino Resort. The table on the next page presents the following information graphically.

<u>Estimated Annual Direct, Indirect and Induced Employment Impact</u>			
Impact		Ottawa County, OK	State of Oklahoma*
Indirect Impact		26	48
Induced Impact		16	39
Total Multiplier		42	87
* Includes Ottawa County			
Impact	Jasper County, MO	Newton County, MO	State of Missouri**
Indirect Impact	138	16	197
Induced Impact	124	11	210
Total Multiplier	262	27	407
** Includes Jasper and Newton County			
Impact		Cherokee County, KS	State of Kansas***
Indirect Impact		29	46
Induced Impact		12	40
Total Multiplier		41	86
*** Includes Cherokee County			
Source: KlasRobinson Q.E.D.			

EMPLOYMENT IMPACT (STABILIZED)



∴ MULTIPLIER IMPACT

EARNINGS

Indirect and induced earnings include increases in earnings at area businesses due to the increased demand generated by Downstream Casino Resort as well as at businesses impacted by the providers of goods and services to the facility.

The total induced and indirect annual impact on personal income from Downstream Casino Resort is estimated to equal approximately \$1.3 million for Ottawa County and \$3.4 million for the State of Oklahoma as a whole.

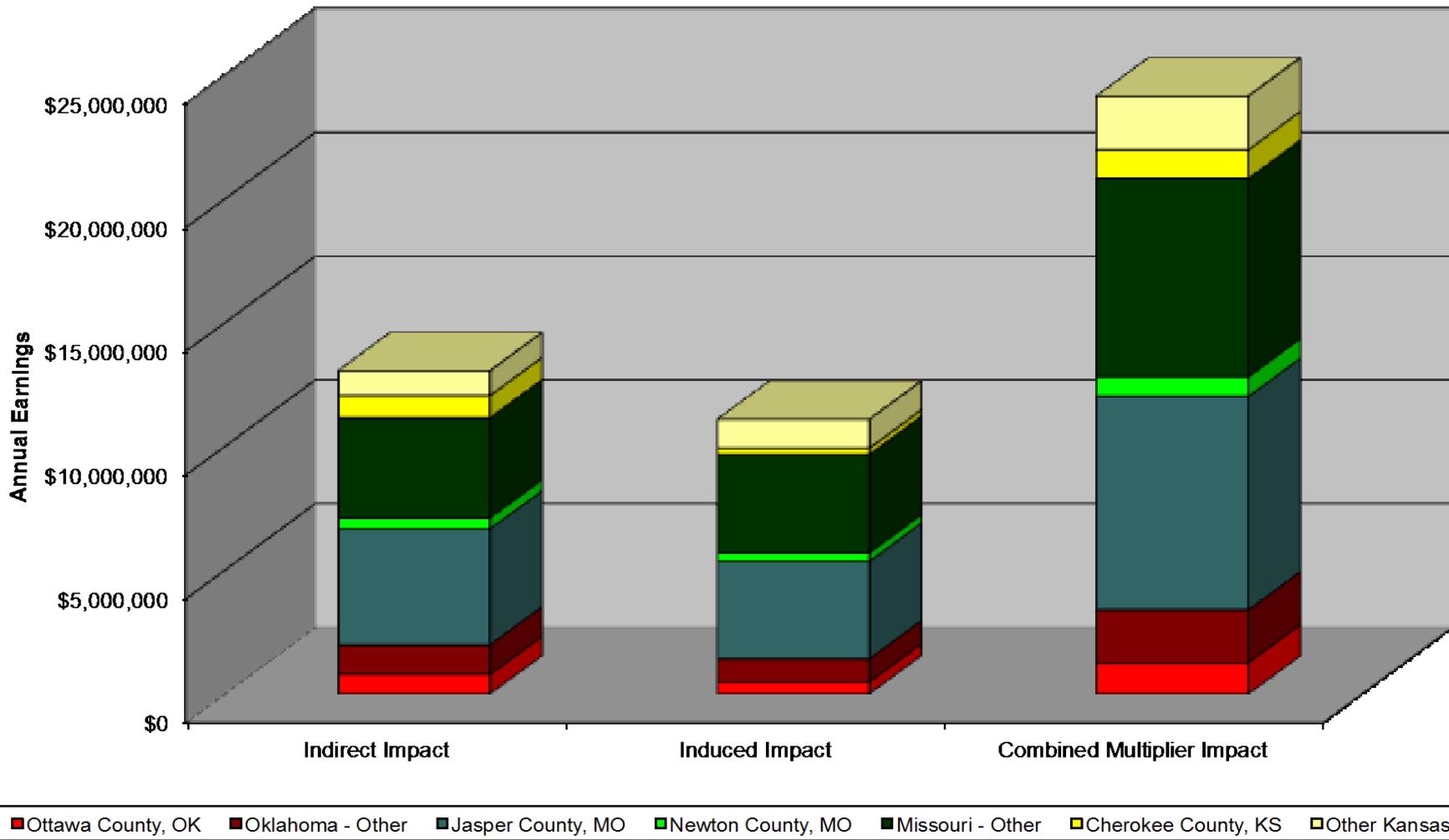
The total induced and indirect annual impact on personal income from Downstream Casino Resort is estimated to equal approximately \$8.6 million for Jasper County, almost \$800,000 for Newton County and \$17.4 million for the State of Missouri as a whole.

The total induced and indirect annual impact on personal income from Downstream Casino Resort is estimated to equal approximately \$1.2 million for Cherokee County and \$3.3 million for the State of Kansas as a whole.

The following table presents a summary of the annual estimated impact on personal income from Downstream Casino Resort.

<u>Estimated Annual Direct, Indirect and Induced Earnings Impact</u>			
Impact		Ottawa County, OK	State of Oklahoma*
Indirect Impact		\$786,000	\$1,986,000
Induced Impact		482,000	1,417,000
Total Multiplier		\$1,268,000	\$3,403,000
* Includes Ottawa County			
Impact	Jasper County, MO	Newton County, MO	State of Missouri**
Indirect Impact	\$4,680,000	\$449,000	\$9,176,000
Induced Impact	3,942,000	344,000	8,254,000
Total Multiplier	\$8,622,000	\$793,000	\$17,430,000
** Includes Jasper and Newton County			
Impact		Cherokee County, KS	State of Kansas***
Indirect Impact		\$894,000	\$1,904,000
Induced Impact		265,000	1,432,000
Total Multiplier		\$1,159,000	\$3,337,000
*** Includes Cherokee County			
Source: KlasRobinson Q.E.D.			

ANNUAL EARNINGS IMPACT



∴ MULTIPLIER IMPACT

**ADDENDUM A:
TIMELINE**

TIMELINE

2007

- ∴ **February - May** - Project Manager Mickey Brown and Development Partner John Thompson (Elm Tree Partners, Austin, TX) in Tulsa & Joplin, spend many hours in planning sessions with Chairman John Berrey and Authority members J R Mathews, Ranny McWatters and Lloyd Buffalo.
- ∴ **May 14** - Quapaw Tribe holds news conference at the historical Three-States Monument, announces intention to build casino and hotel at the site.
- ∴ **July 31** - Quapaw Tribe hosts a groundbreaking celebration at the jobsite, announces name will be Downstream Casino Resort; clearing of trees and grade work begins.
- ∴ **August 10** - Actual groundbreaking. Workers begin foundation work.
- ∴ **October 9** - Casino Building foundation is complete; 2,000 tons of structural steel arrives by convoy of 18-wheelers; Hotel foundation work is under way.
- ∴ **Dec. 27** - Downstream Development Authority (DDA) announces first hires of executive team.

2008

- ∴ **Jan. 28** - Unveiling of the Downstream logo and brand identity.
- ∴ **March 6** - Announce launch of large-scale hiring campaign to fill more than 1,000 jobs, unveil the recruitment kiosks at Joplin's Northpark Mall.
- ∴ **March 21** - Complete purchase of Loma Linda Country Club to with two 18-hole championship golf courses. Soon to rename the property Eagle Creek Golf Club of Downstream.
- ∴ **March 28** - Topping Off celebration with about 900 guests as final steel beam is placed atop the Downstream Casino Hotel tower. At 225 feet above grade, the hotel tower is tallest building in the Tri-State Region.
- ∴ **April 10** - About 1,000 people attend/apply/interview at Job Fair on MSSU campus.
- ∴ **July 5** - Casino opens and about 30,000 guests flood into the casino. The fastest built casino of its size and scope.

2008 (Continued)

∴ **Sept. 6** - Tony Bennett concert at The Venue at Downstream.

∴ **Nov. 1** - Hotel “soft” opening.

∴ **Nov. 22** - Hotel grand opening.

2009

∴ **Fall** – “The Pavilion” - a 10,000-square-foot multi-purpose events center opens, enabling the property to host larger events such as dinners for up to 500 persons, corporate-type conventions for up to 1,000 persons or concerts with capacity for 900 persons.

2011

∴ **March** – “The Learning Center” - a 12,000-square-foot facility opens for children aged infant to 12 years.

∴ **Fall** – Downstream Casino Resort breaks ground on Q Store travel plaza and RV park near the property’s entrance on the Missouri side.

2012

∴ **Spring** – Downstream Casino Resort breaks ground on a second hotel tower with 152 units (including 16 suites and two hospitality suites), a spa, indoor pool, additional bar/lounge, and new location for the Buffalo Grille restaurant. Expected to open by the end of 2012.

∴ **May** – “The Q Store” – an 8,000 square-foot travel plaza with gas station, convenience store and liquor store opens.

∴ **May** – “RV Park” – a 40-pad recreational vehicle park opens.

ADDENDUM B:

PROFILE OF



The Company

KlasRobinson Q.E.D. emphasizes hands-on, client-oriented consulting, based on our founding principles of integrity, accuracy and respect. Our goal is to provide cost-effective solutions in order to maximize value, while respecting the individual needs of our clients.

KlasRobinson Q.E.D. has extensive experience in analyzing the financial feasibility and economic impact of Indian gaming operations and related ancillary facilities. The principals of KlasRobinson Q.E.D., Jim Klas and Matthew Robinson, have been at the forefront of Indian gaming developmental and financial analysis throughout their careers, having worked with more than 200 different Tribes.

Our landmark studies of the economic benefits of Indian gaming in the states of Minnesota, Kansas and Oregon have been distributed in both the United States and Canada and widely quoted in the gaming industry trade press.

Our expertise in Indian Country extends beyond casinos to hotels and resorts, restaurants and nightclubs, spas, entertainment, convention space, movie theaters, bowling centers, golf, RV parks, gas station/convenience stores and grocery stores, travel plazas and truck stops, retail and multi-use office complexes, banks, water parks, and other commercial and leisure developments.

We have also published numerous articles in trade journals on the unique characteristics of development and operation of the above mentioned types of facilities and amenities in the particular environment of Indian gaming.

Feasibility studies and other expert counseling provided by the principals of KlasRobinson Q.E.D. have been used to successfully attract almost \$10.0 billion in financing and investment from bank financing, capital leases, private placements, registered securities and IPO's.

Our comprehensive approach ensures accountability through direct, absolute and exclusive involvement in each project. All work including meetings, market research, report writing and presentation is conducted by Mr. Klas and Mr. Robinson, the founders and principals of KlasRobinson Q.E.D.

For additional information, please visit our web site at www.klasrobinsonqed.com



JAMES M. KLAS
FOUNDER & PRINCIPAL



Co-founder and Principal of KlasRobinson Q.E.D., Jim Klas has over twenty-five years of operational and consulting experience in the hospitality industry. Mr. Klas has provided development consulting to numerous hotel, resort, casino and convention center projects throughout the United States, as well as the provinces of Ontario, Quebec and British Columbia in Canada.

Mr. Klas is a nationally recognized expert in economic impact analysis for the hospitality industry. He has authored studies commissioned by the Minnesota Indian Gaming Association and by Sodak Gaming Supplies, Inc., of the economic benefits of Indian gaming in Minnesota, as well as studies of the economic benefits of Indian gaming in the states of Oregon and Kansas for the gaming tribes in those states. He has also performed economic and social impact studies for the Minnesota Restaurant Association, the Minneapolis Convention Center, the University of St. Thomas and for individual casinos and hotel projects in both the United States and Canada.

Mr. Klas is a frequent speaker at annual conventions of the National Indian Gaming Association, the NYU International Hospitality Industry Investment Conference, IGBE and the World Gaming Congress. He has been quoted in International Gaming & Wagering Business, Casino Executive, The New York Times, The Las Vegas Sun and several other local and regional newspapers and periodicals. He provided expert commentary in a National Public Television documentary on Indian gaming. He has also authored several articles for the Grogan Report, Minnesota Real Estate Journal, Casino Magazine, and Indian Gaming Magazine.

Mr. Klas has a Master's degree from the Cornell University School of Hotel Administration and a Bachelor's degree in Economics from the University of Minnesota. He is a past president of the Minnesota Association of Hospitality Accountants and past member of the Hospitality Education Committee of the Minnesota Hotel, Restaurant and Resort Associations. Mr. Klas has also taught Hospitality and Tourism Development and Marketing at Metropolitan State University in Minneapolis.



MATTHEW ROBINSON **FOUNDER & PRINCIPAL**



Co-founder and Principal of KlasRobinson Q.E.D., Matt Robinson has been a consultant in the hospitality industry for more than 20 years, specializing in market research, feasibility analyses and economic impact studies. Mr. Robinson has consulted on numerous casino, hotel and other hospitality and leisure industry projects. With a background in planning and economic development, Mr. Robinson has specific expertise working in Indian Country on gaming and other tribal economic diversification projects.

Mr. Robinson is currently serving his second consecutive on the Executive Board of the National Indian Gaming Association.

Mr. Robinson is a frequent speaker at national and regional conferences on issues related to feasibility, economic impact and planning. He is a guest lecturer at colleges and universities including his alma mater Macalester College. Mr. Robinson is also a featured contributor to a variety of national trade publications including *Indian Gaming Magazine* and *Casino Enterprise Management Magazine* and is often quoted in regional periodicals.

Mr. Robinson has a Masters degree in Planning with a secondary concentration in economic and community development from the Humphrey Institute at the University of Minnesota. While at the Humphrey Institute, Mr. Robinson conducted research at the Tourism Center of the University of Minnesota, specializing in rural tourism development. He is a graduate of Macalester College with a Bachelor of Arts degree in three majors: Economics, Spanish and International Studies. During the 1988-89 academic year, he attended the Universidad De Complutense and the Institute of European Studies in Madrid, Spain.

Mr. Robinson also has more than five years of operational and management experience working in various facets of the hospitality industry both at home and abroad. He is fluent in oral and written Spanish and is a member of La Sociedad Hispanica Sigma Delta of the National Spanish Honor Society. Mr. Robinson is also a member of Omicron Delta Epsilon of the National Economics Honor Society.

PARTIAL LISTING OF RELEVANT ENGAGEMENTS

AGUA CALIENTE BAND OF CAHUILLA INDIANS - Palm Springs, California: Economic impact analysis of the various tribal enterprises of the *Agua Caliente Band of Cahuilla Indians*, including both the direct impact and multiplier effect on local, state and national governments, as well as the tribe and its members.

AFFILIATED KANSAS GAMING TRIBES - Horton, Kansas: Impact study on the economic benefits of Indian gaming in the State of Kansas on tribal, local and state economies and tax revenue generated to the state and federal government, which included onsite interviews with each of the participating Kansas gaming Tribes.

AFFILIATED OREGON GAMING TRIBES - Pendleton, Oregon: Impact study on the economic benefits of Indian gaming in the State of Oregon on tribal, local and state economies and tax revenue generated to the state and federal government, which included onsite interviews with each of the participating Oregon tribes.

ARIZONA INDIAN GAMING ASSOCIATION - Phoenix, Arizona: Impact analysis on behalf of the *Arizona Indian Gaming Association* which included the impact of changes in future population through the year 2052 on the number of future gaming device allocations and new gaming operating rights for Indian Tribes in the State of Arizona, based on existing Tribal-State compacts.

ARIZONANS FOR TRIBAL GOVERNMENT GAMING - Phoenix, Arizona: Impact analysis on behalf of *Arizonans for Tribal Government Gaming* for the introduction of slot machines and table games at racetracks in the State. Analysis included estimates of revenue at up to nine planned racinos and the corresponding impact at Indian casinos throughout the State of Arizona.

BAD RIVER BAND OF THE LAKE SUPERIOR TRIBE OF CHIPPEWA INDIANS AND THE ST. CROIX CHIPPEWA INDIANS OF WISCONSIN: Feasibility study and economic impact study on behalf of the *Bad River Band of the Lake Superior Tribe of Chippewa Indians* and the *St. Croix Chippewa Indians of Wisconsin* for a proposed casino resort development near Beloit, Wisconsin. Analysis included a casino, 500-unit hotel, convention center, food and beverage, retail, arcade, childcare and an indoor/outdoor waterpark.

COLVILLE TRIBE - Coulee Dam, Washington: Analysis on behalf of the *Colville Tribe* of the economic impact of the removal of slot machines at the existing gaming facilities of the tribe.

FLANDREAU SANTEE SIOUX TRIBE - Flandreau, South Dakota: Economic impact on the Greater Sioux Falls Area of South Dakota due to the planned Lyon County Casino and Golf Resort in neighboring Iowa. Analysis included estimates of revenues, expenditures, purchases and employment at the planned Lyon County casino project, as well as the corresponding impact on employment, tourism and video lottery terminals in the Greater Sioux Falls Area.

FOREST COUNTY POTAWATOMI - Milwaukee, Wisconsin: Economic impact analysis on behalf of the Forest County Potawatomi for its proposed Potawatomi Bingo Casino in downtown Milwaukee.

FORT INDEPENDENCE INDIAN RESERVATION - Fort Independence, California: Analysis of the impact of exclusivity for Class III gaming in relation to revenue sharing on behalf of the *Fort Independence Indian Reservation*.

PARTIAL LISTING OF RELEVANT ENGAGEMENTS

GREATER MINNEAPOLIS CONVENTION & VISITORS BUREAU - Minneapolis, Minnesota: Analysis of state tax revenue increases generated by the Minneapolis Convention Center and related projects.

JENA BAND OF CHOCTAW INDIANS - Jena, Louisiana: Press conference regarding the economic impact of a proposed casino resort complex on behalf of the *Jena Band of Choctaw* Indians in support of their negotiations for a compact with the State of Louisiana to conduct gaming and have land placed into trust by the Department of the Interior.

LOWER SIOUX INDIAN COMMUNITY - Morton, Minnesota: Economic impact analysis on behalf of the *Lower Sioux Indian Community* examining the impact of the proposed Canterbury Park racino on on-going operations at Jackpot Junction Hotel Casino. Analysis included both the direct impact and multiplier effect on the *Lower Sioux Indian Community* and its tribally-owned businesses, and the local and regional economies, as well as on local, state and national governments.

MESCALERO APACHE TRIBE - Mescalero, New Mexico: Economic impact analysis on behalf of the *Mescalero Apache Tribe* in support of their litigation over New Mexico gaming compacts.

MINNESOTA INDIAN GAMING ASSOCIATION - Cass Lake, Minnesota: Impact study on the economic benefits of Indian gaming in the State of Minnesota on tribal, local and state economies and tax revenue generated to the state and federal government, which included onsite interviews with each of the participating *MIGA Tribes*.

MINNESOTA RESTAURANT ASSOCIATION - Saint Paul, Minnesota: Economic impact analysis on the food service in the State of Minnesota.

MINNESOTA STATE LOTTERY - Roseville, Minnesota: Impact study on the economic benefits of the Minnesota State Lottery in the State of Minnesota on local and state economies and tax revenue generated to the state and federal government.

MISSISSIPPI BAND OF CHOCTAW - Choctaw, Mississippi: Feasibility study and economic impact study on behalf of the Mississippi Band of Choctaw Indians for a proposed casino resort complex along the Mississippi Gulf Coast in Jackson County, Mississippi.

PENOBSCOT TRIBE AND PASSAMAQUODDY TRIBE - York County, Maine: Feasibility study and economic impact analysis on behalf of the *Penobscot Tribe* and *Passamaquoddy Tribe* for a proposed \$650 million casino resort complex in southern Maine. Analysis included a casino, resort, golf course, spa, cinema, convention center and gas station/convenience store.

PONCA TRIBE OF NEBRASKA - Niobrara, Nebraska: Feasibility study and economic impact analysis on behalf of the *Ponca Tribe of Nebraska* for a proposed casino resort complex in Carter Lake, Iowa. Analysis included scenarios for both Class II and Class III gaming.

PRAIRIE ISLAND INDIAN COMMUNITY - Welch, Minnesota: Economic impact analysis on behalf of the *Prairie Island Indian Community* examining the impact of the proposed Canterbury Park racino on on-going operations at Treasure Island Resort Casino. Analysis included both the direct impact and multiplier effect on the *Prairie Island Indian Community* and its tribally-owned businesses, and the local and regional economies, as well as on local, state and national governments.

PARTIAL LISTING OF RELEVANT ENGAGEMENTS

SAC & FOX TRIBE OF THE MISSISSIPPI IN IOWA – Tama, Iowa: Economic impact analysis of Meskwaki Bingo-Casino-Hotel on behalf of the *Sac & Fox Tribe of the Mississippi in Iowa*, including both the direct impact and multiplier effect on local, state and national governments, as well as the tribe and its members.

ST. REGIS MOHAWK TRIBE - Hogansburg, New York: Financial impact analysis for the Akwesasne Mohawk Casino on behalf of the *St. Regis Mohawk Tribe* for a new compact with the State of New York. Analysis included multiple facility and compact scenarios and their subsequent financial impact on existing and planned operations at the Akwesasne Mohawk Casino.

SCOTTS VALLEY BAND OF POMO INDIANS - Kelseyville, California: Feasibility study, as well as economic and fiscal impact analysis on behalf of the *Scotts Valley Band of Pomo Indians* for the proposed *Sugar Bowl Casino* development in the San Francisco Bay Area. Analysis included multiple scenarios with respect to facility sizing.

SHAKOPEE MDEWAKANTON SIOUX COMMUNITY - Prior Lake, Minnesota: Economic impact analysis of the various tribal enterprises of the Shakopee Mdewakanton Sioux Community, including both the direct impact and multiplier effect on local, state and national governments, as well as the tribe and its members.

SHOSHONE-BANNOCK TRIBES OF THE FORT HALL RESERVATION - Fort Hall, Idaho: Economic impact analysis of the various tribal enterprises of the *Shoshone-Bannock Tribes of the Fort Hall Indian Reservation*, including both the direct impact and multiplier effect on local, state and national governments, as well as the tribe and its members.

SISSETON-WAHPETON OYATE – Agency Village, South Dakota: Economic impact analysis of *Dakota Magic Casino* near Hankinson, North Dakota, *Dakota Sioux Casino* near Watertown, South Dakota and *Dakota Connection Casino* in Sisseton, South Dakota on behalf of the *Sisseton-Wahpeton Oyate*, including both the direct impact and multiplier effect on local, state and national governments, as well as the tribe and its members.

SODAK GAMING SUPPLIES, INC., - Rapid City, South Dakota: Analysis of the economic benefits of Indian gaming in the State of Minnesota, based upon direct interviews with all Minnesota tribes.

SPOKANE TRIBE - Kirkland, Washington: Analysis of the competitive and economic impact of the development of a competing gaming operation on the existing gaming facilities of the tribe.

TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS – Belcourt, North Dakota: Feasibility Study and Economic Impact Study on behalf of the *Turtle Mountain Band of Chippewa Indians* for a proposed Indian casino complex in Grand Forks, North Dakota.

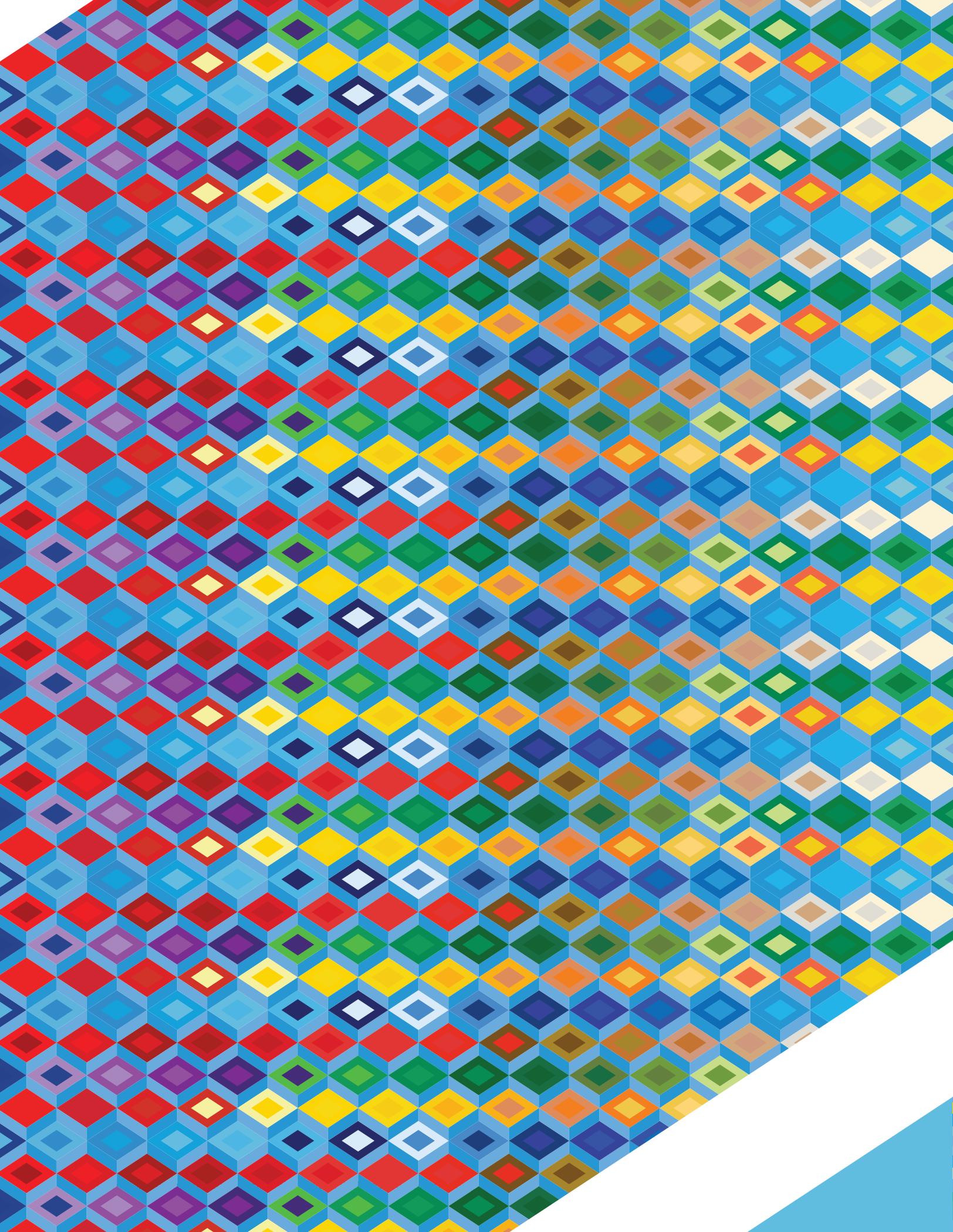
ADDITIONAL LISTINGS OF ENGAGEMENTS UPON REQUEST

2016 ANNUAL IMPACT

*Statewide Economic Impacts
from Oklahoma Tribal Government Gaming*

October 19, 2016





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Executive Summary

The following section presents a summary of the findings and conclusions from the study entitled, “*Statewide Economic Impacts from Oklahoma Tribal Government Gaming—2016 Annual Impact*,” conducted and co-authored by the Oklahoma City University Center for Native American and Urban Studies and KlasRobinson Q.E.D. on behalf of Oklahoma Indian Gaming Association (OIGA).

DIRECT IMPACT

- Oklahoma Tribal Government Gaming output was **\$4.75 billion** in 2015, representing 3 percent of private production in the Oklahoma economy.
- Oklahoma Tribes have paid the State a total of **\$1.123 billion in Exclusivity Fees** since 2006.

Oklahoma Tribal Government Gaming output was **\$4.75 billion** in 2015.

- Tribal Government Gaming Operations and Related Facilities supported 27,944 ongoing jobs in 2015 of which 76.6 percent were full-time positions. 18,470 of these jobs (66.1 percent) were located at Indian casinos in rural counties while 9,474 of these jobs (33.9 percent) were located at Indian casinos in urban counties in Oklahoma.
- Annual wages, salaries, and tips of almost **\$1.05 billion** in 2015
- Annual employee benefits of almost **\$320 million** including healthcare, dental, life insurance, and retirement plans
- In 2015, Oklahoma Tribal Gaming Operations and their employees paid almost **\$325 million in payroll related taxes** including more than **\$33 million in income taxes to the State of Oklahoma**.
- Oklahoma Tribal Gaming Operations had almost **45.9 million visits** in 2015, including more than **18.7 million visits from out of state**. In 2015, **rural Tribal Government casinos in Oklahoma** accounted for **29.3 million visits** (63.9 percent of total visits) including over **15.7 million visits from out of state** (almost 84.0 percent of total out-of-state visits).
- In 2015 alone, Oklahoma Tribal Gaming Operations spent **\$363 million on capital improvements**, creating an estimated **2,768 jobs** and **earnings of almost \$124 million** in the construction industry.

MULTIPLIER AND TOTAL IMPACT

- Induced and indirect impact on the **economic output** on the State of Oklahoma, from both construction and operations, is estimated to equal just over **\$2.2 billion annually**, giving a **total economic impact of \$7.2 billion** from annual operations and construction, of which **60 percent occurred in rural areas**.
- Induced and indirect impact on **employment** in the State of Oklahoma from both construction and operations is estimated to equal **17,050 ongoing jobs**, giving a **total employment impact of 48,942 jobs** from annual operations and construction, of which **64 percent occurred in rural areas**.
- Induced and indirect impact on **earnings** in the State of Oklahoma from construction and operations is estimated to equal more than **\$713 million annually**, giving a **total earnings impact from annual operations and construction of \$2.3 billion**, of which **64 percent occurred in rural areas**.

SOURCE: Oklahoma City University Center for Native American and Urban Studies and KlasRobinson Q.E.D.



\$7.2 *Billion*

Total economic impact from annual operations and construction

Background

Tribal Government Gaming in Oklahoma began several decades ago with simple bingo halls situated in retrofitted buildings including gymnasiums, community centers, double-wide trailers, and even Quonset huts located on Tribal lands.

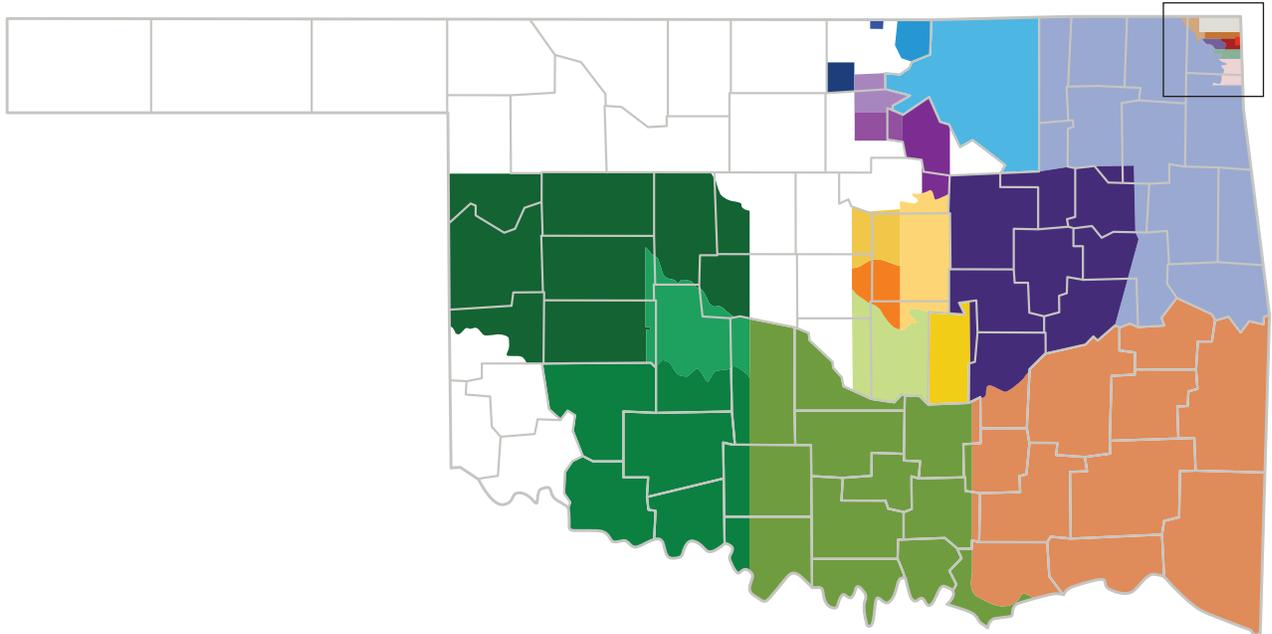
Thirty-one Tribes in Oklahoma currently operate almost 130 Indian gaming operations with approximately 72,850 electronic games, almost 5,300 bingo seats and other games.

Pursuant to Congressional authorization, today 31 Tribes in Oklahoma currently operate almost 130 gaming operations with approximately 72,850 electronic games, almost 5,300 bingo seats, and other games. There are 20 Tribal Gaming Operations with hotels/resorts in Oklahoma with a combined total of more than 5,000 rooms and almost 500,000 square feet of meeting, function, and entertainment space.

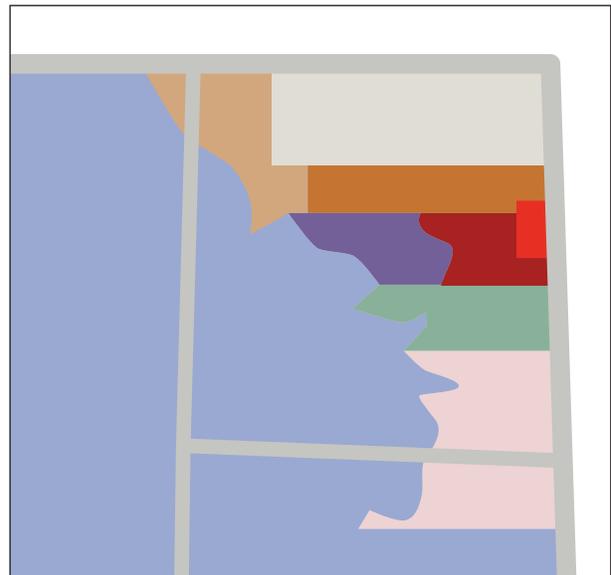
Other related ancillary facilities and amenities include almost 200 restaurants and bars, nine golf courses with a total of 126 holes, five spas, seven RV parks with almost 375 sites, and more than 50 gas station/convenience stores, as well as destination and convenience retail, several bowling centers, laser tag, and a movie complex.

Oklahoma has the second largest Native American population in the United States, behind only California. According to the 2010 Census, 482,760 Oklahomans identified as Native American alone or in combination with other races. Oklahoma Native Americans do not live on traditional reservations as in other states; rather, they live throughout the State with Tribal Government Operations and Services limited to jurisdictional areas. Due to Federal government requirements that casinos operate on Indian Land, existing casinos are located in or near longstanding Federally Recognized Tribal Jurisdiction Areas. As shown in the map on the next page, Tribal Jurisdiction Areas belonging to the 38 Federally-Recognized Oklahoma Tribes cover most of the State except for the northwest quadrant. With no Tribal jurisdiction in the northwest, there are currently no Tribal Gaming Operations in this area.

Federally Recognized Tribes in Oklahoma



- Cherokee
- Cheyenne-Arapaho
- Chickasaw
- Chilocco Indian School Lands
- Choctaw
- Citizen Potawatomi/Absentee Shawnee
- Delaware Tribe of Indians
- Iowa
- Kaw
- Kickapoo
- Kiowa-Comanche-Apache (Ft. Sill Apache)
- Miami
- Modoc
- Muscogee (Creek)/Alabama Quassarte/Kialegee/Thlopthlocco
- Osage
- Otoe-Missouria
- Ottawa
- Pawnee
- Peoria
- Ponca
- Quapaw
- Sac and Fox
- Seminole
- Seneca-Cayuga
- Shawnee/Eastern Shawnee
- Tonkawa
- United Keetoowah Band of Cherokees
- Wichita and Affiliated Caddo-Delaware
- Wyandotte



SOURCE: Oklahoma Department of Transportation

Introduction

The citizens of the State of Oklahoma passed the Oklahoma State Tribal Gaming Act in 2004, establishing a pre-approved gaming compact model for Federally-recognized Tribes.

The compact covers one-time startup costs and monthly exclusivity payments from the operating Tribes to the State. Additionally, the compact defines the audit and regulatory framework for operation in conjunction with the National Indian Gaming Commission (NIGC) and in compliance with the Indian Gaming Regulatory Act (IGRA).

Since inception, Oklahoma Tribal Governments have paid more than \$1.123 billion in exclusivity fees to the State. Total construction cost for the existing gaming, hotel, and related ancillary facilities since inception is estimated to equal over \$3.6 billion since the beginning of Tribal Government Gaming in Oklahoma.

While the exclusivity payments are well known to state authorities, the annual impacts resulting from ongoing Tribal Government Gaming are not. This report seeks to quantify the annual production, employment, and payroll impacts of Tribal Government Gaming in Oklahoma. The study methodology is discussed in the next section, followed by a detailed account of the direct and multiplier impacts from Tribal Government Gaming Operations and Construction in 2015.

Since inception, Oklahoma Tribal Governments have paid more than \$1.123 billion in exclusivity fees to the State of Oklahoma.

Economic Impacts

METHODOLOGY

Economic impacts are estimates of the full production, employment, and income that are directly and indirectly linked to the production activity under study. The true impacts are unknowable, as the variety and quantity of expenditures flowing downstream from the initial production activity are not specifically reported. However, “good” estimates can be obtained by using existing economic linkages developed from previous industry flows. These previous annual dollar flows are used to construct a model that calculates the downstream expenditures that result from direct expenditures by Tribal Government gaming activities. The downstream expenditures include production by related industries and household expenditures due to increased income. When totaled, these direct (gaming and construction), indirect (downstream industries), and induced (household) expenditures provide a complete picture of the total impact. Thus, the total impacts include the initial expenditures by the gaming industry and the subsequent multiplier impacts resulting from indirect and induced expenditures.¹

Local economic impacts derived from gaming operations arise from both the construction and the ongoing annual operation of gaming facilities. Construction impacts are transient, occurring only during initial construction or subsequent building maintenance or expansion, while operations impacts occur annually over the life of a facility. Impacts from each are detailed on the following pages.

¹ Impacts were calculated using multipliers created by IMPLAN Software, Implan Group, LLC, 16740 Birkdale Commons Parkway, Suite 206, Huntersville, NC 28078.

DIRECT IMPACT

Direct impacts are changes in the industry in which a final demand change is made. In the case of Tribal Government Gaming in Oklahoma, direct impacts are those generated directly, including employment, wages, purchases of goods and services, as well as taxes or payments in lieu of taxes paid to the local, state, and/or federal governments.

The primary source material for this study was derived from survey responses from OIGA Member Tribes for the year ending 2015. With an overwhelming response rate of more than 80 percent of Tribal Gaming Operations, the survey provided a comprehensive snapshot of employment, payroll, revenues, and expenditures associated with Tribal Government Gaming and ancillary operations in the State. Using the survey as the baseline and information from other government sources, we estimated the direct impact of all Tribal Gaming Operations within the State. Gaming information pertaining to unemployment, industry output, and similar matters was obtained through published information from various government agencies.

MULTIPLIER IMPACT

Estimates of indirect and induced impact were prepared using the IMPLAN (IMpact Analysis for PLANing) economic model originally developed for the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management.

The IMPLAN model was developed at the University of Minnesota and is maintained by IMPLAN Group LLC in Huntersville, North Carolina. The IMPLAN model has been in use since 1979. The IMPLAN model accounts closely follow the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis and the rectangular format recommended by the United Nations.

**Tribal gaming's
direct impact
represented 3
percent of private
production in the
2015 Oklahoma
economy.**

Revenues

According to the National Indian Gaming Commission (NIGC), Tribal Government Gaming revenues were up sharply in Oklahoma during 2015. Nationally, revenues increased by 5.0 percent while the Oklahoma City Region, which encompasses western Oklahoma, exhibited the second largest increase of any of the regions at 6.7 percent.² The Tulsa Region, which includes the eastern portion of the State, grew by 6.5 percent, the third largest increase of any of the regions.

Using the Oklahoma Tribal Survey data and the NIGC revenue release, we estimate that Oklahoma revenues were \$4.75 billion in 2015.

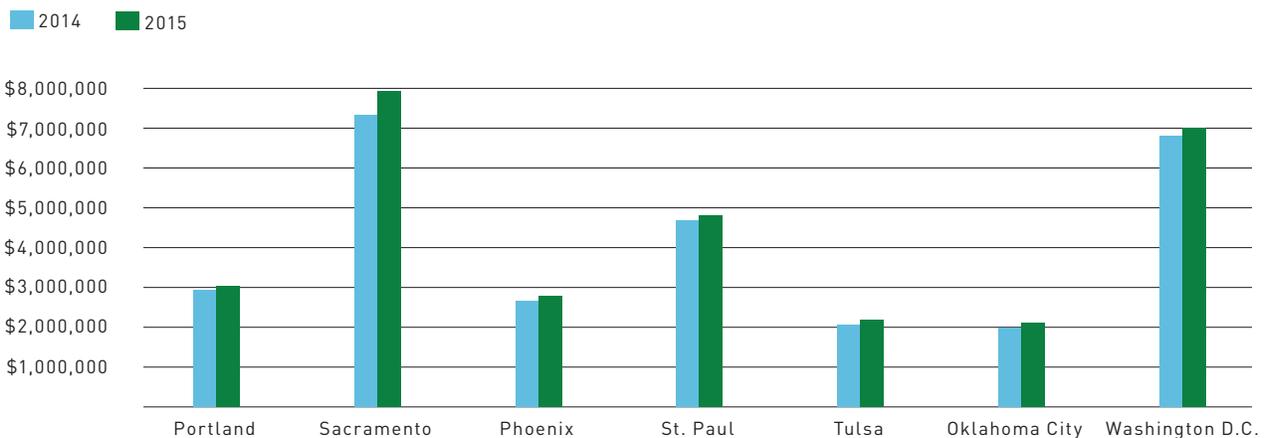
Output

Direct production, or output, from Tribal Government Gaming is derived from reported or estimated revenues less the wholesale value of goods sold in retail outlets. We estimate that Tribal gaming output was \$4.5 billion in 2015. This direct impact represented 3 percent of private production in the 2015 Oklahoma economy.³

² According to NIGC, the OK City region includes Western Oklahoma and Texas and the Tulsa Region includes Eastern Oklahoma and Kansas.

³ Oklahoma Private Industry GDP in current dollars was \$151.8 billion in 2015. See *BEA.gov* for more information.

Tribal Government Gaming Revenues 2014–2015



Source: National Indian Gaming Commission

Exclusivity Fees

Oklahoma has 33 Tribes with gaming compacts. Per the terms of the State-Tribal Gaming Compacts, Compacted Tribes pay a monthly exclusivity fee to the State of Oklahoma for the exclusive right to operate Compacted Gaming. The fees are calculated as follows:

Electronic Covered Games:

- 4 percent of the 1st \$10,000,000 of annual Adjusted Gross Revenues (AGR),
- 5 percent of the next \$10,000,000 of AGR, and
- 6 percent of AGR over \$20,000,000

Non-House Banked Games:

- 10 percent of the Monthly Net Win

Oklahoma Tribes have paid the State \$1.123 billion in total exclusivity fees. The table (right) presents annual payments since 2006.

By statute, exclusivity fees go to the Education Reform Revolving Fund (HB 1017 Fund), the General Revenue Fund, and the Department of Mental Health and Substance Abuse Services (ODMHSAS). According to the Oklahoma Gaming Compliance Unit, ODMHSAS receives \$250,000 annually, with 88 percent of the remaining fees going to the 1017 Fund and 12 percent to the General Revenue Fund.⁴

⁴ "Oklahoma Gaming Compliance Unit Annual Report, Fiscal Year 2015," Office of Management and Enterprise Services.

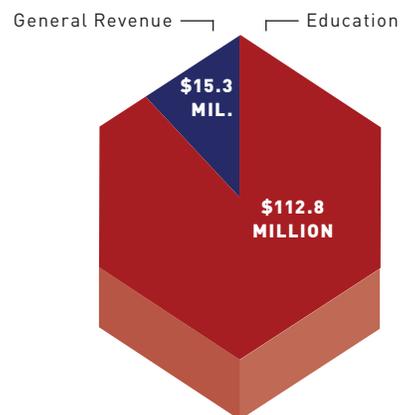
Exclusivity Fees Paid by Oklahoma Tribes

Fiscal Year*	Total Exclusivity Fees
2016	\$132,035,000
2015	\$128,378,000
2014	\$122,622,000
2013	\$128,098,000
2012	\$123,872,000
2011	\$122,238,000
2010	\$118,214,000
2009	\$105,587,000
2008	\$81,424,000
2007	\$46,824,000
2006	\$14,234,000
Total	\$1,123,526,000

* Fiscal Year ending June 30th

Source: Oklahoma Gaming Compliance Unit Annual Report Fiscal Year 2016

Where the Money Goes



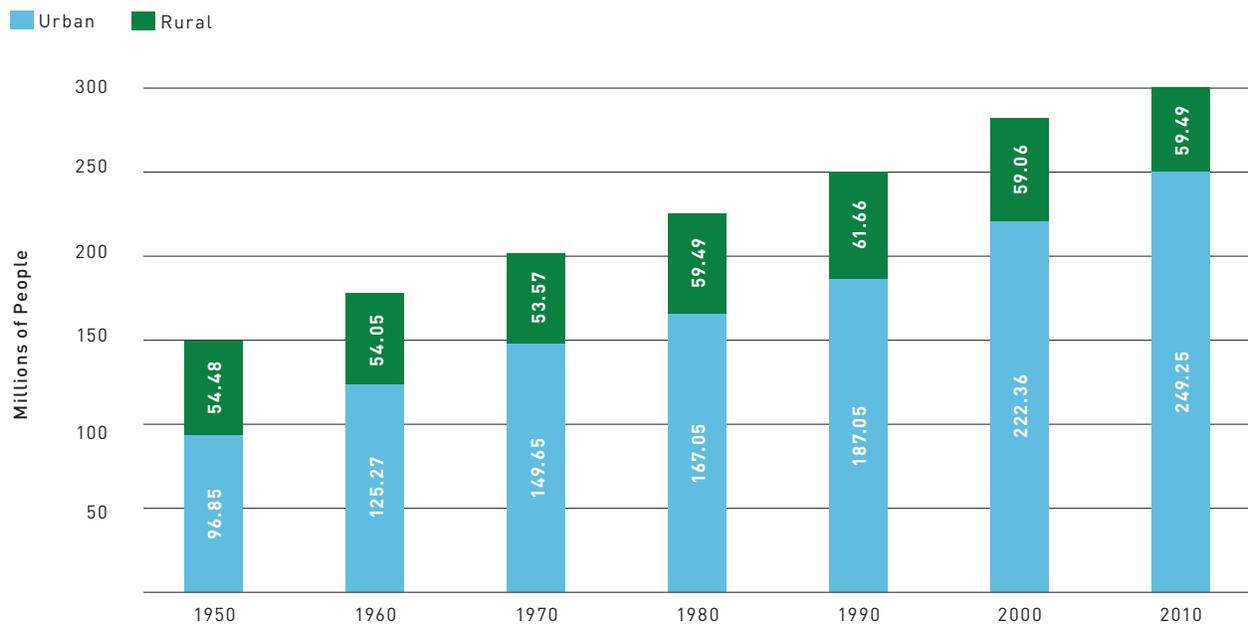
Urban vs. Rural

Within a region there are distinct geographies that define the nature and extent of economic linkages. Cities arise due to their inherent productivity advantages stemming from the linkages to supporting activities and the knowledge transfers that occur between competing and complementing industries. For centuries, rural areas existed to provide agricultural products for consumption and trade, requiring significant labor. With changes in technology and transportation costs, rural areas that once thrived have been declining in

population for many decades while cities have continued to flourish as the primary source of regional and national growth. Nationally, rural areas made up 94.9 percent of the population in 1790. That number had declined to 36 percent by 1950, and by 2010, the rural share of the U.S. population fell to 19.3 percent.⁵ U.S. urban, rural and total population counts from 1950–2010 are provided in the chart below. Note that the rural population count peaked at 61.66 million in 1990 while the urban count has increased in every decennial census.

⁵ www.census.gov

Urban and Rural Population in the United States: 1950–2010



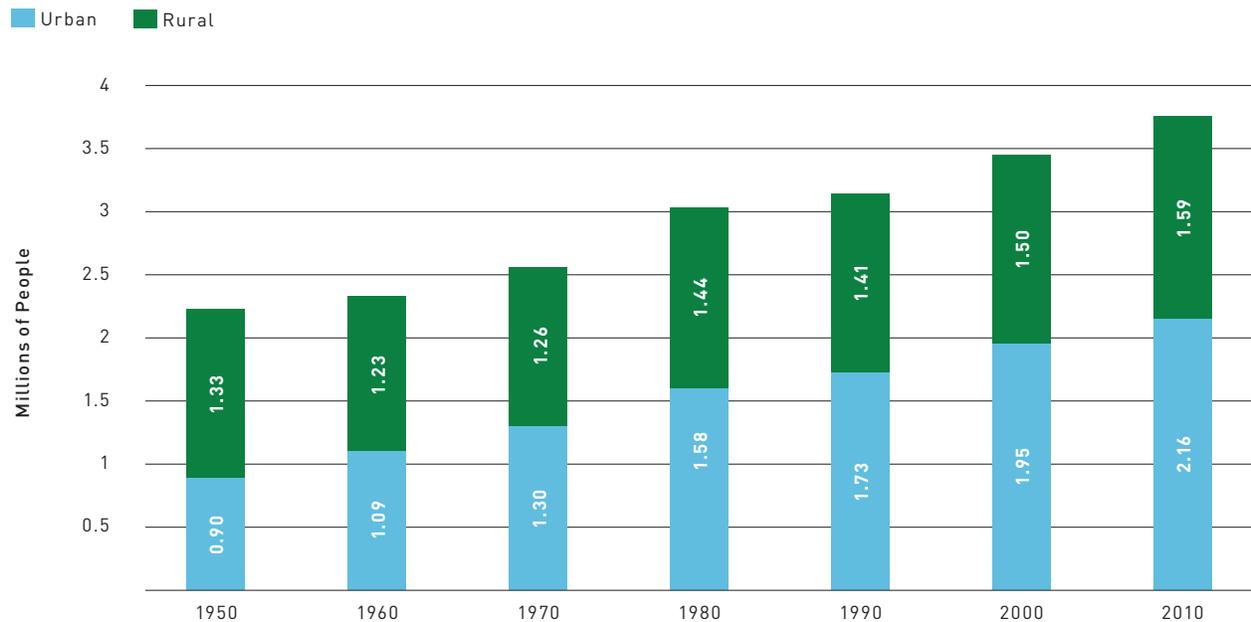
Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Oklahoma has a similar urbanization story. The data in the chart below reflects the urban/rural distinction of OKC and Tulsa MSAs vs. all other counties in Oklahoma.⁶ In 1950, nearly 60 percent of Oklahomans lived outside the Oklahoma City and Tulsa MSAs. By 2010, the population distribution had flipped as 58 percent of the population resided within these two MSAs.⁷ By 2015 (not pictured), the population share in OKC and Tulsa had grown to 60 percent.

⁶ Oklahoma actually contains all or a portion of four MSAs: Oklahoma City, Tulsa, Lawton and Ft. Smith, Arkansas. For the purposes of this report, we have included counties within the Lawton and Ft. Smith MSAs in the Rural classification, as their population changes more closely align with the rural areas in the state.

⁷ According to the US Census Bureau, Oklahoma Urban citizens comprised 66.2 percent of the population. This includes all urban areas as defined by the Census Bureau and is a comparable number to the 2010 US Urban percentage of 80.7 percent.

Oklahoma Urban and Rural Populations: 1950–2010



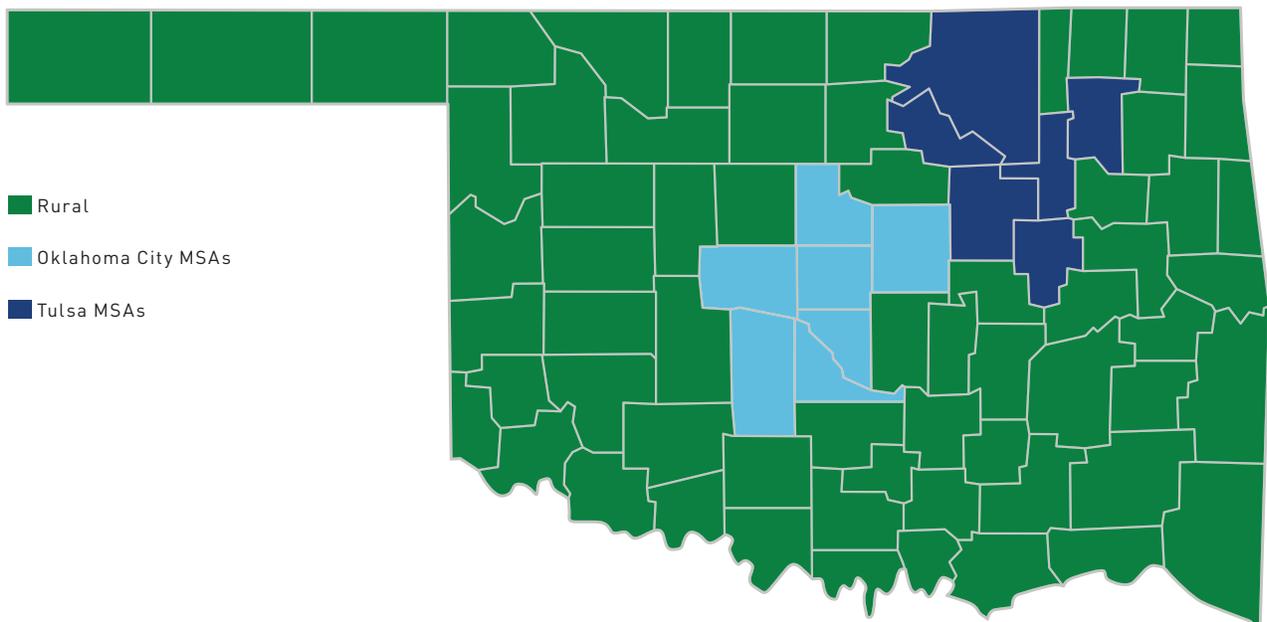
Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

The definition of “urban” is difficult to discern. The U.S. Census Bureau has dealt with this problem for decades, changing its definition over time. Currently, it has two urban designations: Urbanized Areas (UAs) of 50,000 people or more and Urban Clusters (UCs) of at least 2,500 people but less than 50,000.⁸ Urban economists have typically defined urban based upon a specific issue they wish to address. For example, it doesn’t make much sense to include a town of 2,500 when discussing inner city crime or urban and suburban economic development. Large cities and small towns require different prescriptions for most issues identified as urban.

For this study, we are concerned primarily with the differential impact that Tribes have on the two largest urban areas in Oklahoma, the 14 counties that make up the Tulsa and Oklahoma City MSAs, and separately, all other counties (rural). There are actually four MSAs in Oklahoma: Lawton, Oklahoma City, Tulsa, and a part of the Ft. Smith, Arkansas MSA covering LeFlore and Sequoyah Counties. However, the counties in the Lawton and Oklahoma portion of the Ft. Smith MSA more closely resemble population trends of rural counties within the state, so the Tribal impact in these areas aligns more closely with rural instead of urban regions.

⁸ For a complete definition, see “2010 Census Urban and Rural Classification and Urban Area Criteria,” www.census.gov.

Oklahoma City and Tulsa MSAs



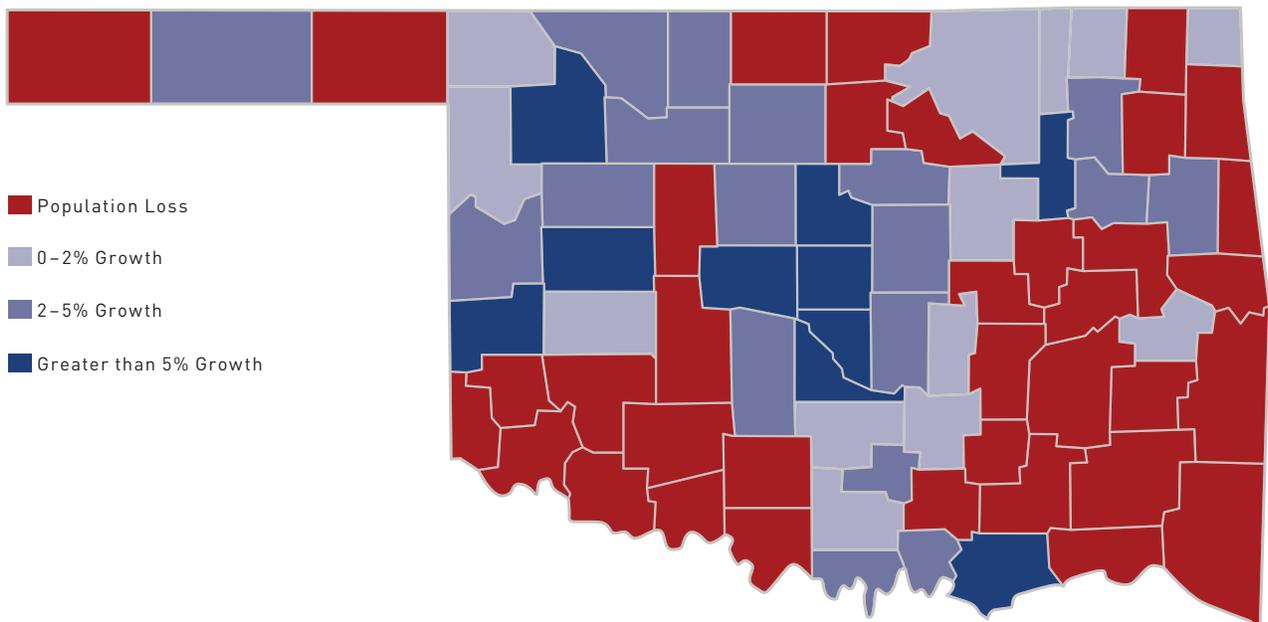
Source: www.census.gov, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

The decline of rural populations is striking, but not surprising.

In Oklahoma, as in the U.S., the population in rural areas has stagnated, and in many counties declined over time. As of 2015, the rural Oklahoma population was down 1.01 percent from 2010, the urban population was up 6.59 percent,⁹ and the total statewide population was up 4.26 percent. During this period, there was growth in rural areas in the western part of the state, largely due to increased oil and gas production. However, rural areas in the other parts of the state continued to decline.

⁹ www.census.gov

Oklahoma Population Change: 2010–2015

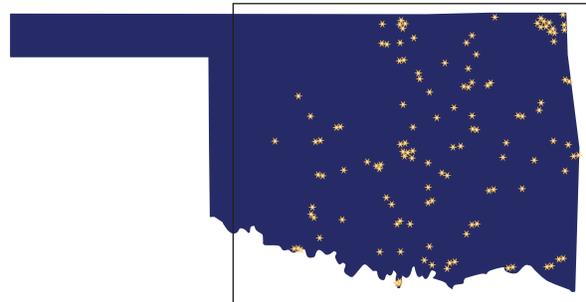


Source: www.census.gov, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

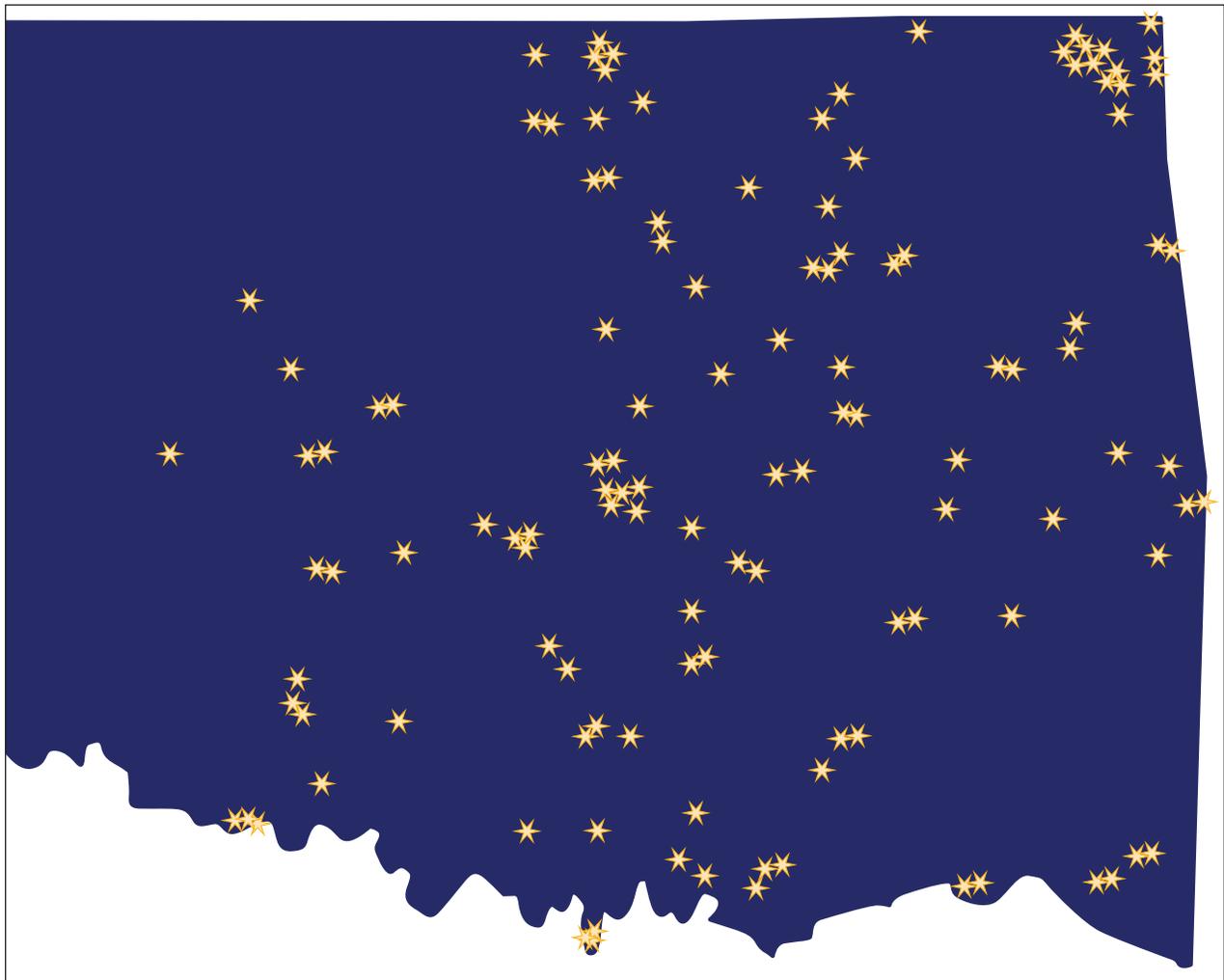
The decline of rural populations is striking, but not surprising. Migration to urban areas is a natural occurrence as workers relocate for jobs and higher wages. For rural communities to survive, households need access to employment opportunities, which with the consolidation of agricultural production are generally in decline in rural areas.

With the growth of gaming and the rural location of Oklahoma casinos, Tribes can be a needed source of sustained employment opportunities

within these rural areas. The map below highlights the current casino locations in the state. While there are some casinos in urban areas, the majority exist in the rural areas in largely declining counties.



Oklahoma Tribal Government Casinos



DIRECT IMPACT

Direct impacts are changes in the industry in which a final demand change is made. In the case of Tribal Government Gaming in Oklahoma, direct impacts are those generated directly, including employment, wages, and purchases of goods and services, as well as taxes or payments in lieu of taxes paid to the local, state and/or federal governments.

Employment

As presented in the following table, during 2015 Oklahoma Indian casinos, along with their hotels and related ancillary facilities, had an annual average employment of 27,944. Of these employees, 76.6 percent were full-time, 55.8 percent of employees were women and 43.2 percent of employees were Native American including 22.3 percent of Tribal employees working for their respective Tribes.

2015 Average Annual Employment

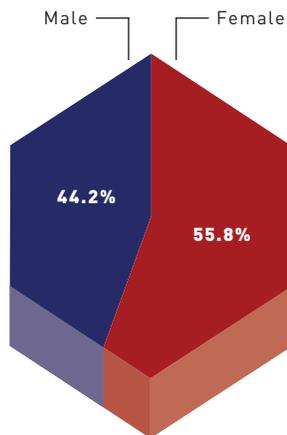
STATUS	Total		Rural		Urban	
Full Time	21,413	76.6%	13,423	72.7%	7,990	84.3%
Part Time	6,531	23.4%	5,047	27.3%	1,484	15.7%
Total	27,944	100.0%	18,470	66.1%	9,474	33.9%

GENDER	Total		Rural		Urban	
Male		44.2%		44.0%		44.8%
Female		55.8%		56.0%		55.2%

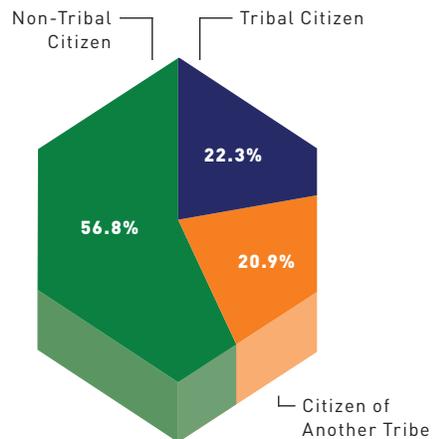
ETHNICITY	Total		Rural		Urban	
Tribal Citizen		22.3%		11.8%		32.4%
Other Tribe		20.9%		19.5%		13.9%
Non-Tribal		56.8%		44.8%		53.7%

Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

2015 Employment by Gender



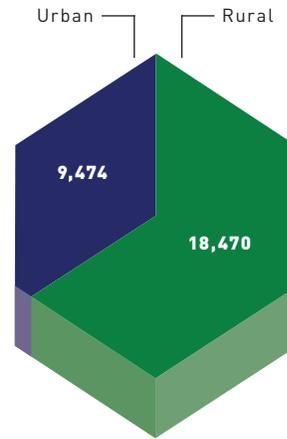
2015 Employment by Ethnicity



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

An estimated 18,470 of Tribal gaming employees—more than 66 percent of total employees—worked at rural gaming facilities, while an estimated 9,474 of Indian gaming employees—almost 34 percent of total employees—worked at urban gaming facilities. At the same time, there is a greater percentage of full-time employees working at urban Tribal casinos in Oklahoma.

2015 Rural vs. Urban Employment



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

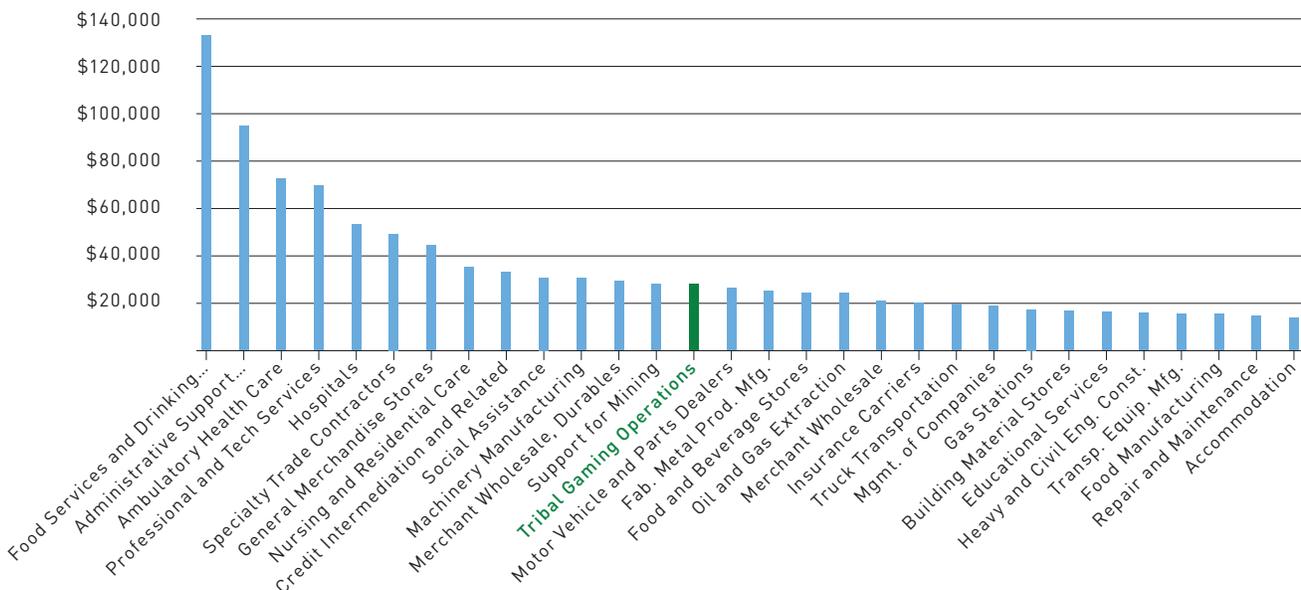
Private employment provided 1.32 million jobs in Oklahoma in 2015. As discussed previously, the average employment at Tribal Gaming and related ancillary facilities was 27,944.

Tribal Government Gaming in Oklahoma, as a combined employment industry category, would rank as the **14th largest industry employer in the State of Oklahoma.**

To put this into context, approximately 2.1 percent of all jobs in Oklahoma exist at Tribal Gaming and ancillary facilities—**that equates to one in every 47 jobs.**

The following chart presents a summary of the top 30 industries by total employment for the State of Oklahoma.

Top 30 Oklahoma Industries by Employment



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Wages and Benefits

Workers earned \$1.37 billion in wages and benefits at casinos and ancillary facilities in 2015. Like public corporations, the Tribes provided healthcare, dental, insurance, and other benefits with healthcare accounting for the most significant cost at \$320 million. This information is presented in the following table.

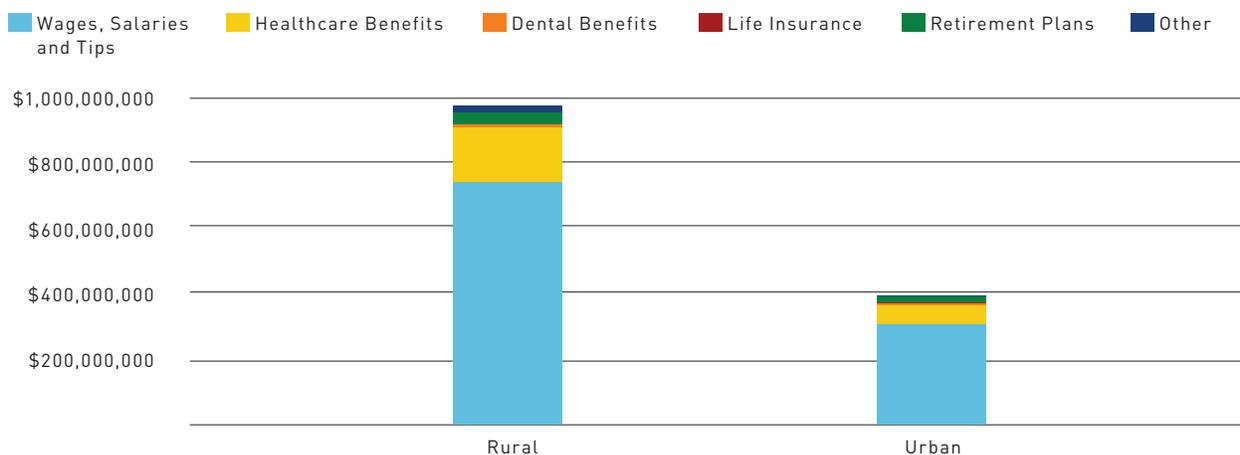
Employees at Rural Indian casinos in 2015 were paid over \$975 million in wages and benefits—more than 71 percent of total wages and benefits paid by Indian casinos in Oklahoma. This compares to urban casinos which paid employees over \$393 million—almost 29 percent of the statewide total.

2015 Wages and Benefits

CATEGORY	TOTAL	Percent	RURAL	Percent	URBAN	Percent
Wages, Salaries, and Tips	\$1,048,163,000	76.6%	\$740,344,000	75.9%	\$307,819,000	78.3%
Healthcare Benefits	227,550,000	16.6%	166,938,000	17.1%	60,612,000	15.4%
Dental Benefits	8,644,000	0.6%	6,344,000	0.7%	2,299,000	0.6%
Life Insurance	3,738,000	0.3%	2,405,000	0.2%	1,333,000	0.3%
Retirement Plans	56,135,000	4.1%	37,352,000	3.8%	18,782,000	4.8%
Other	24,377,000	1.8%	21,976,000	2.3%	2,401,000	0.6%
Total Wages and Benefits	\$1,368,607,000	100.0%	\$975,359,000	71.3%	\$393,246,000	28.7%

Source: Oklahoma Tribal Survey, Steven C. Agee Economic Research and Policy Institute, KlasRobinson Q.E.D.

2015 Wages and Benefits



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Payroll and Related Taxes

Oklahoma Tribes paid out almost \$325 million in State and Federal payroll taxes from workers employed in gaming and related activities in 2015. The Tribes withheld over \$33 million in income taxes for the State of Oklahoma.

and Medicare through employer and employee contributions. This is of particular importance as the State and Nation continue to age, relying more heavily on the current working population to fund current benefits.

Additionally, Tribal Government Gaming provided \$176 million in payments to Social Security

This information is presented in the following table.

2015 Payroll Related Taxes

CATEGORY	TOTAL	RURAL	URBAN
Federal Withholding	\$115,051,000	\$82,297,000	\$32,754,000
State Withholding	33,424,000	23,865,000	9,559,000
Social Security — Employer	73,308,000	53,820,000	19,488,000
Social Security — Employee	71,141,000	52,908,000	18,234,000
Medicare — Employer	16,115,000	11,551,000	4,564,000
Medicare — Employee	15,794,000	11,512,000	4,283,000
Total	\$324,833,000	\$235,951,000	\$88,881,000

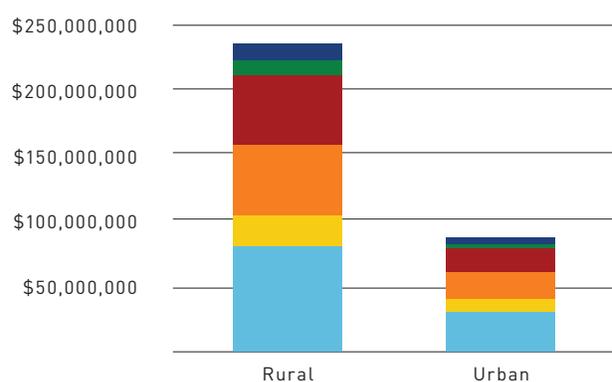
Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

As presented in the preceding table, rural Tribal casinos generated almost \$236 million in 2015, compared to almost \$89 million at urban casinos in the state.

2015 Payroll Related Taxes



The above figures do not include increased Federal and State payroll and income taxes paid by the suppliers of Tribal Gaming Operations in Oklahoma as a result of increased business volume. The magnitude of expenditures by Tribal Gaming Operations in Oklahoma for goods and services is discussed later in this report. It should also be noted that these figures do not include the tax revenue derived from expenditures by gaming facility patrons or employees for lodging, food and beverage, or other taxable items away from the gaming and associated facilities.



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Visitation

During 2015 Tribal Gaming and related hotel and ancillary facilities had total annual visits of over almost 46 million, including almost 18.5 million

from out of state. This compares to 2014 with total annual visits of over 38 million, including an estimated 14.6 million from out of state.

2015 Annual Visitation

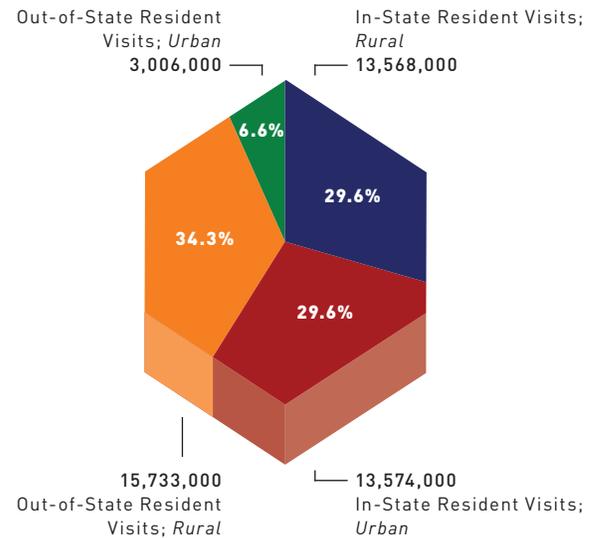
VISITOR RESIDENCE	TOTAL	Percent	RURAL	Percent	URBAN	Percent
In-State Resident Visits	27,142,000	59.2%	13,568,000	46.3%	13,574,000	81.9%
Out-of-State Resident Visits	18,738,000	40.8%	15,733,000	53.7%	3,006,000	18.1%
Total Visits	45,880,000	100.0%	29,301,000	63.9%	16,580,000	36.1%

Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

As presented above, rural and urban Tribal casinos in Oklahoma attract approximately the same amount of in-state resident visitors—around 13.5 million rural and 13.5 million urban. At the same time, rural Tribal casinos attract over 15.7 million visitors from outside of the state, more than five times that of urban casinos. Accordingly, Tribal gaming in Oklahoma, particularly those facilities located in rural areas, have created a tourism export for the State of Oklahoma, attracting millions of out of state visitors each year.

It is important to note that these visitors don't just spend money at Tribal Gaming Operations in Oklahoma, but at other businesses and attractions as well. Furthermore, the more time visitors spend at Tribal Gaming Facilities in Oklahoma, the greater the amount of money spent at area businesses, particularly by those visitors residing outside of Oklahoma.

2015 Annual Visits



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

MULTIPLIER AND TOTAL IMPACT

The concepts of indirect and induced impact are among the most widely used and poorly understood tools in economic analysis. Fundamentally they are based upon an extension of the direct expenditures by the businesses and their patrons described above. Money spent at Tribal enterprises is redistributed back into the economy in the form of wages, taxes, and expenditures for goods and services.

In the case of the Tribally-Owned Gaming Operations, dollars spent in casinos are redistributed into the economy in the form of wages, taxes, and expenditures for goods and services. In the same manner that the casino redistributes the gaming win and other revenue it receives, the people to whom those wages are paid and from whom the goods and services are purchased further redistribute the money they receive in wages to their employees and purchases for their own operating needs. It is the measurement of this ongoing cycle of redistribution which estimates of indirect and induced impact attempt.

Estimates of indirect and induced impact were prepared by Steven C. Agee Economic Research and Policy Institute at the Meinders School of Business at Oklahoma City University and KlasRobinson Q.E.D. using the IMPLAN (Impact Analysis for PLANing) economic model originally developed for the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management. The IMPLAN model was developed at the University of Minnesota and is maintained by IMPLAN Group in Huntersville, North Carolina. The IMPLAN model has been in use since 1979. The IMPLAN model accounts

closely follow the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis and the rectangular format recommended by the United Nations.

Induced impact calculated by the IMPLAN model reflects changes in spending from households as income/population increases or decreases due to changes in production, effectively measuring the impact of wages paid as they cycle through the economy. Indirect impact calculated by the IMPLAN model reflects changes in inter-industry purchase, effectively measuring the impact of expenditures for other goods and services by the Tribal enterprises as they, too, cycle through the economy.

Three types of impacts have been calculated:

- **Employment:** The annual average of monthly jobs in that industry. Thus, one job lasting 12 months = two jobs lasting six months each = three jobs lasting four months each. A job can be either full-time or part-time.
- **Annual Earnings:** Earnings is the equivalent to annual labor income plus benefits for one year.
- **Annual Output:** Output represents the value of industry production. In IMPLAN, these are annual production estimates for the year of the data set and are in producer prices. For manufacturers, this would be sales plus/minus change in inventory. For service sectors, production = sales. For retail and wholesale trade, output = gross margin.

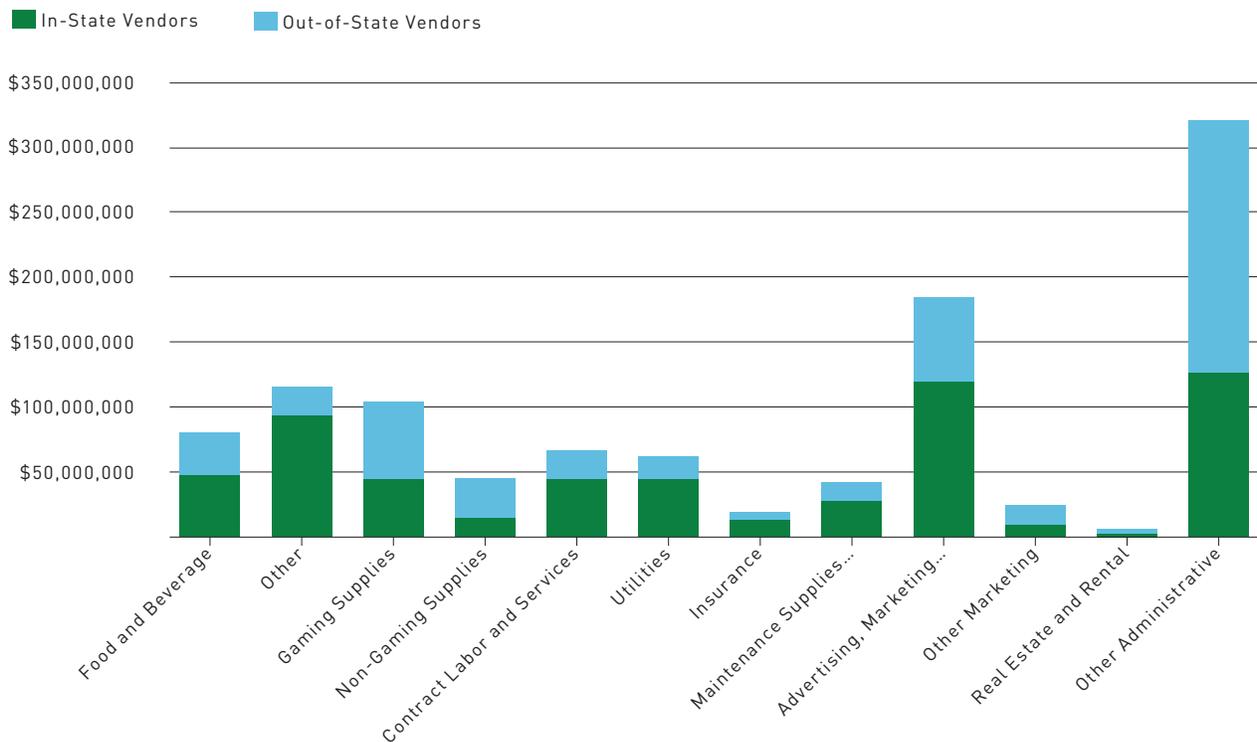
Impact from Operations

Output

Indirect output includes increases in production and/or sales at area businesses due to the increased demand generated by Tribal Gaming and related ancillary facilities in Oklahoma, as well as at businesses impacted by the providers of goods and services to the Tribal Gaming and related ancillary facilities in Oklahoma. Indirect impacts are derived from casino expenditures within the Oklahoma economy. In total, gaming and ancillary facilities spent \$1.07 billion with other businesses in 2015, of which \$593 million was spent within the State. This \$593

million accounts for the first round of indirect, or business-to-business impacts attributable to Tribal Government Gaming. When coupled with additional business spending from related industries to support Tribal Government Gaming, business-to-business spending topped \$797 million in 2015. This is the total statewide indirect impact of Tribal Government Gaming. The rural areas accounted for 59 percent of the initial statewide expenditures and 57 percent (\$456 million) of the total indirect impacts within the State.

2015 Purchases of Goods and Services



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Tribal Gaming workers and workers in businesses supporting the industry spent an additional \$1.06 billion in Oklahoma from their employment earnings. This is the induced impact from Tribal Gaming. The total induced and indirect impact on the economic output on the State of Oklahoma as a whole is estimated to equal almost \$1.9 billion annually.

Adding the direct impact on output from Tribal Gaming and related ancillary facilities in Oklahoma to the indirect and induced impact

yields a total estimated annual impact on output of almost \$6.3 billion for the State of Oklahoma. Rural impacts accounted for 60 percent (\$3.8 billion) and urban impacts represented 40 percent (\$2.6 billion) of the statewide impacts from operations.

The following table and chart present a summary of the estimated annual impact on economic output in Oklahoma from Tribal Gaming and related ancillary facilities in Oklahoma.

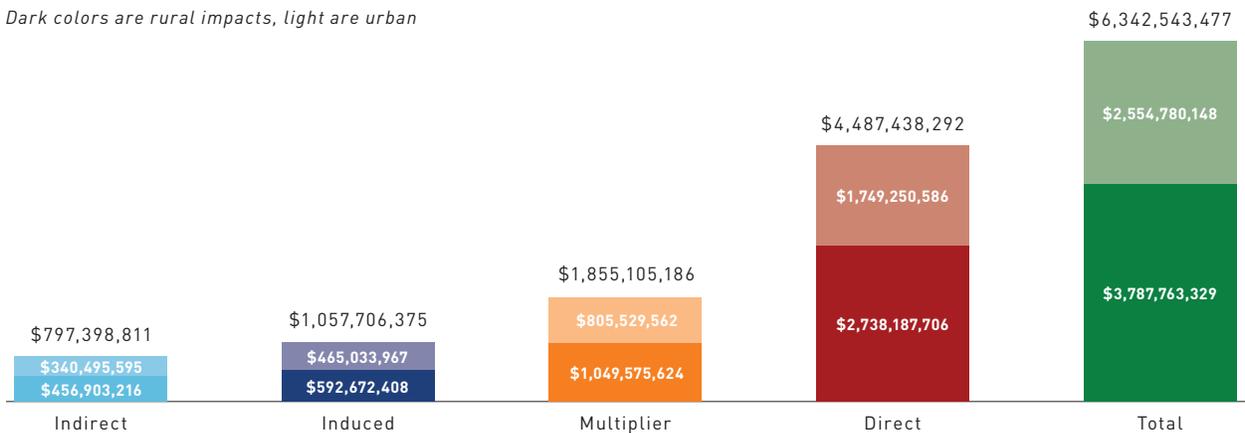
Output Impact from Operations

IMPACT	RURAL	Percent	URBAN	Percent	STATE OF OKLAHOMA
Indirect	\$456,903,216	57.3%	\$340,495,595	42.7%	\$797,398,811
Induced	\$592,672,408	56.0%	\$465,033,967	44.0%	\$1,057,706,375
Multiplier	\$1,049,575,624	56.6%	\$805,529,562	43.4%	\$1,855,105,186
Direct	\$2,738,187,706	61.0%	\$1,749,250,586	39.0%	\$4,487,438,292
Total	\$3,787,763,329	59.7%	\$2,554,780,148	40.3%	\$6,342,543,477

Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Operations Impact—Statewide, Rural, Urban

Dark colors are rural impacts, light are urban



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Employment

Indirect and induced employment includes increases in employment at area businesses due to the increased demand generated by Oklahoma Tribal Gaming and related ancillary facilities, as well as at businesses impacted by the providers of goods and services to the gaming and related facilities. The total induced and indirect impact on employment on the State of Oklahoma is estimated to equal approximately 14,756 jobs—59 percent (8,754) rural and 41 percent (6,002) were urban.

Adding the direct impact on employment from Tribal Gaming and related ancillary facilities to the indirect and induced impact yields a total estimated impact on employment of approximately 42,700 jobs for the State of Oklahoma as a whole—64 percent (27,224) rural and 36 percent (15,476) urban.

The following table and chart present a summary of the estimated impact on employment from Tribal Gaming and related ancillary facilities in Oklahoma.

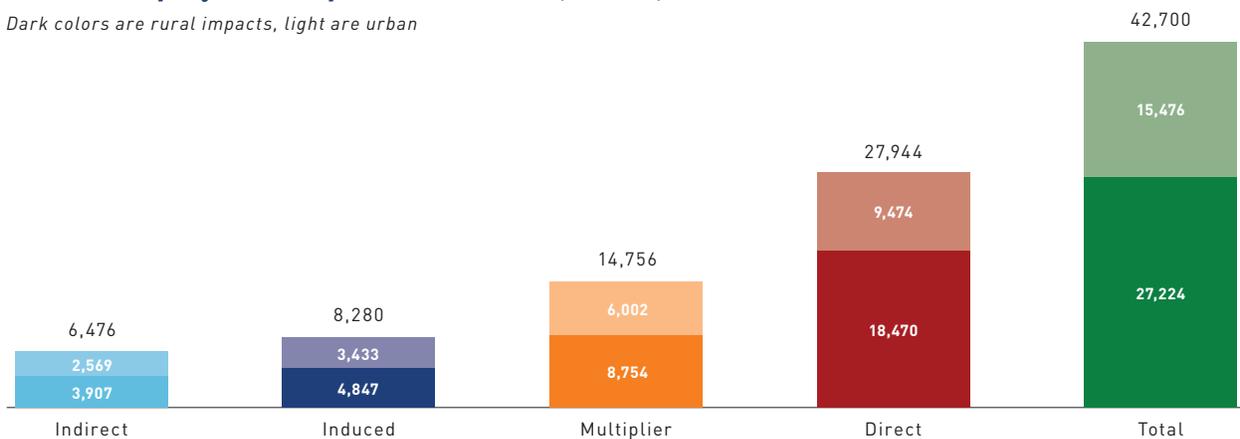
Employment Impact from Operations

IMPACT	RURAL	Percent	URBAN	Percent	STATE OF OKLAHOMA
Indirect	3,907	60.3%	2,569	39.7%	6,476
Induced	4,847	58.5%	3,433	41.5%	8,280
Multiplier	8,754	59.3%	6,002	40.7%	14,756
Direct	18,470	66.1%	9,474	33.9%	27,944
Total	27,224	63.8%	15,476	36.2%	42,700

Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Annual Employment Impact—Statewide, Rural, Urban

Dark colors are rural impacts, light are urban



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Earnings

Indirect and induced earnings include increases in earnings at area businesses due to the increased demand generated by Tribal Gaming and related facilities in Oklahoma, as well as at businesses impacted by the providers of goods and services to the Oklahoma Tribal Gaming Operations. The total induced and indirect impact on personal income from Indian casinos and related ancillary facilities on the State of Oklahoma is estimated to equal more than \$606.2 million annually—51 percent (\$307.3 million) rural, and 49 percent (\$298.9 million) urban.

Adding the direct impact on earnings from the Tribal Gaming Operations to the indirect and induced impact yields a total estimated impact on personal income of almost \$2 billion annually for the State of Oklahoma as a whole—65 percent (\$1.3 billion) rural and 35 percent (\$692 million) urban.

The following table and chart present a summary of the estimated annual impact on personal income from Tribal Gaming Operations and related ancillary facilities in Oklahoma.

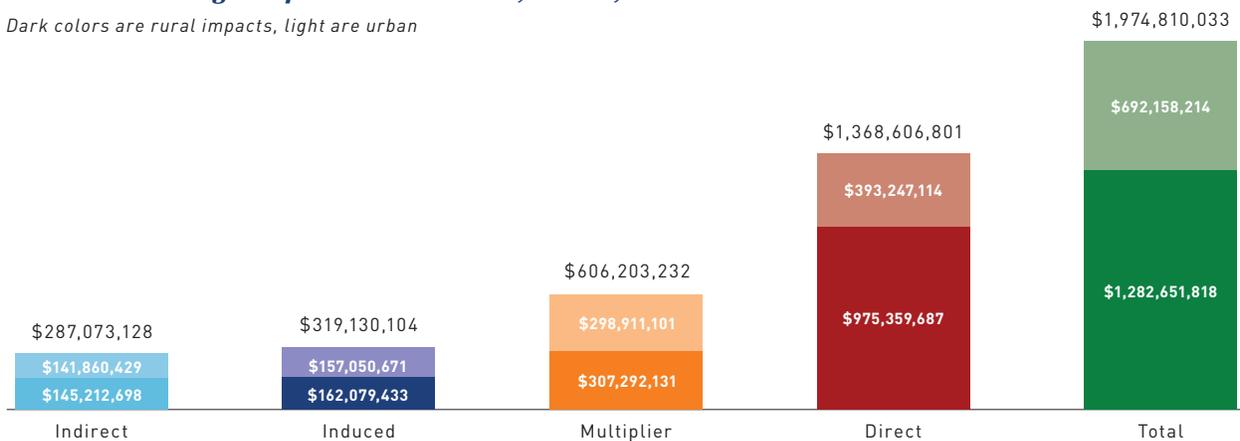
Earnings Impact from Operations

IMPACT	RURAL	Percent	URBAN	Percent	STATE OF OKLAHOMA
Indirect	\$145,212,698	50.6%	\$141,860,429	49.4%	\$287,073,128
Induced	\$162,079,433	50.8%	\$157,050,671	49.2%	\$319,130,104
Multiplier	\$307,292,131	50.7%	\$298,911,101	49.3%	\$606,203,232
Direct	\$975,359,687	71.3%	\$393,247,114	28.7%	\$1,368,606,801
Total	\$1,282,651,818	65.0%	\$692,158,214	35.0%	\$1,974,810,033

Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Annual Earnings Impact—Statewide, Rural, Urban

Dark colors are rural impacts, light are urban



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Annual Capital Expenditures

In addition to normal operations, Tribal Governments regularly undertake construction projects to build, maintain or expand gaming facilities and connected infrastructure. These construction projects require significant Tribal expenditure(s) within the local economy and serve as an additional source of indirect impact. In 2015, participating Tribes reported spending over \$534 million on construction of facilities

and roads, of which 68 percent was spent in rural areas. Since capital expenditures vary greatly by Tribe and by year, we did not attempt to extrapolate these numbers across all Tribes. Thus, the capital expenditures reported here are likely a conservative estimate of the total actual expenditures in 2015. Capital expenditures are detailed in the table below.

2015 Construction Impact

2015	TOTAL		RURAL		URBAN	
Construction	\$533,304,000	99.8%	\$362,269,000	99.8%	\$171,035,000	99.8%
Related Road	1,085,000	0.2%	730,000	0.2%	355,000	0.2%
Sub-Total	\$534,389,000	100.0%	\$362,999,000	67.9%	\$171,390,000	32.1%
PRE-2015						
Construction	\$3,064,213,000	98.9%	NA	NA	NA	NA
Related Road	33,424,000	1.1%	NA	NA	NA	NA
Sub-Total	\$3,097,637,000	100.0%	NA	NA	NA	NA
TOTAL SINCE INCEPTION						
Construction	\$3,597,517,000	99.0%	NA	NA	NA	NA
Related Road	34,509,000	1.0%	NA	NA	NA	NA
Total	\$3,632,026,000	100.0%	NA	NA	NA	NA

Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Output Due to Capital Expenditures

As previously discussed, during 2015 Tribes in Oklahoma spent an estimated \$533.3 million on new and expanded gaming and ancillary developments and another \$1.1 million on road construction directly related to Tribal Gaming Operations. Combined, during 2015, Oklahoma Tribal Government Gaming spent over \$534.4 million on capital improvements directly related to Tribal Gaming Operations.

Output Impact from Construction

IMPACT	RURAL	Percent	URBAN	Percent	STATE OF OKLAHOMA
Indirect	\$89,930,041	45.6%	\$107,076,126	54.4%	\$197,006,166
Induced	\$77,906,683	47.0%	\$87,729,664	53.0%	\$165,636,348
Multiplier	\$167,836,724	46.3%	\$194,805,790	53.7%	\$362,642,514
Direct	\$362,999,382	67.9%	\$171,389,463	32.1%	\$534,388,845
Total	\$530,836,106	59.2%	\$366,195,253	40.8%	\$897,031,359

Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

\$897 MILLION+

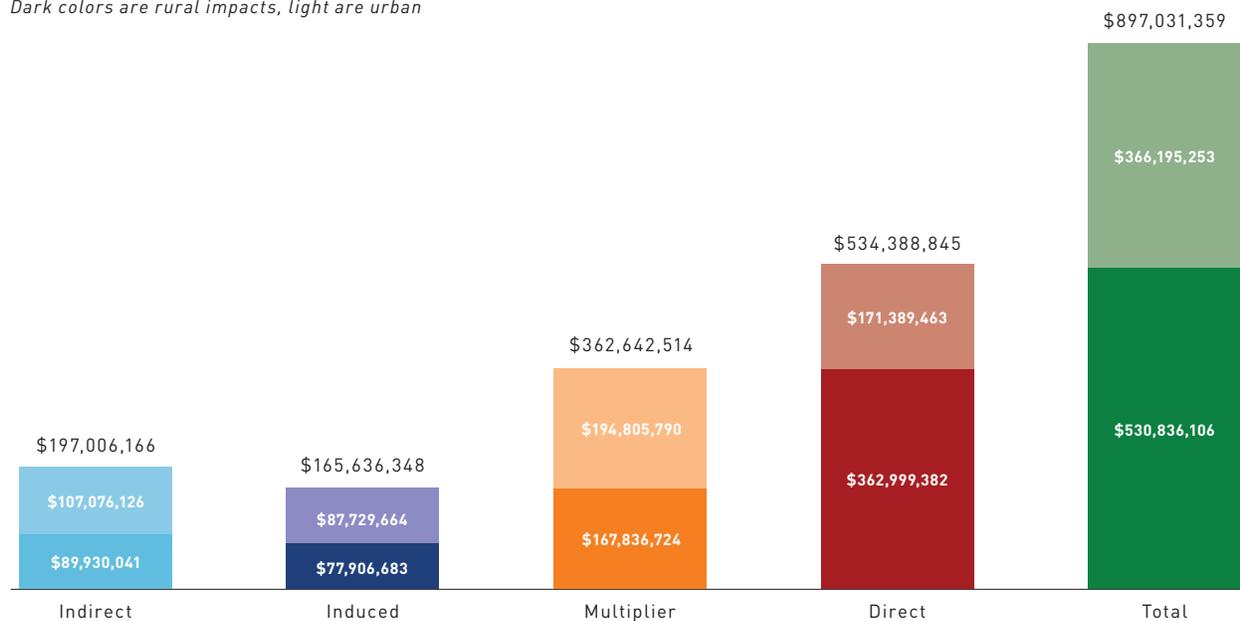
Estimated annual construction impact on output for the State of Oklahoma

Indirect and induced output includes increases in production and/or sales at area businesses due to the increased demand generated by capital expenditures by Tribal Gaming and related ancillary facilities in Oklahoma, as well as at businesses impacted by the providers of goods and services to the Tribal Gaming Operations and related ancillary facilities in Oklahoma. The total induced and indirect impact on the economic output due to capital expenditures by Tribal Gaming Operations on

the State of Oklahoma as a whole is estimated to equal over \$362.6 million annually, of which 46 percent occurred in rural areas. Adding the direct impact on output from Tribal Gaming and related ancillary facilities in Oklahoma to the indirect and induced impact yields a total estimated annual impact on output of over \$897 million for the State of Oklahoma. These impacts were felt throughout the state with \$531 million (59 percent) in the rural areas and \$366.2 million (41 percent) in the urban areas.

Construction Impact—Statewide, Rural, Urban

Dark colors are rural impacts, light are urban



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Employment Due to Capital Expenditures

Indirect and induced employment includes increases in employment at area businesses due to the increased demand generated by capital expenditures by Oklahoma Tribal Gaming Operations and related activities, as well as at businesses impacted by the providers of goods and services to Tribal Gaming and related ancillary facilities. The total induced and indirect impact on employment on the State of Oklahoma as a whole is estimated to equal approximately

2,294 jobs, of which 49 percent occurred in rural areas. Adding the direct impact on employment from Tribal Gaming Operations and related ancillary facilities to the indirect and induced impact yields a total estimated impact on employment of approximately 6,242 jobs for the State of Oklahoma as a whole. These employment impacts were felt throughout the state with 3,901 jobs (62.5 percent) in the rural areas and 2,341 jobs (37.5 percent) in the urban areas.

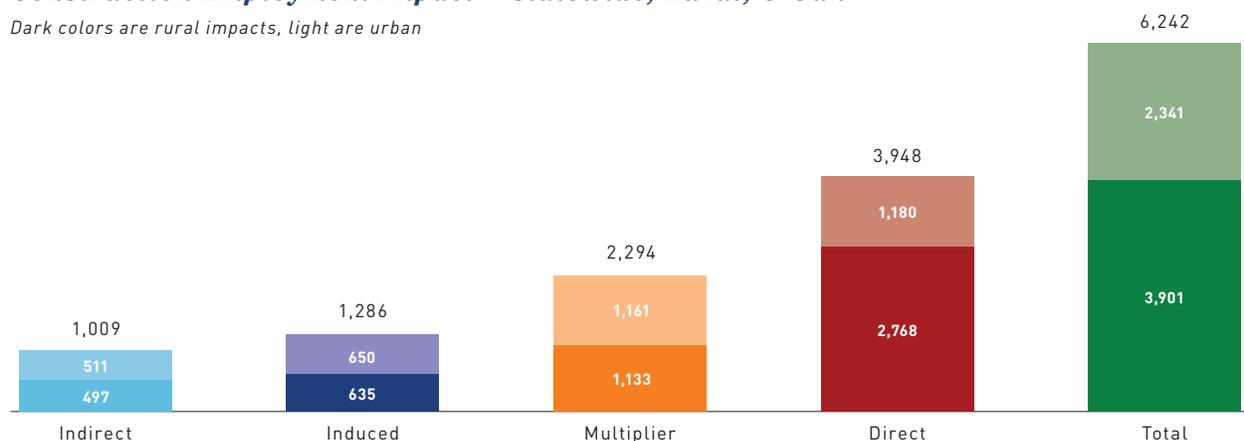
Employment Impact from Construction

IMPACT	RURAL	Percent	URBAN	Percent	STATE OF OKLAHOMA
Indirect	497	49.3%	511	50.7%	1,009
Induced	635	49.4%	650	50.6%	1,286
Multiplier	1,133	49.4%	1,161	50.6%	2,294
Direct	2,768	70.1%	1,180	29.9%	3,948
Total	3,901	62.5%	2,341	37.5%	6,242

Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Construction Employment Impact—Statewide, Rural, Urban

Dark colors are rural impacts, light are urban



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Earnings due to Capital Expenditures

Indirect and induced earnings include increases in earnings at area businesses due to the increased demand generated by capital improvements by Tribal Gaming Operations and related ancillary facilities in Oklahoma, as well as at businesses impacted by the providers of goods and services to the Oklahoma Tribal Gaming Operations. The total induced and indirect impact on personal income from Tribal Gaming and related ancillary facilities on the State of Oklahoma is estimated to equal almost

\$107 million annually—\$43.6 million rural and \$63.7 million urban. Adding the direct impact on earnings from the Tribal Gaming Operations to the indirect and induced impact yields a total estimated impact on personal income of over \$300 million annually for the State of Oklahoma as a whole. These earnings impacts were felt throughout the state with \$168 million (55.8 percent) in new income generated in rural areas and \$133 million (35.9 percent) in new income generated in urban areas.

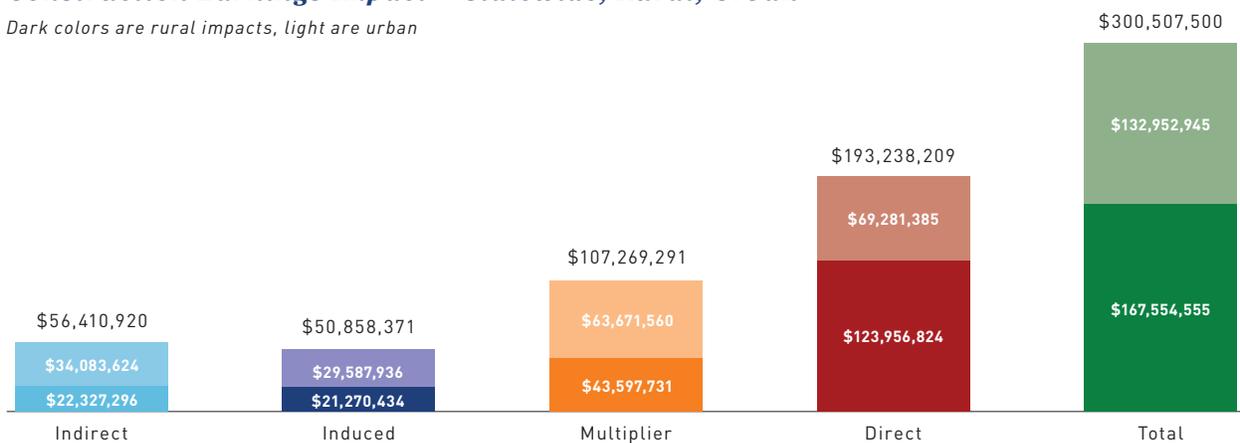
Earnings Impact from Construction

IMPACT	RURAL	Percent	URBAN	Percent	STATE OF OKLAHOMA
Indirect	\$22,327,296	39.6%	\$34,083,624	60.4%	\$56,410,920
Induced	\$21,270,434	41.8%	\$29,587,936	58.2%	\$50,858,371
Multiplier	\$43,597,731	40.6%	\$63,671,560	59.4%	\$107,269,291
Direct	\$123,956,824	64.1%	\$69,281,385	35.9%	\$193,238,209
Total	\$167,554,555	55.8%	\$132,952,945	44.2%	\$300,507,500

Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

Construction Earnings Impact—Statewide, Rural, Urban

Dark colors are rural impacts, light are urban



Source: Oklahoma Tribal Survey, Oklahoma City University Center for Native American and Urban Studies, KlasRobinson Q.E.D.

ADDENDUM: A

- Oklahoma Indian Casinos
by Tribe and Location
- Map of Oklahoma Indian Casinos

Oklahoma Indian Casinos by Tribe and Location

Absentee Shawnee Tribe of Oklahoma

Thunderbird Casino, *Norman*
Thunderbird Casino, *Shawnee*

Caddo Nation of Oklahoma

Bison Ridge Casino and Travel Plaza, *Gracemont*

Cherokee Nation

Cherokee Nation Outpost Tobacco Shop, *Catoosa*
Cherokee Casino & Hotel, *Roland*
Cherokee Casino, *South Coffeyville*
West Siloam Springs Smoke Shop, *West Siloam Springs*
Hard Rock Hotel & Casino, *Tulsa*
Cherokee Casino, *Fort Gibson*
Cherokee Casino, *Ramona*
Cherokee Casino, *Sallisaw*
Cherokee Casino, *Tahlequah*
Cherokee Casino & Hotel, *West Siloam Springs*

Cheyenne and Arapaho Tribes of Oklahoma

Lucky Star Casino, *Canton*
Lucky Star Casino, *Clinton*
Lucky Star Casino, *Concho*
Lucky Star Travel Center Casino, *Concho*
Luck Star Casino, *Hammon*
Lucky Star Casino, *Watonga*

Chickasaw Nation

Ada Gaming Center, *Ada*
Chickasaw Travel Stop, Ada Gaming West, *Ada*
Gold Mountain Casino, *Ardmore*
Chickasaw Travel Stop, Davis Gaming, *Davis*
Treasure Valley Casino, *Davis*
Chisholm Trail Casino, *Duncan*
Texoma Casino, *Kingston*
Madill Gaming Center, *Madill*
Newcastle Casino, *Newcastle*
Goldsby Gaming Center, *Norman*
Riverwind Casino, *Norman*
Washita Casino, *Paoli*
Jet Stream Casino, *Pauls Valley*
SaltCreek Casino, *Pocasset*
The Artesian Hotel Casino & Spa, *Sulphur*
Border Casino, *Thackerville*

Chickasaw Travel Stop, *Thackerville*
WinStar World Casino and Resort, *Thackerville*
Chickasaw Tobacco Shop, *Tishomingo*
Black Gold Casino, *Wilson*
Wilson Chickasaw Travel Plaza, *Wilson*

Choctaw Nation of Oklahoma

Choctaw Antlers Travel Plaza, *Antlers*
Choctaw Travel Plaza, *Atoka*
Broken Bow Travel Plaza, *Broken Bow*
Choctaw Casino, *Broken Bow*
Choctaw Travel Plaza, Durant West, *Durant*
Choctaw Casino Resort, *Durant*
Choctaw Travel Plaza, Durant East, *Durant*
Choctaw Casino Resort, *Grant*
Choctaw Travel Plaza, *Grant*
Choctaw Casino, *Idabel*
Choctaw Travel Plaza, *Idabel*
Choctaw Casino, *McAlester*
Choctaw Casino Too, *McAlester*
Choctaw Casino, *Pocola*
Choctaw Casino Too, *Pocola*
Choctaw Travel Plaza, *Poteau*
Choctaw Casino, *Stigler*
Choctaw Casino, *Stringtown*
Choctaw Travel Plaza, *Stringtown*
Choctaw Travel Plaza, *Wilburton*

Citizen Potawatomi Nation

FireLake Casino, *Shawnee*
Grand Casino Hotel Resort, *Shawnee*

Comanche Nation

Comanche Nation Travel Plaza, *Devol*
Comanche Red River Casino, *Devol*
Comanche Spur Casino, *Elgin*
Comanche Nation Casino, *Lawton*
Comanche Star Casino, *Walters*

Delaware Nation

Gold River Casino, *Anadarko*
Casino Oklahoma, *Hinton*

Eastern Shawnee Tribe of Oklahoma

Bordertown Casino and Arena, *Wyandotte*
Indigo Sky Casino, *Wyandotte*
Outpost Casino, *Wyandotte*

Fort Sill Apache Tribe of Oklahoma

Apache Casino Hotel, *Lawton*

Iowa Tribe of Oklahoma

Ioway Casino, *Chandler*

Cimarron Casino, *Perkins*

Ioway Travel Plaza, *Tryon*

Kaw Nation

Kanza Travel Plaza, *Braman*

SouthWind Casino, *Braman*

SouthWind Casino, *Newkirk*

Kickapoo Tribe of Oklahoma

Kickapoo Casino, *Harrah*

Kickapoo Conoco Station, *Harrah*

Kickapoo Casino, *Shawnee*

Kiowa Tribe of Oklahoma

Kiowa Casino, *Verden*

Kiowa Casino, *Devol*

Miami Tribe of Oklahoma

Prairie Moon Casino, *Miami*

Prairie Sun Casino, *Miami*

Modoc Tribe of Oklahoma

The Stables Casino, *Miami*

Osage Nation

Osage Casino, *Bartlesville*

Osage Casino, *Hominy*

Osage Casino, *Pawhuska*

Osage Casino, *Ponca City*

Osage Casino, *Sand Springs*

Osage Casino, *Skiatook*

Osage Casino, *Tulsa*

Muscogee (Creek) Nation

Creek Nation Casino Duck Creek, *Beggs*

Creek Nation Casino, *Bristow*

Creek Nation Casino, *Checotah*

Creek Nation Casino, *Eufaula*

Creek Nation Casino, *Holdenville*

Creek Nation Casino, *Muscogee*

Muscogee Travel Plaza, *Muskogee*

Creek Nation Casino, *Okemah*

Okmulgee Travel Plaza, *Okmulgee*

One Fire Casino, *Okmulgee*

River Spirit Casino Resort, *Tulsa*

Otoe-Missouria Tribe of Oklahoma

7 Clans Gasino Chilocco, *Newkirk*

First Council Casino, *Newkirk*

7 Clans Perry Casino, *Perry*

7 Clans Gasino Red Rock, *Red Rock*

7 Clans Paradise Casino, *Red Rock*

Ottawa Tribe of Oklahoma

High Winds Casino, *Miami*

Pawnee Nation of Oklahoma

Stone Wolf Casino & Grill, *Pawnee*

Trading Post Casino, *Pawnee*

TeePee Casino, *Yale*

Peoria Tribe of Indians of Oklahoma

Buffalo Run Casino

Quapaw Tribe of Oklahoma

Quapaw Casino, *Miami*

Downstream Casino Resort, *Quapaw*

Sac and Fox Nation of Oklahoma

The Black Hawk Casino, *Shawnee*

Sac & Fox Nation Stroud Casino, *Stroud*

Seminole Nation of Oklahoma

Rivermist Casino, *Konawa*

Seminole Nation Casino, *Seminole*

Wewoka Trading Post Casino, *Wewoka*

Seneca-Cayuga Tribe of Oklahoma

Grand Lake Casino, *Grove*

Thlopthlocco Tribal Town

Golden Pony Casino, *Clearview*

Tonkawa Tribe of Oklahoma

Native Lights Casino, *Newkirk*

Tonkawa Casino West, *Tonkawa*

Wichita & Affiliated Tribes

Sugar Creek Casino, *Hinton*

Wyandotte Tribe of Oklahoma

Lucky Turtle Casino, *Wyandotte*

Wyandotte Nation Casino, *Wyandotte*

Map of Oklahoma Indian Casinos





Center for Native American and Urban Studies

The Center for Native American and Urban Studies provides timely and objective research for key business, Tribal, policy, civic, and non-profit decision makers. Research activities

consist largely of econometric forecasting of regional economic activity, economic impact analysis, and policy analysis. Our clients include sovereign nations, companies both large and small, city and state government agencies, chambers of commerce, and industry organizations. Center staff are frequently requested as speakers for state and local events and institute research and faculty commentary is recognized regularly in local and national media outlets including *The Economist*, *The Fiscal Times*, *The Wall Street Journal*, *The Oklahoman*, *The Journal Record*, *OKC Biz Magazine*, The Oklahoma Forum, Oklahoma Public Radio, and many others.



Kyle D. Dean, Ph.D.

**Director,
Center for Native
American and
Urban Studies**

Dr. Kyle Dean is an experienced professional economist who provides economic analysis for governments, businesses, Tribes, and non-profit leaders. Dr. Dean began consulting in 2005 and his client list includes some of Oklahoma's most influential businesses and trade associations, including the Oklahoma Independent Producers

Association (OIPA), the Oklahoma Bankers' Association (OBA), the Oklahoma Telephone Association (OTA), and many others. He is best known for his comprehensive work with Oklahoma Tribes, having completed the first ever estimate of the combined economic impacts from Oklahoma Tribal activities.

Dr. Dean received his Ph.D. in Economics from Oklahoma State University. He is a member of the American Economic Association and the National Association of Business Economists. He currently serves as the Associate Director for the Steven C. Agee Economic Research and Policy Institute and as the Director of the Center for Native American and Urban Studies at Oklahoma City University.



The Company

The principals of KlasRobinson Q.E.D., Jim Klas and Matthew Robinson, have been at the forefront of Indian gaming developmental and financial analysis throughout their careers, having worked with more than 250 different Tribes and Tribal Organizations.

KlasRobinson Q.E.D.* has extensive experience in analyzing the economic and social impact of Tribal gaming operations and related ancillary developments, as well as other Tribally owned and/or operated enterprises. James Klas and Matthew Robinson, the principals of KlasRobinson Q.E.D., are recognized as leaders in the analysis of the economic and social impact of Tribal Government Gaming.

The principals of KlasRobinson Q.E.D. authored the landmark studies entitled, “**Economic Benefits of Indian Gaming in the State of Minnesota,**” and subsequent updates on behalf of the **Minnesota Indian Gaming Association (MIGA)**, “**Economic Benefits of Indian Gaming in the State of Oregon,**” on behalf of the affiliated gaming Tribes of Oregon and, “**Economic Benefits of Indian Gaming in Kansas,**”

on behalf of the affiliated gaming Tribes of Kansas have been distributed in both the United States and Canada and widely quoted in the gaming industry trade press.

KlasRobinson Q.E.D. has also completed several statewide impact analyses in Arizona. The first analysis, conducted on behalf of the **Arizona Indian Gaming Association (AIGA)** and its 19 member Tribes included the impact of changes in future population through the year 2052 on the number of future gaming device allocations and new gaming operating rights for Indian Tribes in the State of Arizona, based on existing Tribal-State compacts.

More recently, KlasRobinson Q.E.D. completed an impact analysis on behalf of **Arizonans for Tribal Government Gaming (ATG2)** and its 18 member Tribes for the introduction of slot machines and table games at racetracks in the State. Analysis included estimates of revenue at nine planned racinos and the corresponding impact on gaming revenues at each Indian casino in the state.

KlasRobinson Q.E.D. has also conducted economic impact studies on behalf of more than two dozen individual Tribes including the **Quawpaw Tribe of Oklahoma** in the tri-state area, **Agua Caliente Band of Cahuilla Indians in Palm Springs**, and the **Shakopee Mdewakanton Sioux Community in the Twin Cities**. Such impact studies for individual projects have been used for public relations and lobbying efforts, as well as to fulfill submission requirements to the National Indian Gaming Commission.

* For additional information on our background and qualifications, please visit our website at: www.klasrobinsonqed.com



James M. Klas
Founder & Principal



Co-founder and Principal of KlasRobinson Q.E.D., Jim Klas has over 25 years of operational and consulting experience in the hospitality industry. Mr. Klas has provided development consulting to numerous hotel, resort, casino, and convention center projects throughout the United States, as well as the provinces of Ontario, Quebec, and British Columbia in Canada.

Mr. Klas is a nationally recognized expert in economic impact analysis for the hospitality industry. He has authored studies commissioned by the Minnesota Indian Gaming Association and by Sodak Gaming Supplies, Inc., of the economic benefits of Tribal Government Gaming in Minnesota, as well as studies of the economic benefits of Tribal gaming in the states of Oregon and Kansas for the gaming Tribes in those states. He has also performed economic and social impact studies for the Minnesota Restaurant Association, the Minneapolis Convention Center, the University of St. Thomas, and for individual casinos and hotel projects in both the United States and Canada.

Mr. Klas is a frequent speaker at annual conventions of the National Indian Gaming Association, the NYU International Hospitality Industry Investment Conference, IGBE, and the World Gaming Congress. He has been quoted in *International Gaming & Wagering Business*,

Casino Executive, *The New York Times*, *The Las Vegas Sun*, and several other local and regional newspapers and periodicals. He provided expert commentary in a National Public Television documentary on Tribal Government Gaming. He has also authored several articles for the *Grogan Report*, *Minnesota Real Estate Journal*, *Casino Magazine*, and *Indian Gaming Magazine*.

Mr. Klas has a Master's degree from the Cornell University School of Hotel Administration and a Bachelor's degree in Economics from the University of Minnesota. He is a past president of the Minnesota Association of Hospitality Accountants and past member of the Hospitality Education Committee of the Minnesota Hotel, Restaurant, and Resort Associations. Mr. Klas has also taught Hospitality and Tourism Development and Marketing at Metropolitan State University in Minneapolis.

Prior to co-founding KlasRobinson Q.E.D., Mr. Klas was the Senior Vice President in charge of the Hospitality Group at GVA Marquette Advisors. In addition to his past leadership at GVA Marquette Advisors, Mr. Klas was Vice President and co-founder of the consulting firm MHA Research and spent four years as a hospitality consultant with Laventhol & Horwath, formerly a major U.S. public accounting firm.



Matthew Robinson
Founder & Principal



Co-founder and Principal of KlasRobinson Q.E.D., Matt Robinson has been a consultant in the hospitality industry for more than 20 years, specializing in market research, feasibility analyses, and economic impact studies. Mr. Robinson has consulted on numerous casino, hotel, and other hospitality and leisure industry projects. With a background in planning and economic development, Mr. Robinson has specific expertise working in Indian Country on gaming and other Tribal economic diversification projects, having worked with over 200 different Indian Tribes.

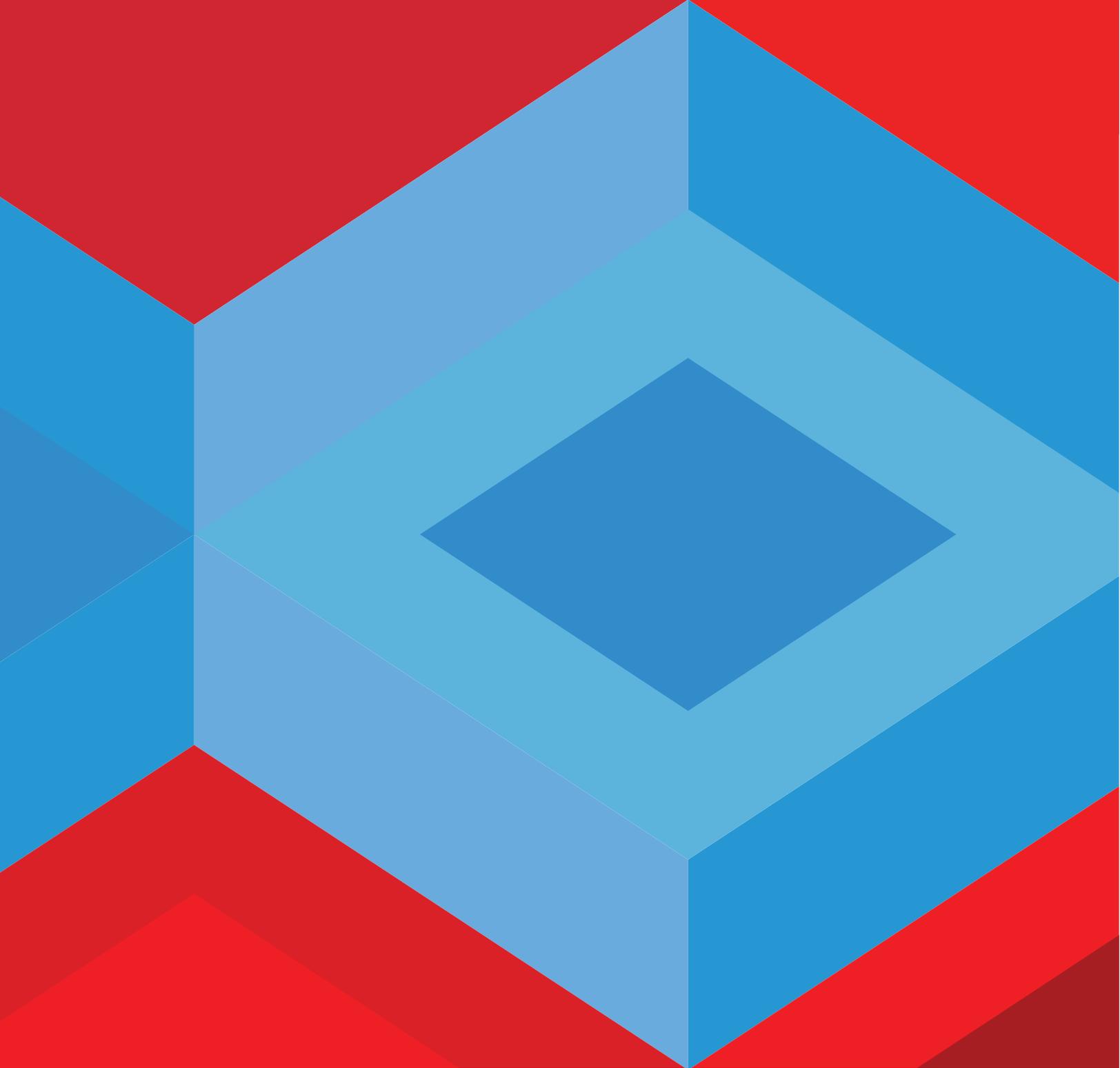
Mr. Robinson served two consecutive two-year terms as the Associate Member Representative on the Executive Board of the National Indian Gaming Association (NIGA). Mr. Robinson is the 2010 recipient of NIGA's "Outstanding Service Award," and currently serves on NIGA's Spirit of Sovereignty Scholarship Committee.

Mr. Robinson is a frequent speaker at national and regional conferences on issues related to feasibility, economic impact, and planning. He is a guest lecturer at colleges and universities including his alma mater Macalester College. Mr. Robinson is also a featured contributor to a variety of national trade publications including

Indian Gaming Magazine and Casino Enterprise Management Magazine, and is often quoted in regional, and national publications.

Mr. Robinson has a Master's degree in Planning with a secondary concentration in economic and community development from the Humphrey Institute at the University of Minnesota. While at the Humphrey Institute, Mr. Robinson conducted research at the Tourism Center of the University of Minnesota, specializing in rural tourism development. He is a graduate of Macalester College with a Bachelor of Arts degree in three majors: Economics, Spanish, and International Studies. During the 1988-89 academic year, he attended the Universidad De Complutense and the Institute of European Studies in Madrid, Spain.

Mr. Robinson also has more than five years of operational and management experience working in various facets of the hospitality industry both at home and abroad. He is fluent in oral and written Spanish and is a member of La Sociedad Hispanica Sigma Delta of the National Spanish Honor Society. Mr. Robinson is also a member of Omicron Delta Epsilon of the National Economics Honor Society.



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