

Land-Based Gaming in Davenport

Facts to Consider

*Control your
own destiny, or
someone else
will.*
Jack Welch

The City Plan Is A Private / Public Partnership

Private developers have proposed in excess of \$70 million of private investment.

A private casino management firm is part of the plan.

Local banks, local contractors, and local tradesmen are part of the plan to finance and build the casino.

Rather than own land the casino operates on (as has been the case since 1991) the community would own the casino while the private sector owns the land and buildings. It is still a private / public partnership, but the community owns the more valuable, appreciating asset.

*Buck the system,
innovate,
take things
beyond where
they've been.
Sam Walton*

Casinos in Iowa Are Not Purely “Free Enterprise”

The State of Iowa controls...

- ...how many casinos exist.
- ...where casinos are located.
- ...who may operate casinos.
- ...how much casinos must pay out.
- ...employee benefits, contracts, etc., etc..

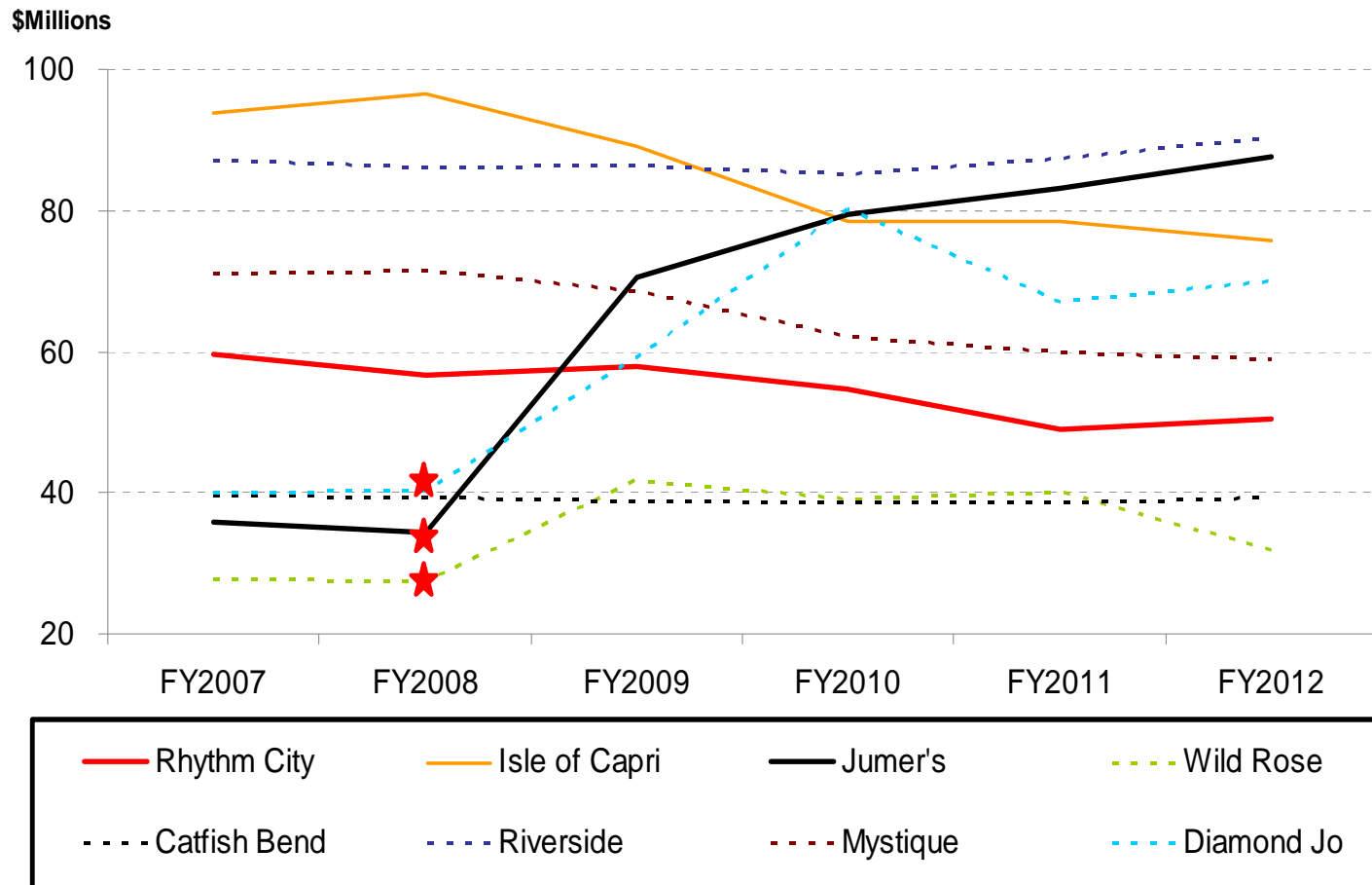
The State of Iowa protects casinos from competition.

New casinos are not licensed by the State if they compromise the markets of existing casinos.

Riverboat gaming in Davenport has operated on City owned land since 1991.

*We don't have
a monopoly.
Any man who
wants to dig a
well without a
Hughes bit can
always use a pick
and shovel.
Howard Hughes*

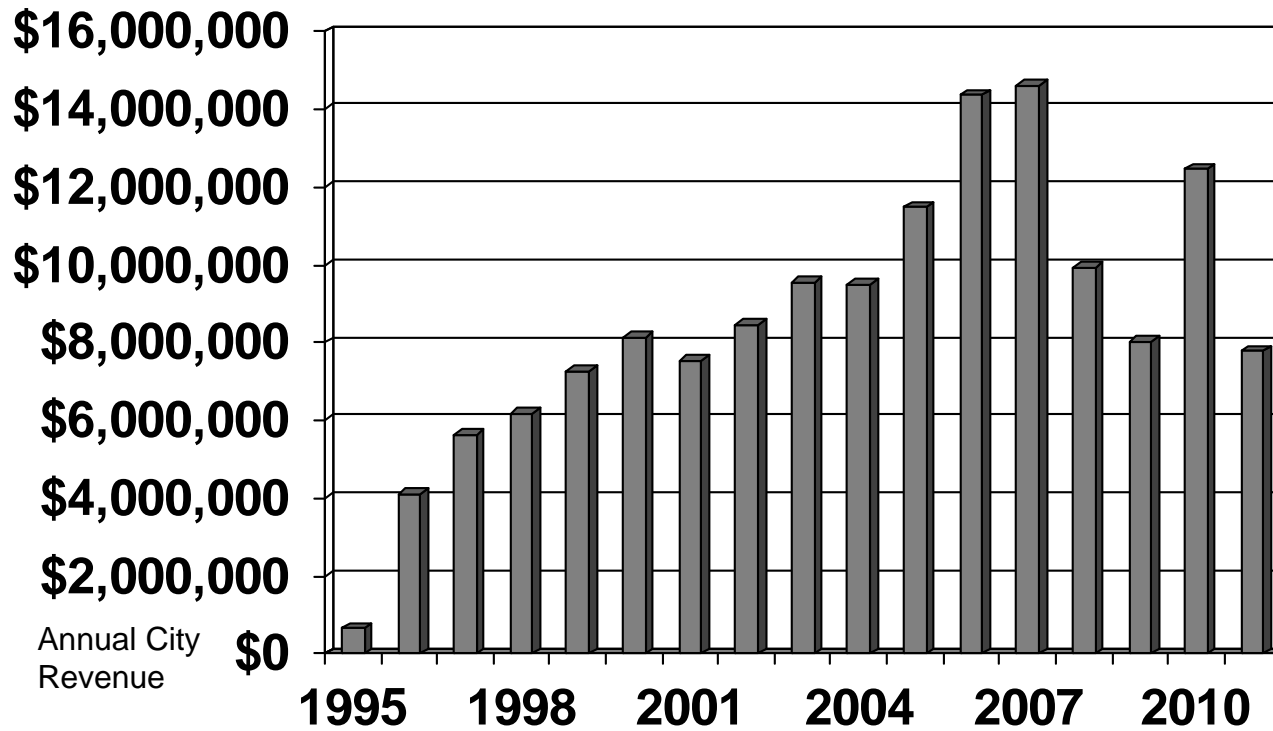
Properly Located, Well-Run Casinos Make \$



★ = Land Based Investment

*The best way
to predict
the future
is to create it.
Peter Drucker*

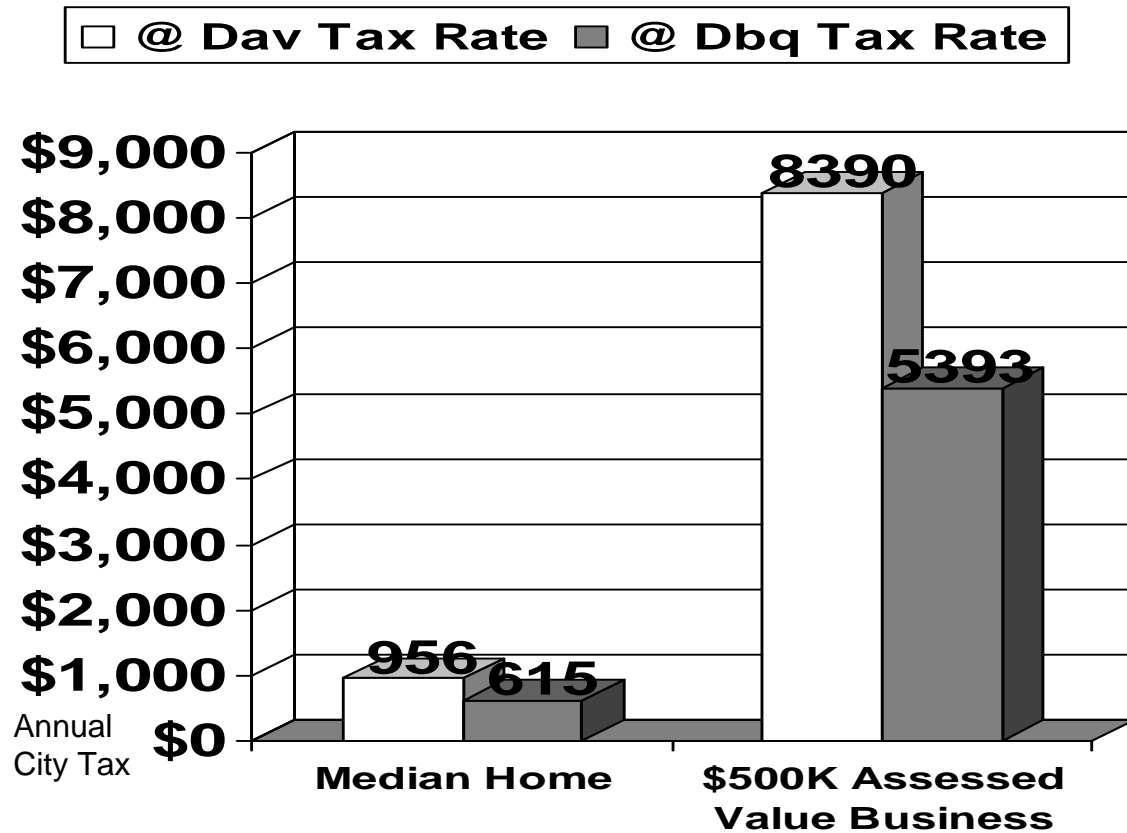
Dubuque Has Owned A Casino For Years



\$150+ Million in Revenue to City

The most important requirements for success are being in the right place at the right time, and doing something about it.
Ray Kroc

Dubuque Uses Casino Revenue To Lower Taxes



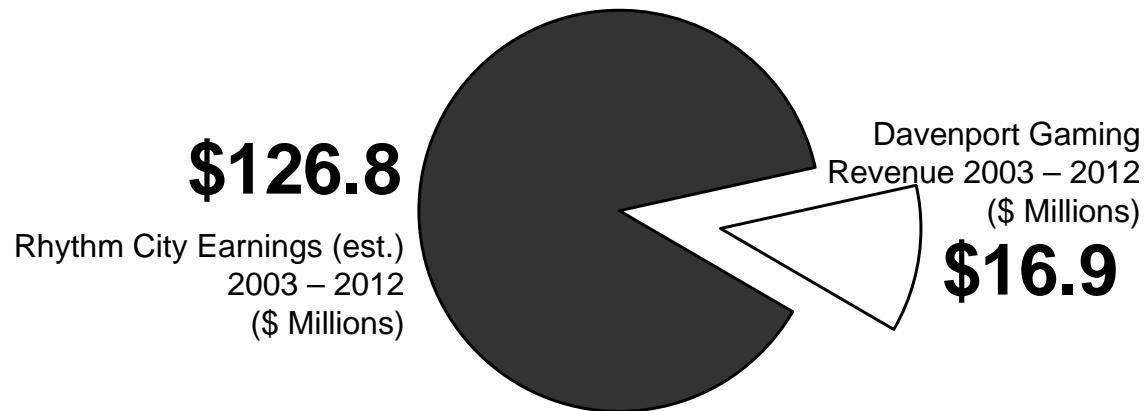
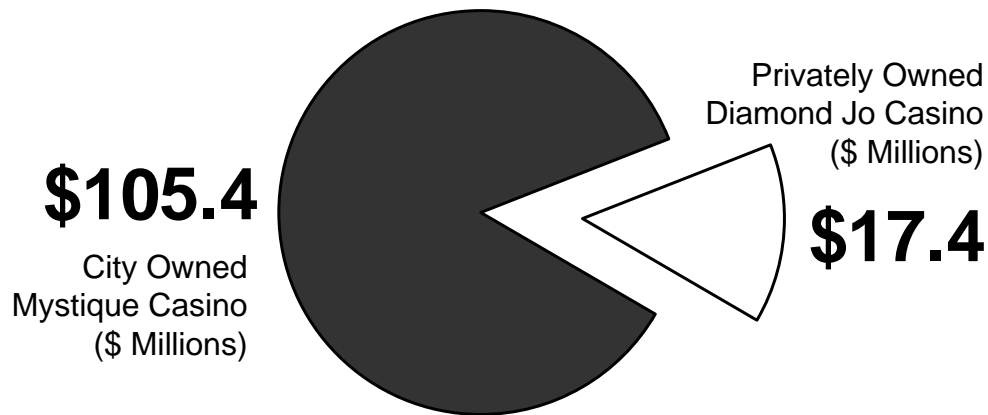
**Davenport Commercial Property Tax Payers
Would Save \$10.9 Million Annually If
Davenport Had Dubuque's Tax Rate**

... that won't happen overnight, but (continue reading)

*I'd be derelict in my duty if I didn't go out and use every advantage I can to promote my city's cause.
Michael Bloomberg*

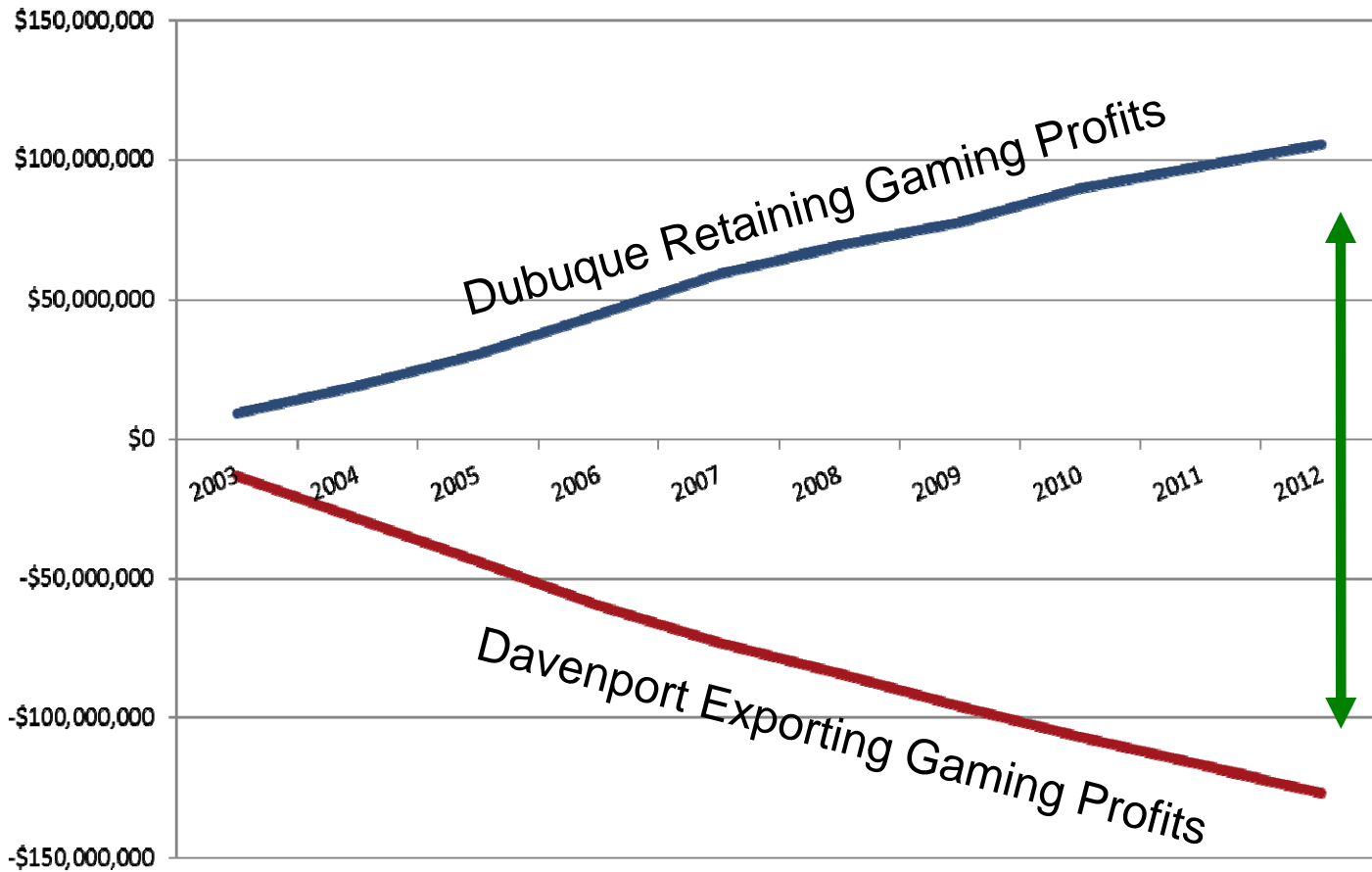
Dubuque Retains Gaming Profits (\$122.8M) Davenport Exports Gaming Profits (\$126.8 M est.)

Dubuque Gaming Revenue 2003 – 2012 (\$ Millions)



*If you want to succeed, you should strike out on new paths, rather than travel the worn paths.
John D. Rockefeller*

Dubuque Retains Gaming Profits Davenport Exports Gaming Profits



\$200+ Million Difference In A Decade

*Someone is sitting in the shade today because someone planted a tree a long time ago.
Warren Buffett*

Casinos Can Lower Taxes & Improve Bond Ratings

Davenport has the third highest bond rating available (Aa2).

Moodys cautioned Davenport to increase our cash reserves, which we have achieved through operating efficiencies, bringing reserves up from \$6.04 million (13.4%) in FY13 to \$6.44 million (14.1%) in FY14.

Dubuque owns a casino and has the second highest bond rating available (Aa1).

Moodys reports Dubuque was able to build its reserves up to \$22.3 million, which is 41.3% of annual revenue.

Polk County owns a casino and has highest bond rating available (Aaa).

Moodys reports in fiscal 2011 Prairie Meadows Racetrack and Casino held unrestricted cash of \$58.1 million, while Polk County's reserves were a "healthy" 25.6% of annual revenue.

*Gentlemen
prefer
bonds.
Andrew Mellon*

The City Has Employed The Best Experts Available

Cummings Associates, a nationally recognized gaming analytics firm, was recommended to the City by the Iowa Racing & Gaming Commission.

Public Financial Management (PFM) is a national leader in public finance.

Law firms that have represented Dubuque and Polk County are part of the team, as is one of the four largest accounting firms in the nation.

Gary Buettner was COO/CFO of Jumers from 2001 to 2011, as they went from #3 to #1 in the Quad City casino market. He now consults for Davenport.

*Should you find
yourself in a
chronically
leaking boat,
energy devoted
to changing
vessels is likely
to be more
productive than
energy devoted
to patching
leaks.*

Warren Buffett

Shared Community Goals

Maximizes Value of Gaming License

Retains Gaming Profits in Community

Doubles RDA Revenue

Lowers Property Taxes

Reclaims Riverfront

Adds Jobs & Increases Investment

Supports Downtown

*Coming
together is a
beginning;
keeping
together is
progress;
working
together is
success.
Henry Ford*