

A stylized world map in shades of blue, centered on the Atlantic Ocean, serving as a background for the title and presenter information.

# **Proposed Entertainment Resort Hardeeville, SC: Economic Impact Analysis**

**Presented by:**

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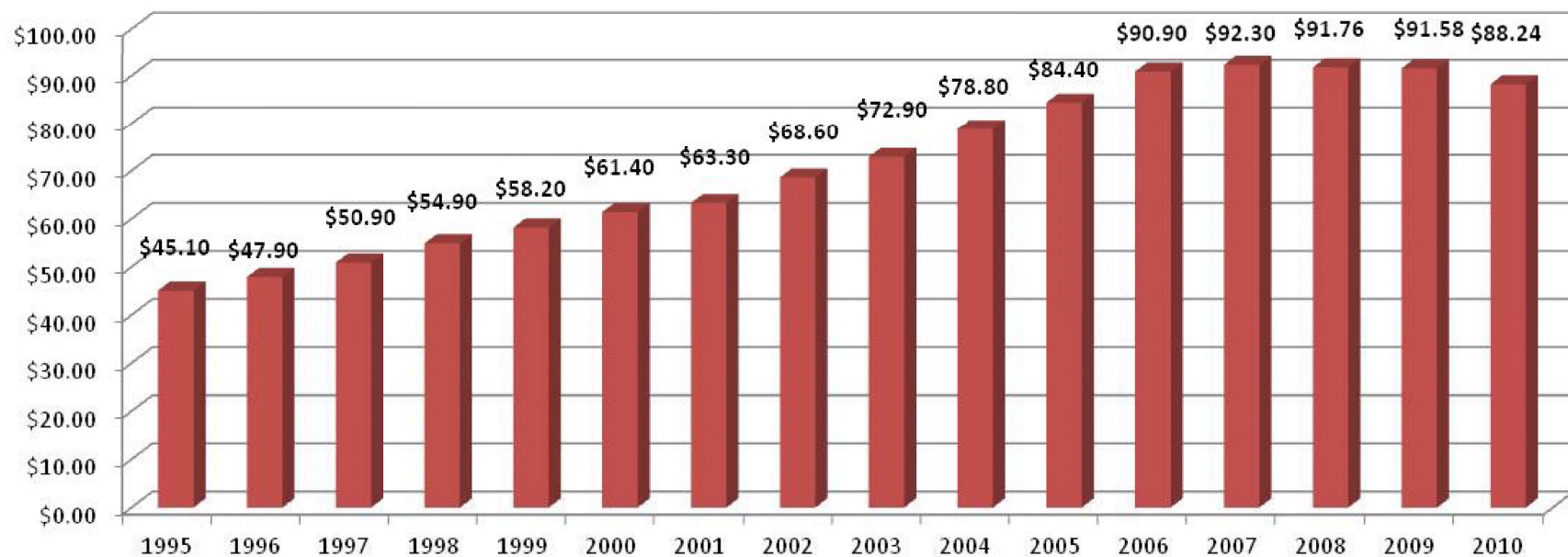


# Agenda

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- A dark blue world map is centered in the background of the slide, showing the continents in a lighter shade of blue.
- U.S. Gaming Industry
  - South Carolina Market Considerations
  - Proposed Hardeeville Casino Resort Facilities
  - Economic Impact

# U.S. Gaming Industry

US Gaming Revenue (Billions)  
All Gaming

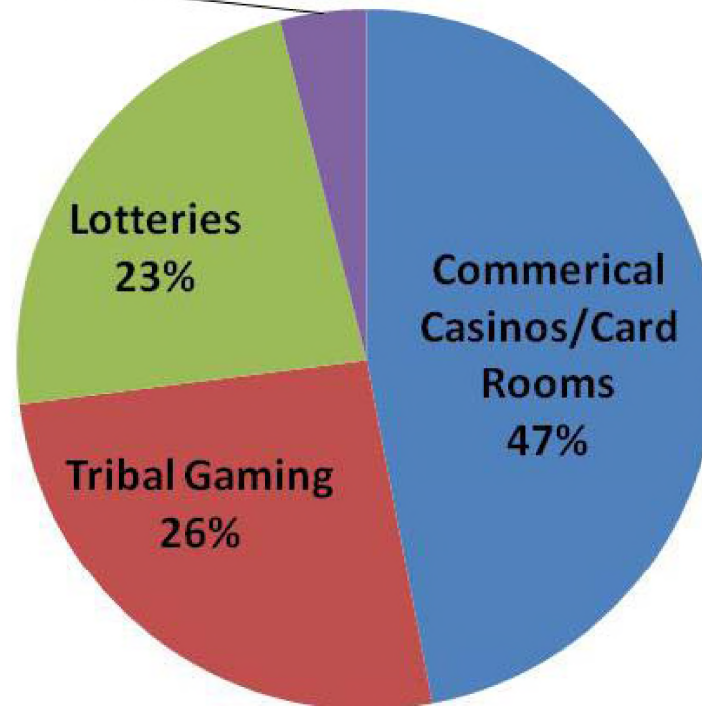


Source: American Gaming Association

# Gaming Revenue Distribution

Revenue by Gaming Activity - United States

Race/Sports  
Wagering  
4%





# U.S. Tribal Gaming

- Fastest growing gaming activity in U.S. during 2000's
- 230 Indian Tribes in 29 States
- 456 Total Tribal Gaming Operations
- Tribal Gaming Revenue:
  - 2010: \$26.5 Billion (26% of total U.S. gaming)



# Historical Tribal Gaming Revenue



Sources: Indian Gaming Industry Report 2011 Edition – *The Analysis Group*; National Indian Gaming Commission (NIGC)

# Tribal Gaming

- **Impact of Recent U.S. Recession:**

- Stress on casinos nationwide, especially destination-resorts
- Tribal casinos outperformed Commercial – why?
  - U.S. gamers trading down from more expensive trips to Vegas, Atlantic City, etc
  - Many tribal casinos now offering similar gaming/resort experience, but closer to home

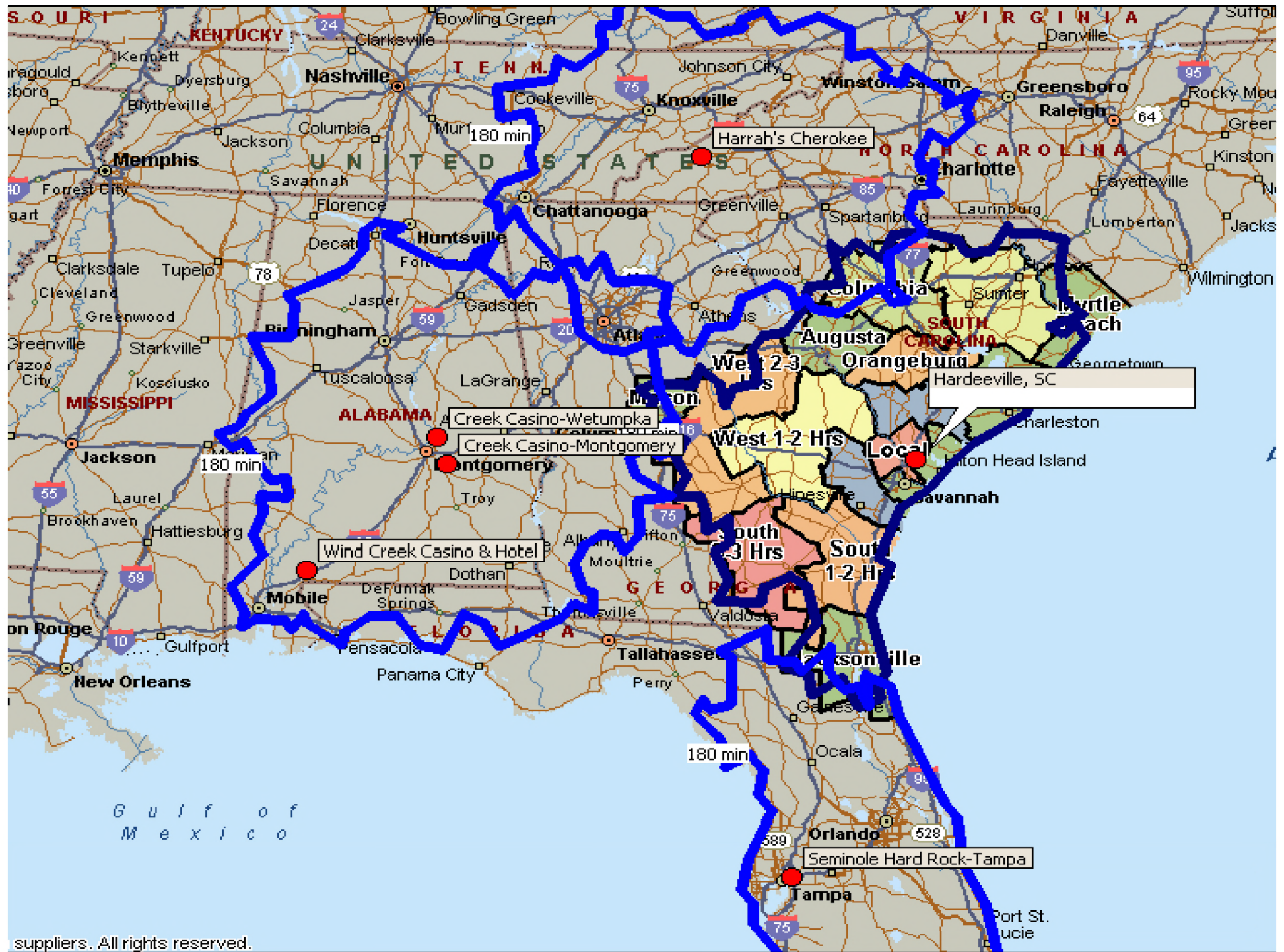
- **Many Tribal markets now maturing also, becoming more competitive:**

- e.g. – Oklahoma, California. Multiple casinos within 30-60 minute drive-time for many population centers.

- **Others still underserved. Example – South Carolina.**

- 3+ hours drive-time to nearest casino

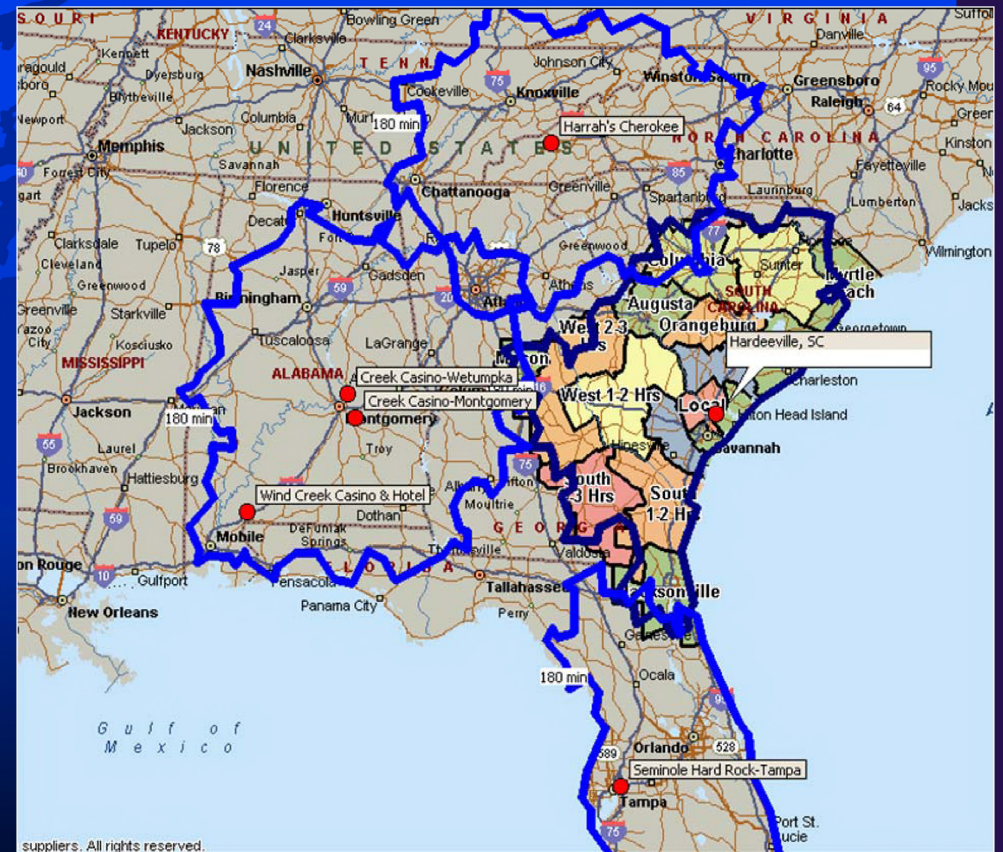






# Hardeeville, SC Regional Market

- Expect majority of customers reside within 3-hr drive time
- 3.8 million adults w/in 3 hrs
- 2.2 million annual tourists to Hilton Head
- 50,000 vehicles/day on I-95. Main route to FL for eastern U.S. tourists.
- Peripheral markets (3-4 hrs)
  - e.g. Atlanta, Charlotte, Fayetteville, NC
- No casinos in SC
- Peripheral competition:
  - Harrah's-Cherokee
  - Hard Rock-Tampa
  - Montgomery, AL (2)



# Expected Peripheral Casino Competition

Peripherally Competitive Casinos	Location	Gaming Machines	Tables*	Poker	Total Positions	Hotel Rms.	Competition relative to proposed Hardeeville, SC Casino Complex
Harrah's Cherokee Casino & Hotel	Cherokee, NC	3,000	40	10	3,370	1,108	Peripheral competitor to Hardeeville, relative to population residing in Hardeeville's northern submarkets lying 2-3+ hours from Hardeeville, as well as Atlanta.
Seminole-Hard Rock Hotel & Casino	Tampa, FL	4,100	90	52	5,198	250	Will compete with Hardeeville casino for casino trips originating from Jacksonville, SC market and other Georgia submarkets located south of Hardeeville.
Creek Casino - Wetumpka	Wetumpka, AL	1,200	0	0	1,200	0	Peripheral competitor relative to distant submarkets west of Hardeeville, such as Macon, GA. Also attracts gamers from Atlanta.
Creek Casino - Montgomery	Montgomery, AL	470	0	0	470	0	Peripheral competitor relative to distant submarkets west of Hardeeville, such as Macon, GA. Also attracts gamers from Atlanta.
<i>Note that Harrah's Cherokee offers Class II gaming, including electronic table games, plus live poker.</i>							
<i>Note: one table equals 7 gaming positions, poker tables equal 9 gaming positions.</i>							
<b>Source: Marquette Advisors</b>							



# Hardeeville, SC Casino Resort

## Recommended Facilities

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- A dark blue world map is visible in the background of the list, showing the continents in a lighter shade of blue.
- Facility recommendations based on:
    - Expected customer draw and overall utilization level
    - Customer point of origin, distance traveled, and desired amenities
    - Consider competitive facilities
    - Casino as the “anchor” – resort and amenity components diversify the entertainment experience and support the gaming operation as the primary profit center

# Hardeeville, SC Resort Recommended Facilities

- Approximately 3,500 gaming positions (2,800-3,000 machines; 30-40 table games)
- 400 hotel rooms (full service, 4-diamond quality) - indoor/outdoor swim under pool and landscaped pool deck, fitness center, small full-service spa
- Golf (existing 18-hole championship golf course)
- Dining options: buffet, upscale steakhouse, ethnic restaurant, 24-hour café, and food court with 3 to 4 franchise quick-service restaurant concepts
- Beverage service: three distinct offerings – central bar, sports bar, lobby bar
- 1,500-2,000 seat multi-purpose events center: music/entertainment, sports (boxing), meetings and banquets, trade shows/exhibits



# Economic Impact - Types

- **“Direct” Impacts** - Generated directly at the facility, itself
  - Jobs, Payroll & Benefits
  - Expenditures by the casino resort complex – goods & services purchased from other businesses and vendors in the area and throughout South Carolina
  - Tourism
- **“Indirect”** and **“Induced”** Impact (a/k/a the “multiplier effect”)
- **“Indirect” Impact** – changes in inter-industry purchases – casino purchases goods from Business A. Business A then purchases goods/services from Business B, etc, etc.
- **“Induced” Impact** – impact of employee expenditures as they too cycle through the economy
- Indirect & Induced impacts measured utilizing IMPLAN input-output model which considers regional household and economic base

# Hardeeville Casino Resort

## Economic Impact

### Employment

- Direct: 2,250 jobs on-site
- Indirect & Induced: another 1,600 jobs in Low Country and 860 elsewhere in South Carolina
- Perspective: 10,780 unemployed workers in Low Country. Casino resort project supports 3,850 new jobs in Low Country and 4,700 statewide.
- Total impact – 4,700 new jobs statewide

### Employee Compensation

- Direct: \$92 million on-site
- Indirect & Induced: another \$64 million in Low Country and \$29 million elsewhere in South Carolina.
- Total impact - \$184 million in employee compensation in SC

# Hardeeville Casino Resort

## Economic Impact

### Tourism

- 4.3 million annual casino visitors
- Compare to current Hilton Head annual tourism count at 2.2 million
- 70% of casino visitors (2.9 million visitors) from outside South Carolina
- Spending focused generally at Hardeeville Casino Resort complex, but:
  - Impact on other area hotels (casino enhances appeal of Hilton Head region as a destination, some will opt to stay at another hotel/resort in the area)
  - Off site dining, retail, recreational expenditures

### Casino-Resort Operating Expenditures

- Approximately \$80 million annually from SC suppliers/businesses



# Hardeeville Casino Resort

## Economic Impact

### Indirect and Induced Business Output

- \$190 million in Low Country
- \$270 million Statewide

### Benefits to Government

- **\$15.7 million** in Federal Income Tax:\$15,700,000
- \$8.4 million in South Carolina Income Tax
- \$17.4 million in Employer/Employee Payments to Social Security
- \$4.0 million in Employer/Employee Payments to Medicare
- \$20.3 million in Sales Tax (Statewide), including \$14.2 million in Low Country



# Hardeeville Casino Resort

## Economic Impact



<b>Low Country New Jobs:</b>	<b>3,850</b>
<b>Statewide Total New Jobs:</b>	<b>4,700</b>
<b>Low Country Total Annual Compensation Impact:</b>	<b>\$156,000,000</b>
<b>Total Statewide Annual Compensation Impact:</b>	<b>\$184,000,000</b>
<b>Federal Income Tax Impact:</b>	<b>\$15,700,000</b>
<b>State Income Tax Impact:</b>	<b>\$8,400,000</b>
<b>Low Country Sales Tax Impact:</b>	<b>\$20,300,000</b>
<b>Statewide Sales Tax Impact:</b>	<b>\$14,200,000</b>

# Casino Resort Examples



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# Casino Resort Examples

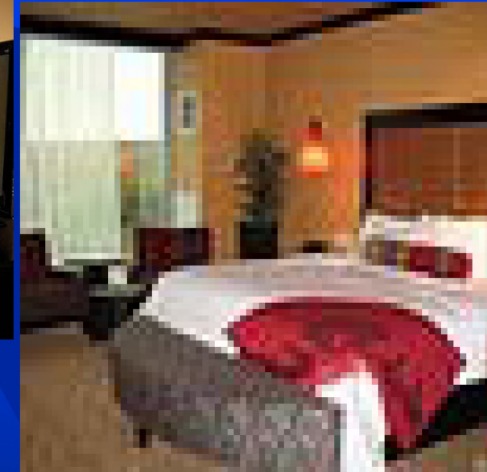


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# Casino Resort Examples



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# Hardeeville Casino Resort Economic Impact



Questions and Discussion

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