

*Statewide Economic Impacts
from Oklahoma Tribal Government Gaming*

2015 Annual Impact Report | October 22, 2015

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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 – 2015 Annual Impact*,” conducted and co-authored by the Steven C. Agee Economic Research and Policy Institute and KlasRobinson Q.E.D. on behalf of Oklahoma Indian Gaming Association (OIGA).

Oklahoma Tribal
Government
Gaming output
was **\$4.2 billion**
in 2014.

DIRECT IMPACT

- Oklahoma Tribal Government Gaming output was **\$4.2 billion** in 2014, representing 2.5% of private production in the Oklahoma economy
- Tribal Gaming Operations and Related Facilities supported 23,277 ongoing jobs in 2014 of which 83.2 percent were full-time positions
- Annual wages, salaries, and tips of almost **\$910 million**
- Annual employee benefits of almost **\$255 million** including healthcare, dental, and life insurance, as well as retirement plans
- In 2014, Oklahoma Tribal Gaming Operations and their employees paid out more than **\$264 million in payroll related taxes** including almost **\$30 million in income taxes to the State of Oklahoma**
- Oklahoma Tribal Gaming Operations had more than **38.2 million visits** in 2014, including more than **14.6 million visits from out-of-state**
- Oklahoma Tribes have paid the State a total of **\$980 million in Exclusivity Fees** since 2006
- In 2014 alone, Oklahoma Tribal Gaming Operations spent over **\$405 million in capital expenditures and improvements**, creating an estimated **2,883 jobs** and **earnings of almost \$155 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 billion annually**, giving a **total economic impact of \$6.9 billion** from **annual operations and construction**
- Induced and indirect impact on **employment** in the State of Oklahoma from both construction and operations is estimated to equal **16,128 on-going jobs**, giving a **total employment impact of 42,288 jobs** from **annual operations and construction**
- Induced and indirect impact on **earnings** in the State of Oklahoma from construction and operations is estimated to equal more than **\$724 million annually**, giving a **total earnings impact from annual operations and construction of \$2 billion**

SOURCE: Steven C. Agee Economic Research and Policy Institute and KlasRobinson Q.E.D.

\$6.

9 *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 such as gymnasiums, community centers, double-wide trailers and even quonset huts located on Tribal lands.

Pursuant to Congressional authorization, today, 30 Tribes in Oklahoma currently own 124 Indian gaming operations with approximately 71,750 electronic games, over 4,600 bingo seats, and other games. There are 19 Tribal Gaming Operations with hotels/resorts in Oklahoma with a combined total of more than 4,700 rooms and almost 425,000 square feet of meeting, function, and entertainment space.

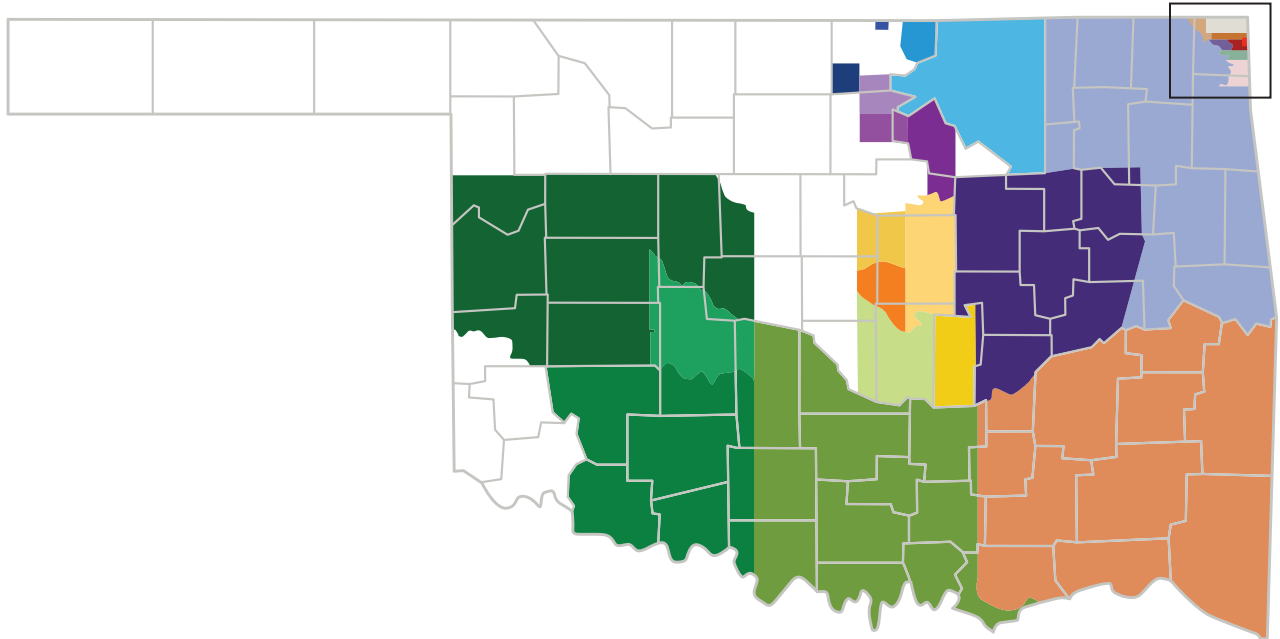
Other related ancillary facilities and amenities include almost 200 restaurants and bars, eight golf courses with a total of 108 holes, four spas, seven RV parks with almost 375 sites, and almost 50 gas station/convenience stores, as well as destination and convenience retail, several bowling centers, 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. Most 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 being administered from within tribal jurisdictional areas.

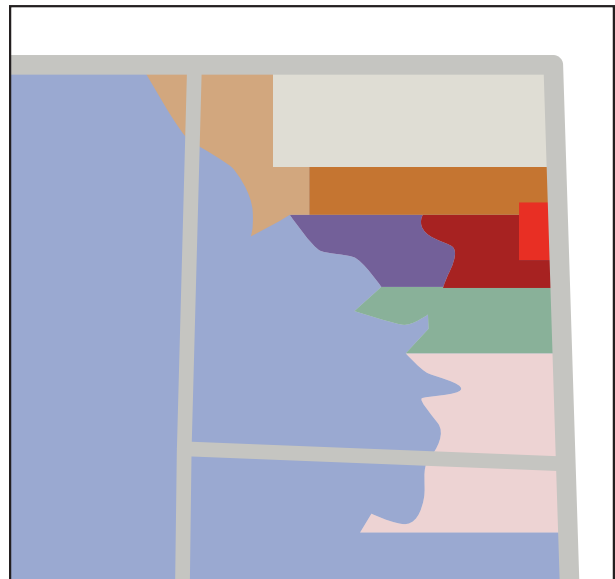
Due to Federal government requirements, casinos operate on Tribal Land. While 30 Tribes operate gaming facilities in Oklahoma, the State is home to 38 Federally recognized Tribes. With no Tribes located in the northwest area, there are currently no Tribal Gaming Operations in this area. The following map shows the Federally recognized Tribes in Oklahoma.

30 Tribes in Oklahoma currently own 124 Indian gaming operations with approximately 71,750 electronic games, over 4,600 bingo seats, and other games.

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 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 Tribes have paid \$979 million in exclusivity fees to the State and are well on the way to breaking \$1 billion this year. Total construction cost for the existing gaming, hotel and related ancillary facilities since inception is estimated to equal over \$3.1 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 2014.

Since inception, Oklahoma Tribes have paid \$979 million in exclusivity fees to the State and are well on the way to breaking \$1 billion this year.

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 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 2014. With an overwhelming response rate of more than 75% 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
output was
2.5% of private
production in the
2014 Oklahoma
economy.**

Revenues

According to the National Indian Gaming Commission (NIGC), Tribal Government Gaming revenues were up sharply in Oklahoma during 2014. Nationally, revenues increased by 1.5% while the region that encompasses western and south central Oklahoma exhibited the largest increase of 7.5%.² The Tulsa Region, which includes the northeastern portion of the State, grew 1.5% with the rest of the nation. Revenues decreased in other parts of the country including Phoenix (-1.1%) and St. Paul (-1.5%).

Using the Oklahoma Tribal Survey data and the NIGC revenue release, we estimate that Oklahoma revenues were just over \$4 billion in 2014.

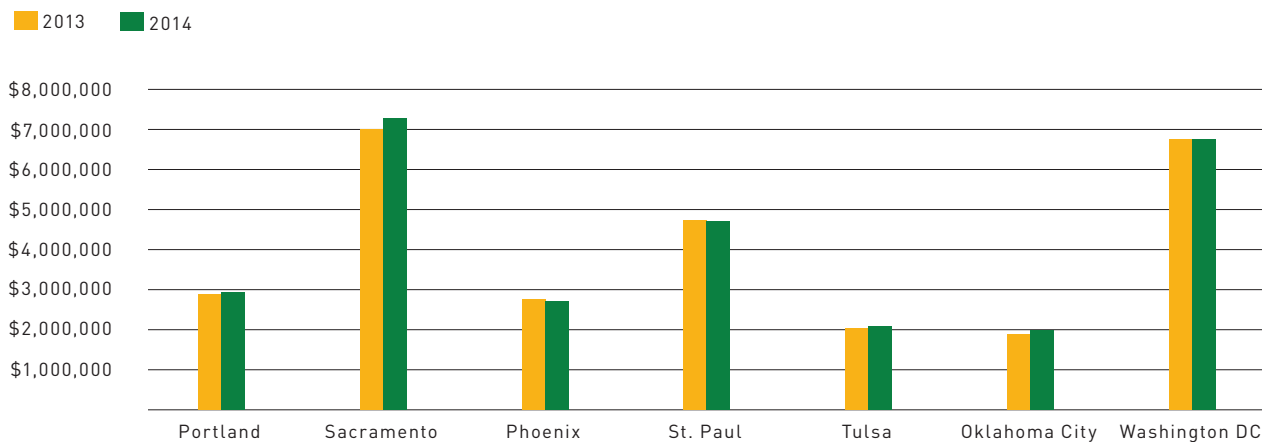
Output

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 \$4.2 billion in 2014. This direct impact represented 2.5% of private production in the 2014 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 was \$156 million in 2014. See BEA.gov for more information.

Tribal Government Gaming Revenues 2013–2014



Source: National Indian Gaming Commission

Employment

Tribal Gaming and related facilities supported 23,277 ongoing jobs in 2014, of which 19,523 were full-time. Fifty-four percent of gaming employees were female and 60% were not citizens of any Tribe. Due to the locations of Tribal trust land, most of the jobs existed in rural underserved areas within the State. Employment data is detailed in the table to the right.

Of the 23,277 workers required to support gaming activities, 83% were employed full-time. As casinos are primarily located in rural areas, they provide a significant source of full-time employment and benefits for local households.

It is important to note that these jobs are directly related to Tribal Gaming Operations and related ancillary facilities in Oklahoma. The previous employment estimates do not take into account jobs at vendors which supply the Oklahoma Tribal Gaming industry 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 Oklahoma Tribal Gaming facilities.⁴

Gaming Employment

Full - Time (2014 Average)	19,523
Part-Time (2014 Average)	3,753
Total Average Employment for 2014	23,277

Full - Time (total W-2 employees)	23,779
Part - Time (total W-2 employees)	8,463
Total W-2 employees for 2014	32,242

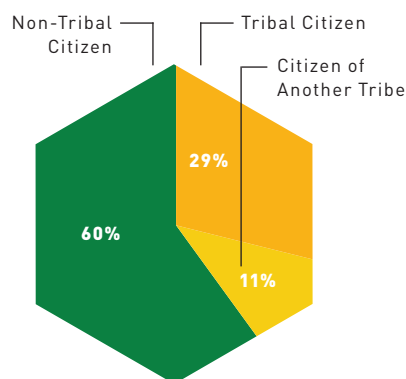
Male (W-2 total)	46.4%
Female (W-2 total)	53.6%

Tribal Citizen	6,590
Citizen of Another Tribe	2,526
Non-Tribal Citizen	13,802
Total W-2 employees for 2014	22,917

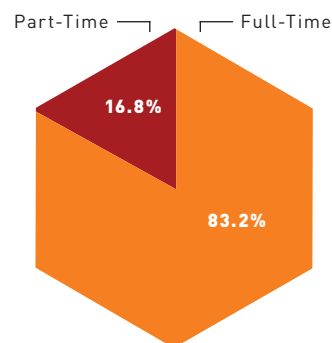
Source: Oklahoma Tribal Survey, Steven C. Agee Economic Research and Policy Institute, Klas Robinson Q.E.D.

⁴ Also does not include Tribal Gaming Regulatory Functions.

Employment by Tribal Citizenship



Average Employment: Full-Time vs. Part-Time



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

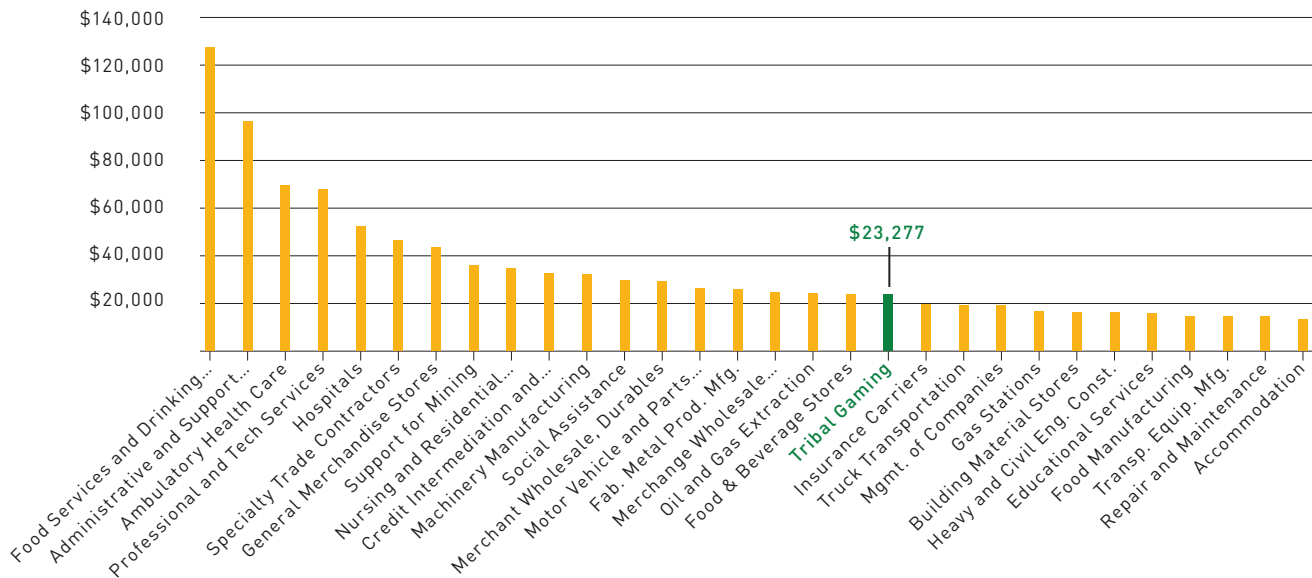
The total number of jobs in Oklahoma in 2014 was approximately 1.285 million. As discussed previously, the average employment at Tribal Gaming and related ancillary facilities was 23,277.

To put this into context, approximately **1.8 percent** of all jobs in Oklahoma exist at Tribal Gaming and ancillary facilities — **that equates to one in every 55 jobs**.

Tribal Government Gaming in Oklahoma, as a combined employment industry category, would rank as the **19th largest industry employer in the State of Oklahoma**.

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, Steven C. Agee Economic Research and Policy Institute, KlasRobinson Q.E.D.

Wages and Benefits

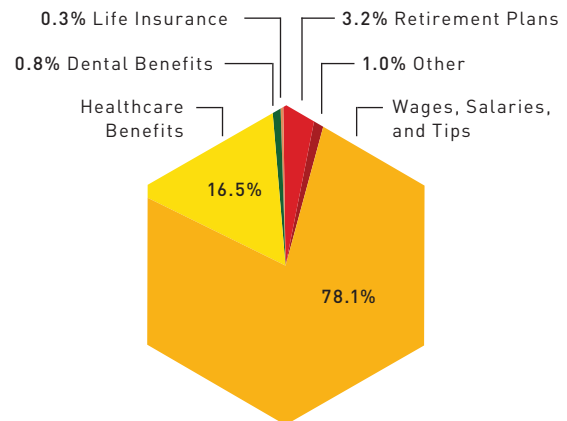
Workers earned \$1.16 billion in wages and benefits at casinos and ancillary facilities in 2014. Like public corporations, the Tribes provided healthcare, dental, insurance, and other benefits with healthcare providing the most significant cost at \$192 million.

Gaming Employment

Wages, Salaries, and Tips	\$909,817,000
Healthcare Benefits	\$192,493,000
Dental Benefits	\$9,731,000
Life Insurance	\$3,733,000
Retirement Plans	\$37,220,000
Other	\$11,544,000
Total Wages and Benefits	\$1,164,538,000

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

Wages, Tips, and Benefits



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

Payroll and Related Taxes

Oklahoma Tribes paid out over \$264 million in State and Federal payroll taxes from workers employed in gaming and related activities in 2014. The Tribes withheld nearly \$30 million in income taxes for the State of Oklahoma.

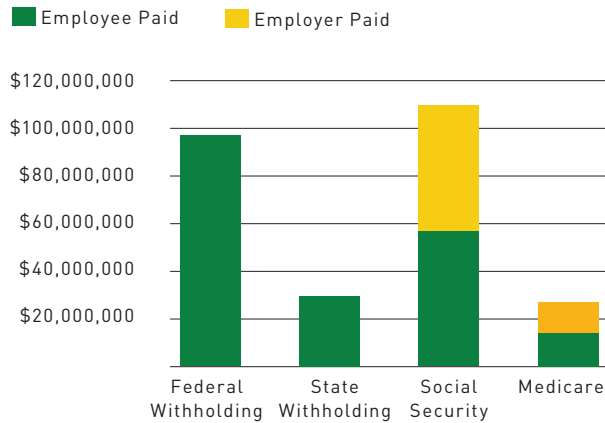
Additionally, Tribal Government Gaming provided \$137 million in payments to Social Security and Medicare through employer and employment contributions. This is of particular importance as the State and Nation continue to age, relying more heavily on the current working population to fund current benefits.

Payroll and Related Taxes from Gaming

Federal Withholding	\$97,201,651
State Withholding	\$29,567,294
Social Security - Employer	\$54,277,088
Social Security - Employee	\$56,313,185
Medicare - Employer	\$13,334,367
Medicare - Employee	\$13,412,954
Total	\$264,106,538

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

Top 30 Oklahoma Industries by Employment



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

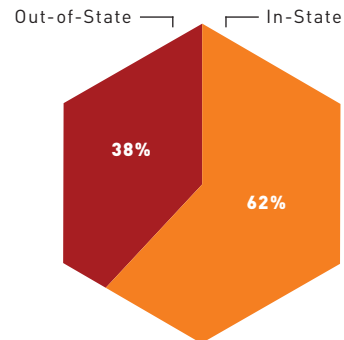
The figures shown do not include increased Federal and State payroll and income taxes paid by the suppliers of Tribal Gaming Operations in Oklahoma as a result of increased business volume. The magnitude of expenditures by Tribal Gaming Operations in Oklahoma for goods and services is discussed later 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 or beverage or other taxable items away from the gaming and associated facilities.

Visitation

During 2014 Tribal Gaming and related hotel and ancillary facilities had total annual visits of over 38.2 million, including more than 14.6 million from out-of-state.

It is important to note that these visitors not only 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.

2014 Visitation



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

Tribal Gaming and related hotel and ancillary facilities had total annual visits of over 38.2 million, including more than 14.6 million from out-of-state.

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:

- 4.0% of the 1st \$10,000,000 of annual Adjusted Gross Revenues (AGR),
- 5.0% of the next \$10,000,000 of AGR, and
- 6.0% of AGR over \$20,000,000

Non-House Banked Games:

- 10.0% of the Monthly Net Win

Oklahoma Tribes have paid the State \$979.7 million 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 Abuse Services (ODMHSAS). According to the Oklahoma Gaming Compliance Unit, ODMHSAS receives \$250,000 annually, with 88% of the remaining fees going to the 1017 Fund and 12% to the General Revenue Fund.⁵

⁵ "Oklahoma Gaming Compliance Unit Annual Report, Fiscal Year 2014," Office of Management and Enterprise Services.

Exclusivity Fees Paid by Oklahoma Tribes

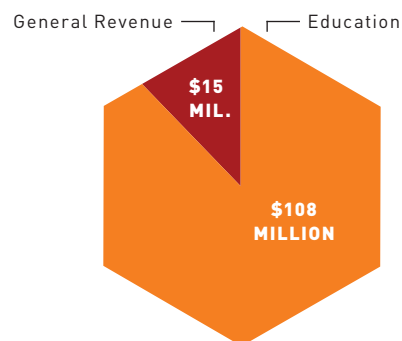
Fiscal Year*	Total Exclusivity Fees
2015**	\$116,549,000
2014	\$122,622,000
2013	\$128,098,000
2012	\$123,872,000
2011	\$122,238,000
2010	\$118,214,000
2009	\$105,587,000
2008	\$81,424,000
2007	\$46,824,000
2006	\$14,234,000
Total	\$979,662,000

* Fiscal Year ending June 30th

** Fiscal Year 2015 is for initial 11 months

Source: Oklahoma Gaming Compliance Unit Annual Report Fiscal Year 2014

Where the Money Goes (2014)



Source: Oklahoma Tribal Survey, Steven C. Agee Economic Research and Policy Institute, 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 on-going 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 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, NC. 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.

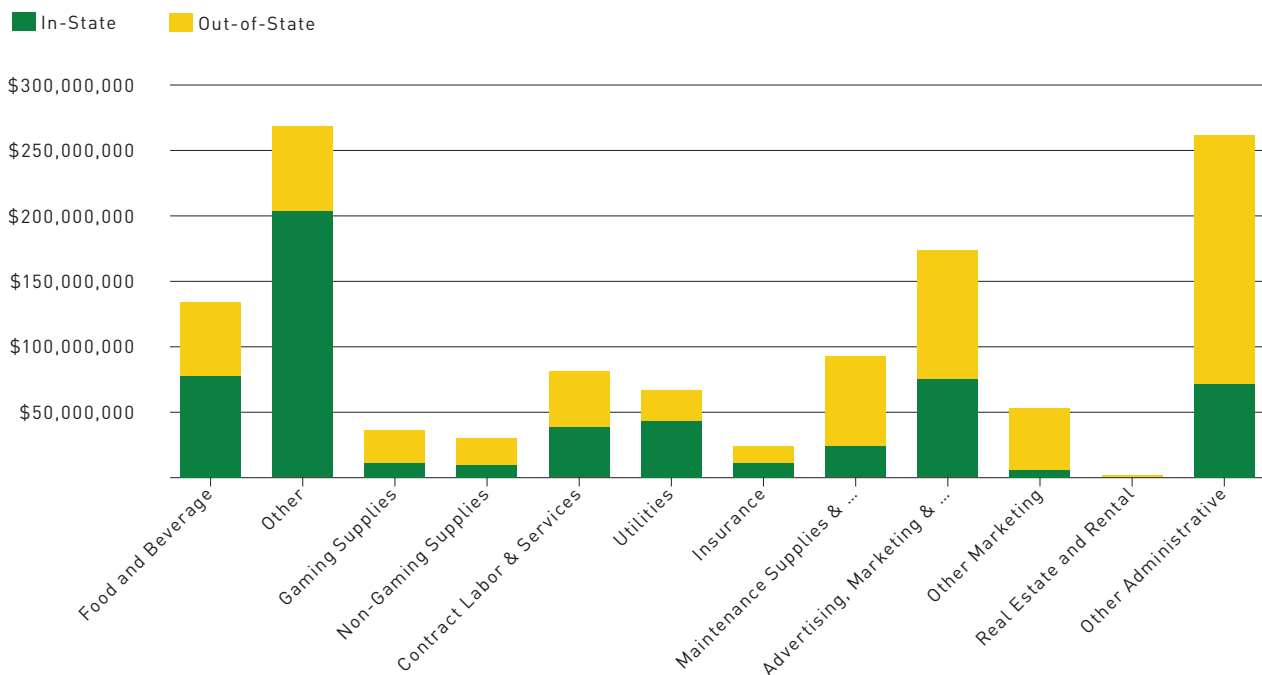
Impact from Operations

Output

Indirect and induced 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 \$1.2 billion with other businesses in 2014, of which \$582 million was spent within the State. This \$582 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 \$801 million in 2014. This is the total indirect impact of Tribal Government Gaming.

Purchases of Goods and Services



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

Tribal Gaming workers and workers in businesses supporting the industry spent an additional \$1.09 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 \$6.2 billion for the State of Oklahoma.

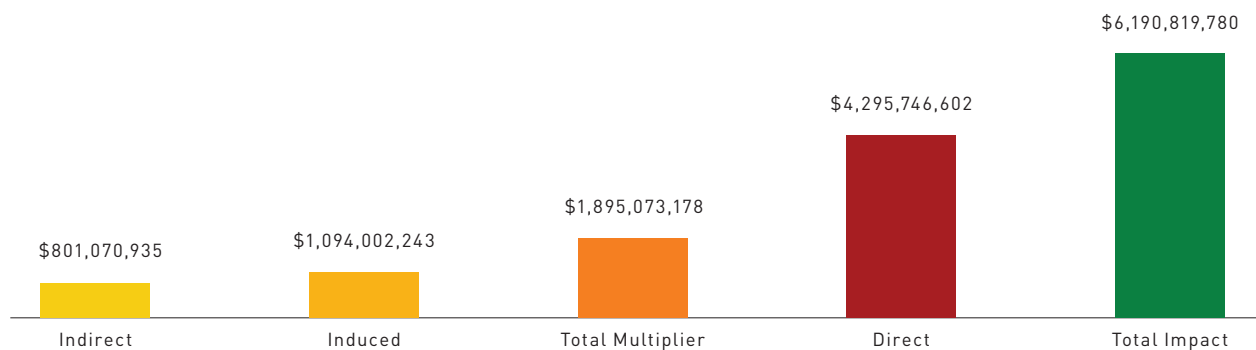
The following table and chart present a summary of the estimated annual impact on economic output in Oklahoma from Tribal Gaming and related ancillary facilities in Oklahoma.

Output Impact from Operations

Impact	State of Oklahoma
Indirect	\$801,070,935
Induced	\$1,094,002,243
Multiplier	\$1,895,073,178
Direct	\$4,295,746,602
Total	\$6,190,819,780

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

Annual Output Impact—State of Oklahoma



Source: Oklahoma Tribal Survey, Steven C. Agee Economic Research and Policy Institute, Klas Robinson 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 14,126 jobs.

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 37,403 jobs for the State of Oklahoma as a whole.

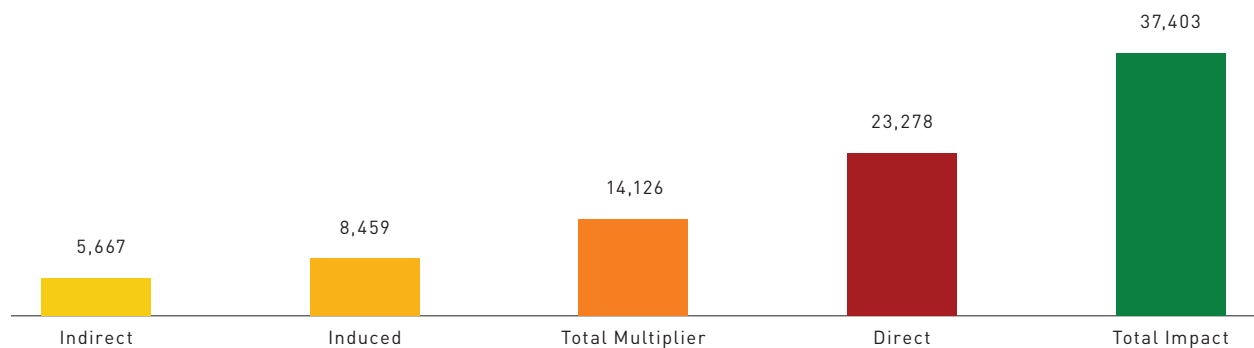
The following table and chart presents a summary of the estimated impact on employment from Tribal Gaming and related ancillary facilities in Oklahoma.

Employment Impact from Operations

Impact	State of Oklahoma
Indirect	5,667
Induced	8,459
Multiplier	14,126
Direct	23,278
Total	37,403

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

Employment Impact—State of Oklahoma



Source: Oklahoma Tribal Survey, Steven C. Agee Economic Research and Policy Institute, 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 almost \$667 million annually.

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 \$1.9 billion annually for the State of Oklahoma as a whole.

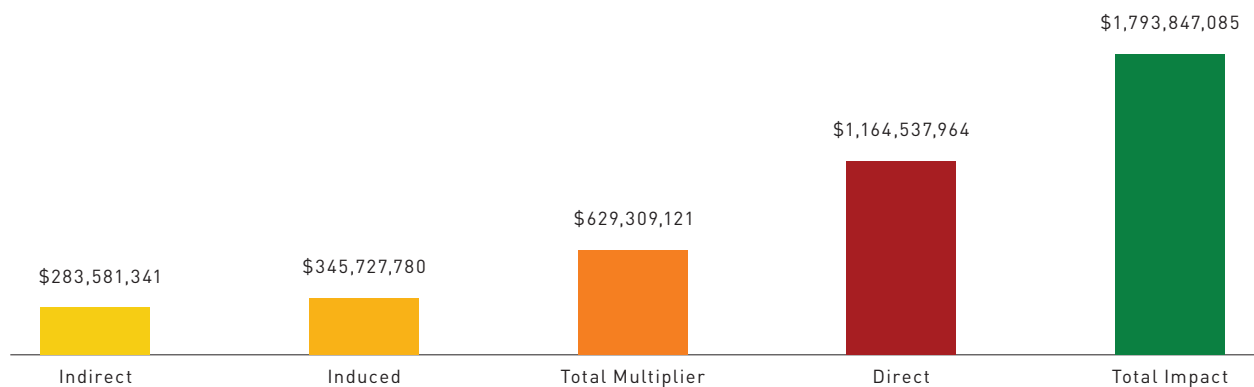
The following table and chart present a summary of the estimated annual impact on personal income from Tribal Gaming Operations and related ancillary facilities in Oklahoma.

Earnings Impact from Operations

Impact	State of Oklahoma
Indirect	\$283,581,341
Induced	\$345,727,780
Multiplier	\$629,309,121
Direct	\$1,164,537,964
Total	\$1,793,847,085

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

Annual Earnings Impact—State of Oklahoma



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

Annual Capital Expenditures

In addition to normal operations, Tribes regularly undertake construction projects to build, maintain, or expand gaming facilities and connected infrastructure. These construction projects require significant Tribal expenditure within the local economy and serve as an additional source of indirect impact. In 2014, participating Tribes reported spending nearly \$406 million on construction of facilities and roads. 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 2014. Capital expenditures are detailed in the table to the right.

Capital Expenditures

Facility Construction ⁶	\$399,137,000
Road Construction	\$6,415,000
Total	\$405,552,000

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

⁶ Includes new casino construction, casino expansion, hotel construction, hotel expansion, restaurant construction, event center construction, and other related projects. Does not include Tribal government expenditures such as government buildings, hospitals, or other facilities not related to gaming or gaming properties.

Output Due to Capital Expenditures

As previously discussed, during 2014, Tribes in Oklahoma spent an estimated \$399 million on new and expanded gaming and ancillary developments, and another \$6.4 million on road construction directly related to Tribal Gaming Operations. Combined, during 2014, Oklahoma Tribal Government Gaming spent over \$405 million on capital improvements directly related to Tribal Gaming Operations.

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

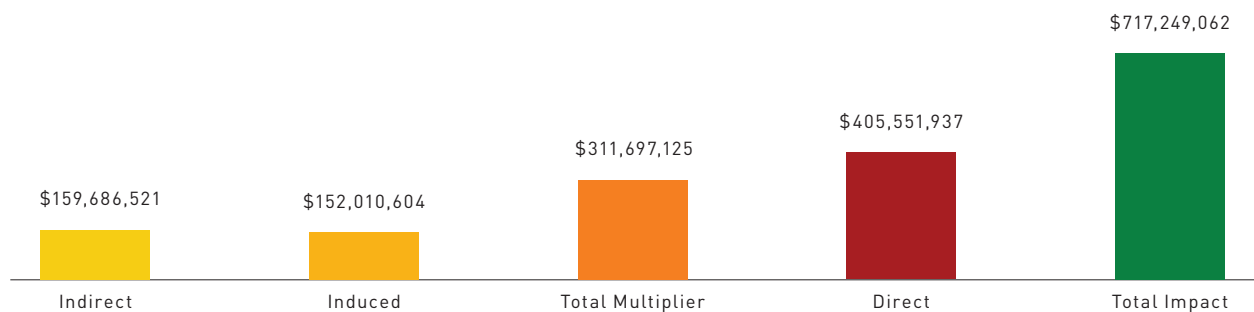
the State of Oklahoma as a whole is estimated to equal almost \$312 million annually. Adding the direct impact on output from Tribal Gaming and related ancillary facilities in Oklahoma to the indirect and induced impact yields a total estimated annual impact on output of over \$717 million for the State of Oklahoma.

Output Impact from Capital Expenditures

Impact	State of Oklahoma
Indirect	\$159,686,521
Induced	\$152,010,604
Multiplier	\$311,697,125
Direct	\$405,551,937
Total	\$717,249,062

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

Annual Output—Capital Expenditures



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

Employment Due to Capital Expenditures

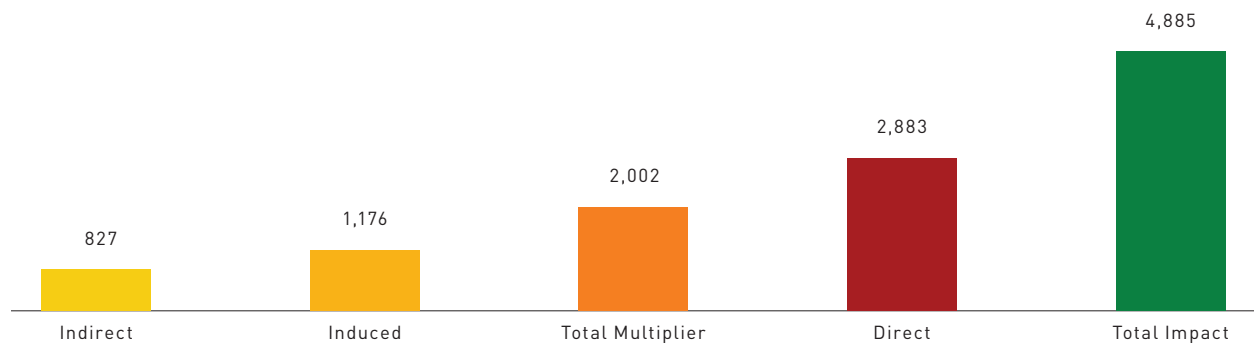
Indirect and induced employment includes increases in employment at area businesses due to the increased demand generated by capital expenditures by Oklahoma Tribal Gaming Operations and related activities, as well as at businesses impacted by the providers of goods and services to Tribal Gaming and related ancillary facilities. The total induced and indirect impact on employment on the State of Oklahoma as a whole is estimated to equal approximately 2,002 jobs. 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 4,885 jobs for the State of Oklahoma as a whole.

Employment Impact from Capital Expenditures

Impact	State of Oklahoma
Indirect	827
Induced	1,176
Multiplier	2,002
Direct	2,883
Total	4,885

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

Annual Employment due to Capital Expenditures



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

Earnings due to Capital Expenditures

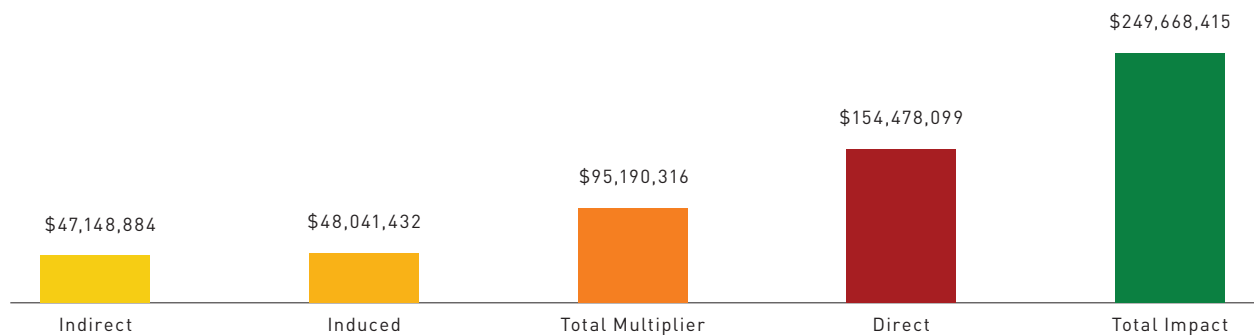
Indirect and induced earnings include increases in earnings at area businesses due to the increased demand generated by capital improvements by Tribal Gaming Operations and related ancillary facilities in Oklahoma, as well as at businesses impacted by the providers of goods and services to the Oklahoma 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 \$95.2 million annually. 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 \$250 million annually for the State of Oklahoma as a whole.

Earnings Impact from Capital Expenditures

Impact	State of Oklahoma
Indirect	\$47,148,884
Induced	\$48,041,432
Multiplier	\$95,190,316
Direct	\$154,478,099
Total	\$249,668,415

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

Annual Earnings due to Capital Expenditures



Source: Oklahoma Tribal Survey, Steven C. Agee Economic Research and Policy Institute, 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, *Shawnee*

Cherokee Nation

Cherokee Casino - South Coffeyville, *South Coffeyville*

Cherokee Nation Outpost Tobacco Shop, *Catoosa*

West Siloam Springs Smoke Shop, *West Siloam Springs*

Cherokee Casino - Fort Gibson, *Fort Gibson*

Cherokee Casino - Ramona, *Ramona*

Cherokee Casino - Roland, *Roland*

Cherokee Casino - Sallisaw, *Sallisaw*

Cherokee Casino - Tahlequah, *Tahlequah*

Cherokee Casino & Hotel West Siloam Springs,
West Siloam Springs

Hard Rock Hotel & Casino Tulsa, *Catoosa*

Cheyenne and Arapaho Tribes of Oklahoma

Feather Warrior Casino - Canton, *Canton*

Feather Warrior Casino - Watonga, *Watonga*

Lucky Star Casino - Clinton, *Clinton*

Lucky Star Casino - Concho, *Concho*

Lucky Star Travel Center Casino, *Concho*

Chickasaw Nation

Ada Gaming Center, *Ada*

Ada Gaming West, *Ada*

The Artesian Hotel Casino & Spa, *Sulphur*

Black Gold Casino, *Wilson*

Chickasaw Travel Stop - Thackerville, *Thackerville*

Chisholm Trail Casino, *Duncan*

Davis Gaming, *Davis*

Gold Mountain Casino, *Ardmore*

Goldsby Gaming Center, *Norman*

Jet Stream Casino, *Pauls Valley*

Madill Gaming Center, *Madill*

Newcastle Casino, *Newcastle*

Riverwind Casino, *Norman*

SaltCreek Casino, *Pocasset*

Texoma Casino, *Kingston*

Thackerville Gaming, *Thackerville*

Tishomingo Smoke Shop & Gaming, *Tishomingo*

Treasure Valley Casino, *Davis*

Washita Casino, *Paoli*

WinStar World Casino and Resort, *Thackerville*

Choctaw Nation of Oklahoma

Broken Bow Travel Plaza, *Broken Bow*

Choctaw Casino - Broken Bow, *Broken Bow*

Choctaw Casino - Grant, *Grant*

Choctaw Casino - Idabel, *Idabel*

Choctaw Casino - McAlester, *McAlester*

Choctaw Casino - Pocola, *Pocola*

Choctaw Casino - Stigler, *Stigler*

Choctaw Casino - Stringtown, *Stringtown*

Choctaw Casino Resort, *Durant*

Choctaw Travel Plaza - Pocola, *Pocola*

Choctaw Travel Plaza - McAlester, *McAlester*

Choctaw Travel Plaza - Atoka, *Atoka*

Choctaw Travel Plaza - Durant East, *Durant*

Choctaw Travel Plaza - Durant West, *Calera*

Choctaw Travel Plaza - Grant, *Grant*

Choctaw Travel Plaza - Idabel, *Idabel*

Choctaw Travel Plaza - Poteau, *Poteau*

Choctaw Travel Plaza - Stringtown, *Stringtown*

Choctaw Travel Plaza - Wilburton, *Wilburton*

Citizen Potawatomi Nation

FireLake Casino, *Shawnee*

Grand Casino Resort, *Shawnee*

Comanche Nation

Comanche Nation Casino, *Lawton*

Comanche Nation Travel Plaza, *Devol*

Comanche Red River Casino, *Devol*

Comanche Spur Casino, *Elgin*

Comanche Star Casino, *Walters*

Delaware Nation

Casino Oklahoma, *Hinton*

Gold River Casino, *Anadarko*

Eastern Shawnee Tribe of Oklahoma

Bordertown Outpost Casino, *Wyandotte*

Eastern Shawnee Travel Center, *Wyandotte*

Indigo Sky Casino, *Wyandotte*

Fort Sill Apache Tribe of Oklahoma

Apache Casino Hotel, *Lawton*

Iowa Tribe of Oklahoma

Cimarron Casino, *Perkins*

Ioway Casino, *Chandler*

Kaw Nation

SouthWind Casino, *Newkirk*
SouthWind Casino Braman, *Braman*
SouthWind Casino Kaw City, *Kaw City*

Kickapoo Tribe of Oklahoma

Kickapoo Casino, *Harrah*
Kickapoo Casino Shawnee, *Shawnee*
Kickapoo Conoco Station, *Harrah*

Kiowa Tribe of Oklahoma

Kiowa Casino, *Devol*
Kiowa Casino Verden, *Anadarko*

Miami Tribe of Oklahoma

Prairie Moon Casino, *Miami*
Prairie Sun Casino, *Miami*

Modoc Tribe of Oklahoma

The Stables Casino, *Miami*

Muscogee (Creek) Nation

Creek Nation Casino Bristow, *Bristow*
Creek Nation Casino Checotah, *Checotah*
Creek Nation Casino Duck Creek, *Beggs*
Creek Nation Casino Eufaula, *Eufaula*
Creek Nation Casino Holdenville, *Holdenville*
Creek Nation Casino Muskogee, *Muskogee*
Creek Nation Casino Okemah, *Okemah*
Muscogee Travel Plaza, *Muskogee*
Okmulgee Travel Plaza, *Okmulgee*
One Fire Casino, *Okmulgee*
River Spirit Casino, *Tulsa*

Osage Nation

Osage Casino - Sand Springs, *Sand Springs*
Osage Casino - Tulsa, *Tulsa*
Osage Casino - Bartlesville, *Bartlesville*
Osage Casino - Hominy, *Hominy*
Osage Casino - Pawhuska, *Pawhuska*
Osage Casino - Ponca City, *Ponca City*
Osage Casino - Skiatook, *Skiatook*

Otoe-Missouria Tribe of Oklahoma

7 Clans Paradise Casino, *Red Rock*
First Council Casino, *Newkirk*
Lil' Bit of Paradise Casino 1, *Newkirk*
Lil' Bit of Paradise Casino 2, *Red Rock*

Ottawa Tribe of Oklahoma

High Winds Casino, *Miami*

Pawnee Nation of Oklahoma

Stone Wolf Casino & Grill, *Pawnee*
TeePee Casino, *Yale*
Trading Post Casino, *Pawnee*

Peoria Tribe of Indians of Oklahoma

Buffalo Run Casino, *Miami*

Quapaw Tribe of Oklahoma

Downstream Casino Resort, *Quapaw*
Quapaw Casino, *Miami*

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*
Seminole Nation 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 East, *Tonkawa*
Tonkawa Casino West, *Tonkawa*

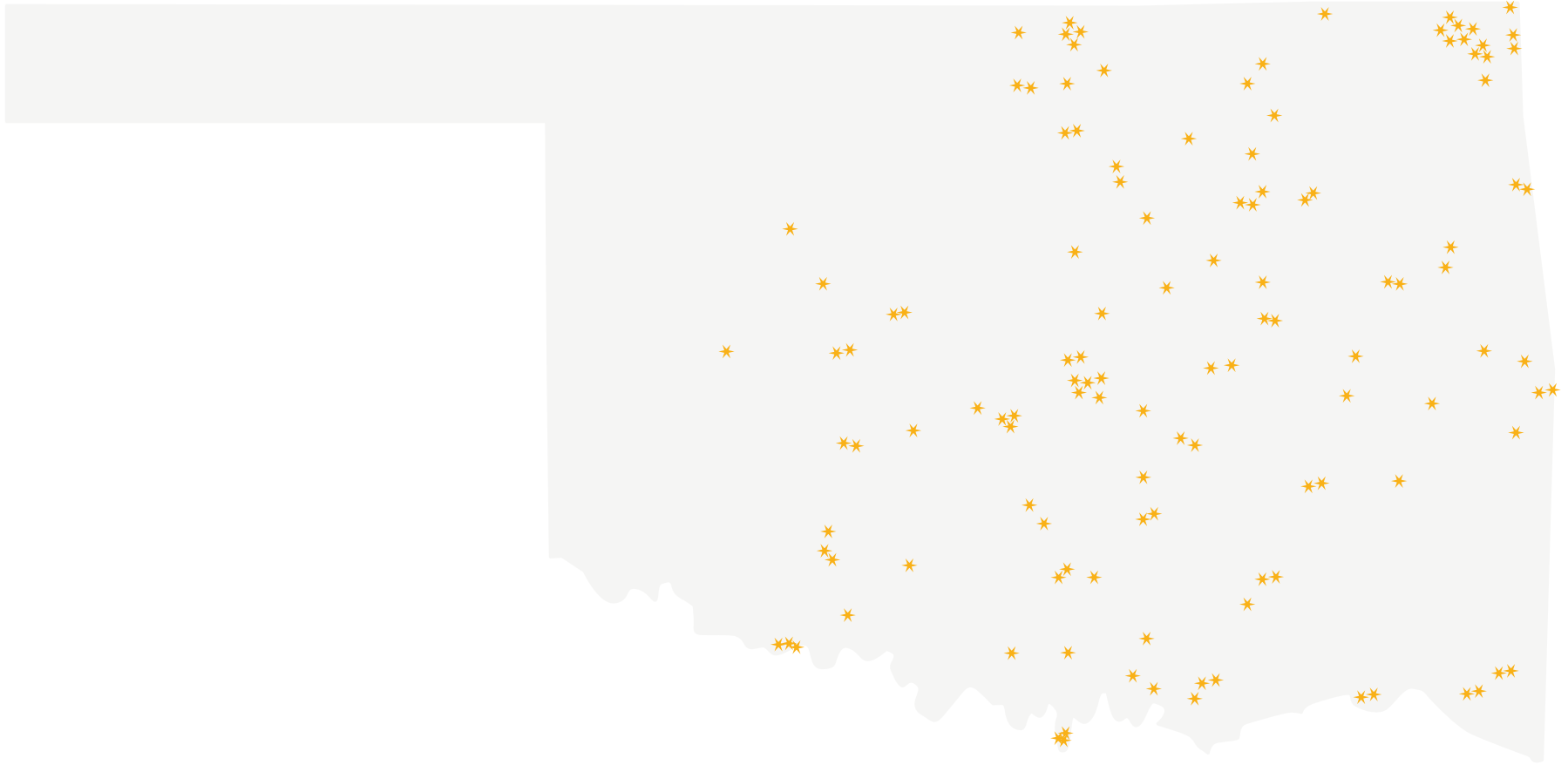
Wichita & Affiliated Tribes

Sugar Creek Casino, *Hinton*

Wyandotte Tribe of Oklahoma

Lucky Turtle Casino, *Wyandotte*
Wyandotte Nation Casino, *Wyandotte*

Map of Oklahoma Indian Casinos





Steven C. Agee Economic Research and Policy Institute

The Steven C. Agee Economic Research and Policy Institute 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 companies both large and small, city and state government agencies, chambers of commerce, and industry organizations, and sovereign nations. Institute 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.***

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 PhD 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.

KlasRobinson Q.E.D.* has extensive experience in analyzing the economic and social impact of Indian 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 Indian 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 more than 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 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.

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 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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