



casino ★ hotel ★ event center

REQUEST FOR PROPOSAL

SUBMISSION TO THE
SUMNER COUNTY BOARD OF COUNTY COMMISSIONERS
FOR THE LOTTERY GAMING FACILITY MANAGER
IN THE SOUTH CENTRAL ZONE



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Vision



Kansas Star Casino, Hotel, and Event Center will be a regional destination attraction, offering first-class gaming and non-gaming amenities, with experiences tailored specifically for the people of Sumner County, South Central Kansas, and the entire state. It has been designed with the customer in mind, to meet and even beat their expectations of Kansas fun, excitement, friendliness and value.

The vision for the resort is to offer world-class gaming entertainment, fine dining, and Las Vegas-style entertainment combined with Midwestern friendliness and warmth. Along with gaming amenities that include 1,850 state-of-the-art gaming machines, 42 table games, and a 5 table poker room, our project will include a 115-seat steakhouse and cocktail bar; a 250-seat live action buffet, a 40-seat food court, a sports bar, and a casino bar offering live music and Las Vegas-style entertainment.

Kansas Star Casino, Hotel, and Event Center will attract visitors from all parts of Kansas and across the region, starting with a 150-room suite hotel during the first phase, and expanding to 300 rooms during its second phase, with an indoor pool and spa, as well as meeting and conference space. In addition, during the first phase we will construct a 100,000 square foot event center with seating for 3,000 (expandable to 4,200 seats for concerts), including a banquet kitchen and snack bar, which can play host to world-class entertainment and sporting events.

Kansas Star Casino, Hotel, and Event Center, with its world class amenities and local flair, will be truly unique and will reflect the history and prosperity of the region. We truly believe that the Kansas Star Casino, Hotel and Event Center will make not only the residents of Sumner County, the South Central region, and the State of Kansas proud, but will become one of the state's leading tourist attractions.



Key Parties & Gaming Management Experience



Kansas Star Casino, Hotel, and Event Center, will be a wholly-owned subsidiary of Peninsula Gaming Partners, LLC. The following is a summary of Peninsula Gaming Partners business and operations.

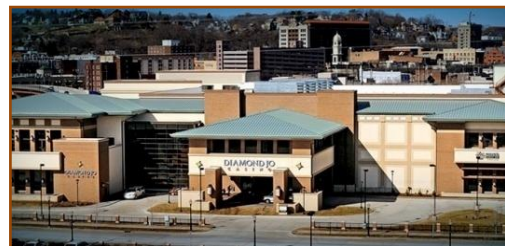
Who We Are

Since 1999, Peninsula Gaming Partners, through its 100% wholly-owned subsidiary Peninsula Gaming, LLC, has grown to encompass a group of properties including Diamond Jo, LLC, which was formed in 1999 and owns and operates the Diamond Jo Casino in Dubuque, Iowa; The Old Evangeline Downs, L.L.C., which owns and operates the Evangeline Downs Racetrack and Casino, or "racino," in St. Landry Parish, Louisiana, and five off-track betting parlors ("OTBs") in Louisiana; Diamond Jo Worth, LLC, which owns and operates the Diamond Jo casino in Worth County, Iowa; and Belle of Orleans, L.L.C., which owns and operates the Amelia Belle Casino in Amelia, Louisiana.

As you will see from the description of our properties below, Peninsula Gaming has a proud track record of growing our business through developing projects like the Kansas Star, Casino, Hotel and Event Center in markets similar to the South Central Kansas market, like the construction and development of our properties Diamond Jo Dubuque, Diamond Jo Worth, and Evangeline Downs. Every time we have committed to a project we have delivered on our promise. Our history of growth over the past twelve years is a direct testament to that commitment.

Description of Our Properties

Diamond Jo. Diamond Jo, LLC was the first gaming operation acquired by Peninsula Gaming Partners in 1999. Previously a river boat gaming operation, on December 11, 2008 the Diamond Jo opened its new land-based casino. The new Diamond Jo is a two-story, approximately 188,000 square foot facility located in the Port of Dubuque, a waterfront development on the Mississippi River in downtown Dubuque, Iowa and is accessible from each of the major highways in the area. The Diamond Jo includes 987 slot machines and 18 table games. Additional amenities include a 30-lane state of the art bowling center, a 33,000 square foot event center and two banquet rooms. The new facility also features five dining outlets, The Kitchen Buffet, a 184-seat live action buffet, 132-seat Woodfire Grille, the casino's signature high-end restaurant, 124-seat Mojo's sports bar, a deli and a snack shop, as well as three full service bars located on or near the casino floor. The Diamond Jo is open 24 hours per day, seven days per week.





The Diamond Jo has approximately 680 surface parking spaces conveniently available to our patrons, together with valet parking. In addition, the City of Dubuque, Iowa opened a four-story public parking facility in 2008 adjacent to the new casino. The parking facility includes 1,083 parking spaces and offers free parking to the public with direct access to the new casino facility from all four levels of the parking facility. In addition, a third party operates a 193-room hotel direct across the street from the new casino facility.



Evangeline Downs. The Evangeline Downs Racetrack and Casino is located in Opelousas, Louisiana. This land-based facility has a southern Louisiana Cajun roadhouse theme on the exterior, with a complimentary regional Acadian atmosphere on the interior. The racino currently includes a casino with 1,424 slot machines, an approximately 23,000 square foot event

center which opened in February 2010, parking spaces for approximately 2,447 cars, and several dining options. Our dining venues include a 348-seat Cajun buffet, a 94-seat fine-dining Blackberry's restaurant, a 60-seat Po-Boys Food Court, a 90-seat Café 24/7 and a 120-seat Mojo's sports bar with a 37-seat patio. In addition, a raised bar and lounge area known as Zydeco's occupies the center of our casino floor. In the clubhouse, Silk's Fine Dining offers a varied menu and the grandstand area contains a concession and bar for our patrons' convenience. The racino includes a one-mile dirt track, a 7/8 mile turf track, stables for 980 horses, a grandstand and clubhouse seating for 1,295 patrons, and apron and patio space for an additional 3,000 patrons. Evangeline Downs is open 24 hours per day, seven days per week.

In addition, an independent third party operator is constructing a 117 room hotel adjacent to the racino. The hotel will include 41 suites, two meeting rooms, an indoor pool, and is expected to be completed in October 2010.

Evangeline Downs currently operates five off track betting sites in each of Port Allen, Louisiana, New Iberia, Louisiana, Henderson, Louisiana, Eunice, Louisiana, and St. Martinville, Louisiana. Each of these OTBs offers simulcast pari-mutuel wagering seven days a week and is equipped to serve alcoholic and non-alcoholic beverages and food. The Port Allen OTB is located immediately off Interstate 10, across the Mississippi River from Baton Rouge. The Port Allen facility offers off-track betting, 79 video poker machines, a full-service bar, a cafe and a VIP lounge. The New Iberia OTB operation offers simulcast pari-mutuel wagering and is equipped to serve alcoholic and non-alcoholic beverages and food. The Henderson OTB, which opened in May 2005, seats 60 patrons and features a restaurant and full service bar. In August 2007, we opened our approximately 1,250 square foot expansion and began operating 46 video poker machines in Henderson. The Eunice facility offers off-track betting, 69 video poker machines, a full service bar and private parking for its patrons. In addition, in June 2010 we opened our newest location in St. Martinville Parish, Louisiana, which will offer video poker and pari-mutuel wagering.



Diamond Jo Worth. The Diamond Jo Worth land-based casino opened to the public in April 2006 in Northwood, Iowa which is located in north-central Iowa, near the Minnesota border and approximately 30 miles north of Mason City. Our casino is situated on a 36-acre site approximately an equal distance between Minneapolis, Minnesota and Des Moines, Iowa at the intersection of Interstate 35 and Highway 105. The exterior design of Diamond Jo Worth incorporates a regional gristmill and riverboat theme, with a complementary riverside docking facility atmosphere on the interior. As a result of an approximately 30,000 square foot casino expansion, which opened to the public in April 2007, the Diamond Jo Worth casino currently has 963 slot machines, 22 table games and 7 poker tables in operation, as well as parking spaces for approximately 1,300 vehicles, a 5,200 square foot event center and several dining options, including the Kitchen Buffet, a 190-seat buffet restaurant and our 114-seat Woodfire Grille, the casino's high-end restaurant, which opened in January 2008. Diamond Jo Worth is open 24 hours per day, seven days a week. In November 2006, a 100-room hotel development adjacent to the casino opened which is owned and operated by a third party. Under an agreement between Diamond Jo Worth and the third party operator, Diamond Jo Worth has the option to purchase the hotel from the third party operator. Diamond Jo Worth also operates a convenience store and gas station at the site.



Amelia Belle Casino. On October 22, 2009, Peninsula Gaming acquired the Amelia Belle Casino, in Amelia, Louisiana, which is located in south-central Louisiana. The Amelia Belle Casino is a three level riverboat with gaming located on the first two decks and includes 854 slot machines, 17 table games and 3 poker tables. The third deck of the riverboat includes a 153-seat buffet and

a banquet room. We recently completed a \$7.5 million renovation which includes a remodel of the interior, including new carpet and remodeled restrooms, 260 new slot machines and themes, reconfiguration of the gaming floor, new slot signage, a new surveillance system and painting of the exterior of the boat. The Amelia Belle Casino has parking spaces for 655 vehicles. Amelia Belle is open 24 hours per day on the weekends with hours of 9 a.m. – 3 a.m. Monday – Thursday.



Management Profiles



M. Brent Stevens – Mr. Stevens is Chief Executive Officer and is the Chairman of the Board of Managers of Peninsula Gaming Partners, LLC, which offices he has held since 1999. Mr. Stevens also serves as Chief Executive Officer of Peninsula Gaming Partners' subsidiaries. Since 1990, Mr. Stevens has been employed by Jefferies & Company, Inc., and presently is an Executive Vice President in the Investment Banking department.

Michael S. Luzich – Mr. Luzich is President and Secretary of Peninsula Gaming Partners, LLC and has been a manager of Peninsula Gaming Partners, LLC since 1999. Mr. Luzich also serves as President and Secretary of Peninsula Gaming Partners' subsidiaries. Mr. Luzich is the founder and President of the Cambridge Investment Group, LLC, an investment and development company located in Las Vegas, Nevada. Prior to October 1995, Mr. Luzich was a founding partner and director of Fitzgeralds New York, Inc. and Fitzgeralds Arizona Management, Inc., which are development companies responsible for the Turning Stone Casino near Syracuse, New York for the Oneida Tribe and the Cliff Castle Casino near Sedona, Arizona for the Yavapai-Apache Tribe, respectively.

Jonathan C. Swain – Mr. Swain was hired as Chief Operating Officer of Peninsula Gaming, LLC in July 2004. Mr. Swain also serves as Chief Operating Officer of Peninsula Gaming Partners' subsidiaries. Mr. Swain served from 2000 through July 2004 as Vice President and General Manager of Palace Station, Santa Fe Station and Sunset Station, three properties of Station Casinos Inc., a hotel and gaming company headquartered in Las Vegas, Nevada. In 1999 and 2000, Mr. Swain served as Vice President and General Manager of the Hard Rock Hotel and Casino in Las Vegas. From 1995 through 1999, Mr. Swain worked for the Aztar Resorts Inc., serving as the Corporate Vice President of Marketing and President of the Las Vegas Tropicana. Aztar Resorts, Inc. is a hotel and gaming company headquartered in Phoenix Arizona. From 1993 to 1995, Mr. Swain served as Vice President of Marketing and as Executive Director of International Marketing with the Trump Taj Mahal in Atlantic City, New Jersey.

Natalie A. Schramm – Ms. Schramm is Chief Financial Officer of Peninsula Gaming, LLC, which office she has held since 1999. Ms. Schramm also serves as Chief Financial Officer for Peninsula Gaming Partners' subsidiaries. Ms. Schramm served as General Manager of Diamond Jo Dubuque from January 1, 2003 to May 1, 2007. Ms. Schramm joined our predecessor, Greater Dubuque Riverboat Entertainment Company, L.C., in November 1996. Prior to this she was employed by Aerie Hotels and Resorts in Illinois as Corporate Accounting Manager where she was responsible for the corporate accounting functions of a casino and several hotels. She is a graduate of the University of Iowa with a degree in Accounting and is a Certified Public Accountant.





James Adams – Mr. Adams joined Peninsula Gaming, LLC earlier this year as Vice President of Legal Affairs. Mr. Adams brings eight years of experience working on complex corporate law matters, including acquisitions, financings and Securities and Exchange Commission reporting obligations. Mr. Adams was formerly an Associate in the Palo Alto office of Skadden, Arps, Slate, Meagher & Flom LLP and most recently worked for Century Link practicing securities law and mergers and acquisitions.

Karen Greene – Ms. Greene joined Peninsula Gaming, LLC earlier this year as Vice President of Advertising. Ms. Greene brings 19 years of experience and success developing and growing diverse, marquee brands and managing corporate advertising, marketing and product design. Previously, Ms. Greene was Senior Art Director at Station Casinos, Inc. and at MGM Mirage in Las Vegas. Her work has been recognized with numerous AIGA and Addy awards for illustration, design and marketing campaigns representing Bellagio and Green Valley Ranch Resort.

Proposed Project



Regional Destination Attraction

Kansas Star Casino, Hotel, and Event Center will be a regional destination attraction, offering first-class gaming and non-gaming amenities, with experiences tailored specifically for the people of Sumner County, South Central Kansas, and the entire state. It has been designed with the customer in mind, to meet and even beat their expectations for fun, excitement, friendliness and value.

The design of the facility will feature a ranch motif, with the exterior of the complex built with ruff hewn woods indigenous to the area, uniquely finished metals, and Silverdale limestone mined from local quarries. Incorporating prairie-style architecture and meticulously landscaped, Kansas Star Casino, Hotel, and Event Center will be seamlessly integrated into the surrounding environment. Kansas Star's interior will incorporate a richness of design, natural woods, specially treated metals, and attention to details that will create a memorable experience for our customers.

Casino and Resort

Our gaming area, with its arched ceiling and intricate lighting shining on state-of-the-art slot and video machines and an abundance of gaming tables, will provide guests and visitors with 24-hour fun, including live entertainment at the show lounge located right on the gaming floor, and a dedicated poker room with 5 tables.

Dining options include a 115-seat steakhouse and cocktail bar; a 250-seat live action buffet and a 40-seat food court. Our dining options will incorporate fresh ingredients purchased from local farms, dairies and grocers to provide our guests with great food with a local flair, while supporting local merchants and vendors. The casino bar will offer live music and Las Vegas-style entertainment.

Kansas Star Casino, Hotel, and Event Center will attract visitors from all parts of Kansas and across the region, starting with a 150-room suite hotel during the first phase, and expanding to 300 rooms during its second phase, with an indoor pool and spa, as well as meeting and conference space. In addition, during the first phase we will construct a 100,000 square foot event center with seating for 3,000 (expandable to 4,200 seats for concerts), including a banquet kitchen and snack bar, which can play host to world-class entertainment and sporting events.

Kansas Star Casino, Hotel, and Event Center, with its world class amenities and local flair, will be truly unique and will reflect the history and prosperity of the region. We truly believe that the Kansas Star Casino, Hotel and Event Center will make not only the residents of Sumner County, the South Central region, and the State of Kansas proud, but will become one of the state's leading tourist attractions.





Event Center

Our project includes an event center as part of a proposed mixed-use development project that will combine concerts, entertainment, and regional overnight and weekend events with retail development to increase tourism and economic activity. The event center complex will offer a unique amenity in an accessible location that will draw visitors from throughout the region.

In Phase 2 we will complete a significant \$15 million dollar expansion of the event center into a 24-acre complex that will include:

- An additional 22,000 SF of enclosed event space
- 20,000 SF lighted outdoor event area
- RV Park/Trailer Parking – 60 space water and electric hook-ups supporting participants and spectators of all elements
- Support Elements – related service/maintenance buildings/storage

The proposed new event complex can accommodate a variety of events with a local flair that will appeal to residents and visitors and provide a positive tourist experience, including:

- Concerts
- Festivals
- Family Shows
- Consumer Shows
- Tradeshows
- Sporting Events
- Civic/Community Events
- Banquets/Receptions/Social Events
- Barbeque Contests



Gaming Amenities Description and Timing

Phase 1

If selected, we anticipate that Kansas Star Casino, Hotel, and Event Center will open in November 2011 with an interim facility, which will begin generating revenue and creating new employment opportunities for the Sumner County and State of Kansas in the shortest possible time frame.

This facility will feature 1,310 slot machines from manufactures such as Aristocrat, Williams, IGT, Bally and Konami, with a range of denominations and featuring the latest slot technology and software, and will also include 32 table games, a 50 seat snack bar and several food and beverage kiosks.

Construction of the permanent gaming facility will commence three months after selection by the Review Board, progressing simultaneously with the construction of the interim facility, and will consist of a high limit slots area with 40 machines, increasing the total gaming machines to 1,350, and will add a 5 table poker room.

In addition, the permanent facility will also include a 250 seat buffet, 115 seat steakhouse, 40 seat food court, a 100,000 square foot, 3,000 seat indoor arena with the ability to hold 4,200 people for certain events and a 150 room hotel.

The permanent facility will be completed in its entirety by November 2012.

Phase 2

Phase 2 of the Kansas Star Casino, Hotel, and Event Center will add 500 additional slot machines and 10 table games. This increases our total to 1,850 slot machines, of which 40 would be located in the high-limit room for our VIP players, 42 table games and a 5 table poker room.

Phase 2 also adds a \$15 million expansion creating an event center complex, an additional 150 hotel rooms bringing the total to 300 rooms, and a sports bar.



Ideal Location

Kansas Star Casino, Hotel, and Event Center will offer unique amenities, unmatched in the region, including an event center and facilities that will host weekend and overnight events that will draw visitors from well beyond Sumner County and help Kansas Star quickly establish itself as one the region's leading tourist attraction.

Kansas Star Casino, Hotel, and Event Center are ideally located in Sumner County, at Exit 33 off Interstate 35. Due to its location off the Kansas Turnpike (I-35), the property is easily accessible to patrons from Sumner County, South Central Kansas, Northern Oklahoma and farther. In addition to our local patrons, we expect a significant number of local residents from outside of Sumner County will be frequent customers. The heart of Wichita is approximately a 15 minute drive and Oklahoma City is a little more than two hours. This interchange offers simple ingress/egress to and from the destination and Kansas Star will be prominently visible from the Kansas Turnpike, which will encourage visits from travelers on I-35.

Kansas Star will be a hybrid casino focusing on gaming and high frequency customers, but its breadth of assets and two large entertainment venues make it an entertainment destination that will draw patrons who might otherwise not visit a casino.

The superior gaming, dining and entertainment experience will help keep Kansas dollars in Kansas (and in particular, in Sumner County) that are currently being lost to Oklahoma, as Kansas Star will be the only Las Vegas style casino within 100 miles. Local residents will no longer need to drive to casinos in Oklahoma for the gaming entertainment they desire, and will be offered a host of entertainment and dining options that are not available at other regional casinos. With regard to consumers from beyond Sumner County and the South Central Kansas region, the facility will significantly increase tourism due to the quality of the gaming experience provided, excellent dining, and overnight and weekend entertainment events that will draw guest from throughout Kansas and the Midwest.



Site Location

The following map shows the location of our project, which is comprised of the two real estate parcels outlined on the map.





Principal Consultants

We have completed a substantial portion of the pre-development design work on our project, including assembling what believe is an architectural and design team with world class talent and Midwestern roots. This includes:

- Schwerdt Design Group, based in Topeka, Kansas, and YWS Architects, a leading casino design firm located in Las Vegas, Nevada, which will partner as architects for our project;
- Conlon Construction, based in Dubuque, IA, which will serve as construction manager for the project, utilizing local contractors for completion of the project; and
- Populous, an international design firm with offices in Kansas City, which will serve as a consultant to YWS for the design and construction of the event center.

Brief descriptions of the history and qualifications of these Project Consultants follow.



SDG Profile

Schwerdt Design Group was founded in 1990 with the goal of building a better community through design excellence and personalized service to our clients. We listen carefully to our clients and then help them develop the most comprehensive and effective solutions to their specific needs. In order to provide the highest quality service to our clients, our staff continually engages in technical research and professional development to remain on the leading edge of our profession.

Success in fulfilling our goal has enabled **Schwerdt Design Group** to grow to a 24-person architecture, interiors, and planning firm offering comprehensive design services throughout the Midwest and many parts of the United States.

SDG's corporate office is located in Topeka, Kansas, with a branch office in Oklahoma City, Oklahoma. **SDG** also has an affiliated interior design firm, Schwerdt Contract Interiors, also with offices in Topeka and Oklahoma City. Members of **SDG** are registered in 46 states.

Schwerdt Design Group has been involved in a broad range of design projects since its inception. Today we remain a multi-disciplined firm working on a vast cross-section of commissions. These projects range from specialized facilities such as the Capper Foundation, a therapy/education center for children with mental and physical disabilities, to research facilities such as the \$35 million canine facility for Hill's Science and Technology Center. Other project types in which **SDG** has been involved include:

- Office Buildings
- Financial Institutions
- Churches and Religious Entities
- Historic Preservation/Restoration
- Master Planning
- Educational and Athletic Facilities
- Hotels
- Multi-Family Housing
- Healthcare and Medical Facilities
- Corporate Facility Management
- Senior Living
- Dining and Hospitality
- Retail Centers
- Industrial and Warehouse Facilities

In all of our projects, we have successfully fulfilled the client's program while meeting the designated budget and schedule. We believe the number of repeat clients we enjoy is a testament to our design success. Equally important, we can offer testimonial from many General Contractors regarding the quality of our construction documents and fairness in handling construction administration.



ywsAMERICA

serious about leisure™

YWS America has extensive experience designing casinos, hotels and resorts, restaurants, nightclubs and lounges, and entertainment venues across North America and around the world. Through design innovation, operational insight and customer focus, we help ensure the success of our clients. We are designers and architects focused on the serious business of leisure.

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hospitality

entertainment

gaming

dining

fun!



YWS America is committed to sustainable design,
and is a member of the U.S. Green Building Council.



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Fax: 563.583.3030

CONLON

LONG TERM CLIENT LISTING

CLIENT	YEAR
Shelburne Dominican Sisters	1900
Louis College	1904
Clarke College	1904
Archdiocese of Dubuque	1932
Nasau Manufacturing Co.	1940
American Trust & Savings Bank	1943
Farmhand Foods, Inc.	1946
Sisters of Charity BVM - Mount Carmel	1950
Mary Medical Center	1952
Sisters of the Presentation	1953
Alliant Energy	1960
John Deere Dubuque Works	1960
City of Dubuque	1968
Sisters of the Visitation	1970
Target Corporation	1979
Health City of Dubuque	1980
Forene Industries	1983
Knox Corporation	1989
The Friday Hospital	1990
Sisters of St. Francis	1993
Best Buy Co., Inc.	1995

WWW.CONLONCO.COM

A foundation built upon guts and hard work



Richard F. Conlon, an innovator who believed in "guts and hard work" along with good, sound business practices, founded Conlon Construction Co. in 1903. Through the first two decades of the 20th century he led his men across southwestern Wisconsin through a variety of mechanical, electrical, and civil engineering projects in Cuba City and the surrounding area. By 1922, the Company moved to relocate their office to Dubuque, Iowa, where great opportunities were available for the growing Conlon family. In the mid-1930's, the Company, now in the capable hands of the second generation of Conlons, had become firmly established in the region through the construction of a number of prominent college and university buildings, homes, religious structures and municipal buildings throughout Iowa, Wisconsin and Minnesota.

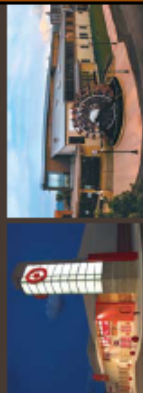
As the decades have passed, a third generation of Conlons - Steve, Mike and Tim - have assumed the mantle of leadership and commitment to Richard Conlon's timeless values. These values are the reason Conlon Construction Co. is able to celebrate over 100 years of excellence - a milestone Richard would have been proud of.

In 2010, Conlon entered into its first contract with Target Corporation paving the way for hundreds of projects for the national retailer all over the United States as well as the Virgin Islands and Puerto Rico. In 2006, Conlon received its "Silver Vendor of the Year Award" in recognition of leadership, dependability, superior service and support for Target's "Speed to Life" philosophy. Conlon currently operates in all 50 states providing varied construction and store layout services for major retail clients. Expanding capabilities and knowledge of the unique requirements for retail construction has allowed for a greater range of services and significant growth for the Company.

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CONLON

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SINCE 1903



PROJECT MANAGEMENT
CONSTRUCTION
GENERAL CONSTRUCTION
DESIGN BUILD
ESTIMATING AND BUDGETING
REAL ESTATE DEVELOPMENT
FUTURE AND FURNITURE INSTALLATION
LEED/SUSTAINABILITY MANAGEMENT
BUILDING MAINTENANCE

An environmentally responsible construction company.



Since 2007, Conlon has been a member of the United States Green Building Council. USGBC is a community of leaders working to transform the way building and communities are designed, built and operated. Conlon shares in their vision for environmentally responsible, healthy and prosperous construction that improves quality of life. Conlon is also proud to have Project Managers who are LEED® Accredited Professionals. LEED® AP's are recognized as being highly skilled and the LEED® certification process. Conlon Construction Co., built Tag at Allen Park, Michigan, it was awarded LEED® Silver certification.

Infrastructure Improvements



Traffic

Our proposed site is in the northeast quadrant of Sumner County, between the Kansas turnpike and U.S. 81, 3.5 miles west of Mulvane, and 2 miles east of Peck. As part of the development of the project, we anticipate the widening of US-81 and K-53 where necessary to provide new left and right turn lanes at all property entrances.

We will work with a traffic engineering consultant and the Kansas Department of Transportation to examine the existing highway and street access to the facility. Based on the recommendation of KDOT and the traffic engineering consultant, an in-depth Traffic Impact Analysis (TIA) will be prepared during the design phase. The TIA will determine potential traffic impacts and provide the catalyst for design changes that will be made to the interchange, highways and roads to ensure efficient operation.



Site Utilities



Water Supply

We are currently evaluating obtaining water service from Mulvane, as well as other available options. In making this decision, we will seek input from the County Commission, as it is our desire that the entire area benefit from the extension of utility services to serve our project. We will pay for all necessary water supply improvements as a project cost and existing residences will be permitted to access our water improvements. We believe this will result in a substantial reduction in homeowners insurance premiums for those residents impacted by the extension of water service to our project.

Sewer Options

We are currently evaluating obtaining sewer service from Mulvane. It is our understanding that Mulvane's wastewater treatment plant currently has the capacity to treat wastewater from our project, and that it is possible to expand such plant to accommodate our project and associated economic development. The Kansas Star Casino, Hotel, and Event Center will pay for the necessary improvements as a project cost, no matter which alternative is chosen.

Electricity

It is our understanding that Westar has the capacity to meet the electrical needs of Kansas Star Casino, Hotel, and Event Center. We expect the property will be served by the combination of existing transmission lines and installation of a transformer as part of our project. Utility and infrastructure improvements are included in our Phase I budget, and all related costs would be paid by Kansas Star Casino, Hotel, and Event Center.

Natural Gas

An existing gas line runs north and south along Highway 81 and it is our understanding that we will be able to obtain service from Kansas Gas Service by accessing this existing gas line. Utility and infrastructure improvements are included in the Phase I budget, and all related costs would be borne by Kansas Star Casino, Hotel, and Event Center.



Emergency Services Facility



Currently the project site is served by emergency services located 3.5 miles away in Mulvane, with backup services being provided by Belle Plaine, Wellington and Southern Sedgwick County.

Our project provides for a dedicated, fully-equipped onsite emergency services facility, with a full time staff of local fire, police and medical personnel, paid for with local tax revenue generated by our project.

This facility will greatly enhance the emergency services currently serving the local residents resulting in significantly faster response times as well as ensuring the safety of our guests.

As an added benefit, we expect local residents will enjoy a significant reduction in insurance rates as a result of our proposed facility.

We believe our proposal will provide a significant increase in the safety and welfare of the local residents through improved access to law enforcement, firefighting and emergency medical services. In addition, the casino's private security force will augment these services by providing a highly visible presence on site that will deter crime and ensure the safety and security of the surrounding area.



Project Budget



Kansas Star Casino, Resort, and Hotel Development Budget (\$ in Thousands)

	PHASE 1A	PHASE 1B	PHASE 2	TOTALS
(1) Architecture and Engineering Costs	\$2,642,000	\$2,835,000	\$1,680,000	\$7,157,000
(2) Land Acquisition Costs	20,250,000	-	-	20,250,000
(3) Site Development Costs, including:				
(A) Survey	50,000	25,000	12,500	87,500
(B) Soil and Site Work	1,035,000	951,000	38,882	2,024,882
(C) Utilities	12,412,400	629,000	16,900	13,058,300
(D) Parking Lot; Sidewalks, Fencing, Landscaping & Pylon Sign	5,473,000	5,939,686	668,120	12,080,806
(E) Transportation Access	7,540,000	-	-	7,540,000
(4) Facility Construction Cost, including:				
(A) Gaming Facility itself	28,658,475	36,418,073	10,982,728	76,059,276
(B) Ancillary Operations, Public Emergency Services Facility, & Equine Center	500,000	2,097,780	13,401,233	15,999,013
(C) Security and Fire Equipment	925,000	1,295,508	284,870	2,505,378
(5) Equipment Acquisition Cost	39,500,878	1,686,500	12,000,000	53,187,378
(6) Cost of Interim Financing	-	-	-	-
(7) Organization, Administrative and Legal Expenses	1,603,420	-	-	1,603,420
(8) Projected Permanent Financing Costs	4,000,000	-	-	4,000,000
(9) Marketing Costs	600,000	-	-	600,000
(10) Casino Bankroll	4,000,000	-	1,000,000	5,000,000
(11) License Fee	25,000,000	-	-	25,000,000
(12) Third Party Hotel	-	19,600,000	18,750,000	38,350,000
TOTALS:	\$154,190,173	\$71,477,547	\$58,835,233	\$284,502,953



Project Financing



We have sufficient ability to fund the \$226 million Phase 1 of Kansas Star. Of the total, \$38 million will be in the form of customary equipment and vendor financing. In addition, we will draw up to \$130 million of bank debt and \$50 million of bond debt. We have term sheets with respect to these financings from Wells Fargo, Bank of America, and Credit Suisse. In addition, we expect our existing properties to generate more than \$65 million of cash flow available to invest in Kansas Star during its development. These sources of funds total more than \$283 million. In contemplation of this financing, our existing financing arrangements already provide for the ability to finance this project as described. As well, we anticipate that the \$20 million hotel will be developed by a third party hotel company similarly to two of our existing local market properties.

Benefit to Sumner County



Our project site is located in close proximity to the large metropolitan area of South Central Kansas and will provide a dynamic engine for the expansion of commercial, retail, and residential development in Sumner County.

Upon completion, Kansas Star Casino, Hotel, and Event Center will provide the following direct benefits to the people of Sumner County:

- Directly employ approximately 622 people.
- Create over 1,700 additional jobs.
- Estimated to pay over \$4.0 million in gaming tax annually to Sumner County.
- Estimated to pay over \$4.6 million in property tax annually to Sumner County.
- Estimated to pay over \$44.9 million in gaming tax annually to the State of Kansas.
- Bring significant new tourism to the County.
- Serve as an anchor for significant third party retail development.



Kansas All-Star Scholars Fund “Ad Astra”



We are committing \$1.5 million annually to the families of Sumner County, through the creation of the Kansas All-Star Scholars Fund “Ad Astra.”

Kansas All-Star Scholars Fund “Ad Astra” A powerful and effective tool to attract families with school age children to the area AND boost economic development can be found in this powerful community-based program. Here’s how it would work:

- To support education in the region, all students in grades K-12 would be given a \$100 educational reward card to be used at area merchants to purchase back-to-school supplies. These cards would be distributed at the time of enrollment each August. Certain restrictions would apply to the use of the card. Those and other operational questions would be addressed by a local non-profit board established to oversee the program.
- Further, in an effort to underscore the importance of education and enhance the program’s marketing feature & attract families with school age children to the area, all graduating high school seniors in Sumner County and Mulvane would be given a \$1,000 scholarship to be used toward their post-secondary endeavors.
- A non-profit board, the Kansas All-Stars Scholars “Ad Astra” Board, would be appointed to oversee the administration of the program. This blue-ribbon panel would be comprised of local business leaders, K-12 education leaders and recognized leaders from the state’s higher education community. Its membership (5 members) would be appointed by state and local officials and serve set terms.

The balance of funds remaining each year after funding the Kansas All-Star Scholars Fund “Ad Astra” will be contributed to Sumner County’s general fund.

We believe this program will attract new families to Sumner County and promote education, while at the same time supporting local merchants, spurring economic development, and contributing to the County’s general fund, which will benefit all of Sumner County.



Summary



In summary, we are extremely proud of our proposal for Kansas Star Casino, Hotel, and Event Center and believe it will bring a unique entertainment experience unmatched in the region, while providing a dynamic new engine for economic development in Sumner County and the South Central region of Kansas.

We are confident that our project meets and exceeds all criteria in the Sumner County Board and County Commissioner's request for proposal, and includes several key attributes that distinguishes our proposal as the best choice for Sumner County and the State of Kansas:

- **Expertise** - Peninsula Gaming has a proud track record of growing its business through developing projects like the Kansas Star, Casino, Hotel and Event Center in markets similar to the South Central Kansas market, like the construction and development of our properties Diamond Jo Dubuque and Diamond Jo Worth and Evangeline Downs. Every time we have committed to a project we have delivered on our promise. Our history of growth over the past twelve years is a direct testament to that commitment.
- **Capital** - Our project brings financial certainty. We have more than \$283 million available to fully fund our project.
- **Location** - Kansas Star Casino, Hotel, and Event Center will be located at Sumner County's best site in order to maximize revenues to Sumner County and the State of Kansas – a site that offers exceptional visibility and ease of access from the Kansas Turnpike and Highway 81.

Thank you for allowing Kansas Star Casino, Hotel, and Event Center the opportunity to respond to this request for proposal. We look forward to working with the Sumner County Board of County Commissioners and residents of Sumner County to bring a first-class gaming facility to South Central Kansas.

KANSAS STAR

casino ★ hotel ★ event center



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