

Second Year Evaluation of Riverboat Licensee for Rising Sun, Indiana: Grand Victoria Casino & Resort, LP

February 1999

Introduction.....	1
Project Development and Investment.....	1
Development Activities.....	1
Other Commitments.....	2
Community Activity.....	6
Minority/Women Business Enterprise.....	6
Economic and Fiscal Impacts.....	6
Employment and Earnings Impacts.....	6
Local Economic Impact.....	9
Impact on Tourism.....	9
Legal Issues.....	9
Other Impacts.....	10
Summary of Findings.....	10

Introduction

The Riverboat Gambling Act, effective July 1, 1993, authorized the Indiana Gaming Commission to issue licenses for the express purpose of riverboat gambling in the state of Indiana. One of the statutory criteria for issuance of these licenses is the applicant's ability to promote economic development in the home dock area while best serving the interest of the citizens of Indiana. As an aid to fulfilling its legislative requirements, the Indiana Gaming Commission (Commission) contracted with the Center for Urban Policy and the Environment (Center) of Indiana University's School of Public and Environmental Affairs to perform the economic impact, fiscal impact, financial, management, and other analyses required to assist the Commission in awarding licenses. As part of that contract, the Center has committed to monitor over time the economic impacts and fiscal returns from each riverboat operation.

On June 30, 1995, the Commission issued a Certificate of Suitability for a Riverboat Owner's License for a riverboat to be docked in Rising Sun, Indiana. Grand Victoria Casino & Resort, LP (Grand Victoria), formerly Rising Sun Riverboat Casino & Resort, LLC, received its license on September 6, 1996, and commenced full-time gaming operations on October 4, 1996. (Two test cruises took place in September 1996.) This report is an evaluation of Grand Victoria's second year of operation.

Project Development and Investment

Development Activities

In the Certificate of Suitability (referred to throughout as certificate), Grand Victoria committed to spend approximately \$94.5 million on project development, in addition to pledging to the city of Rising Sun other incentives totaling several million dollars.

The 2,700-passenger riverboat opened with 40,000 square-feet of gaming space. A facility consisting of a 200-room hotel, a 125,000-square-foot permanent pavilion, and 2,000 parking spaces opened on July 25, 1997, and a 1,100-seat events/showroom that is part of the permanent pavilion was opened on December 31, 1997. Construction on an 18-hole golf course was begun in summer 1998 and is scheduled to open in the fall of 1999 or Spring of 2000.

As Table 1 illustrates, Grand Victoria spent \$40 million more than agreed to in the certificate for the development of the project, including an additional \$15.8 million for the boat, \$6.6 million more than projected for casino equipment, and \$16.4 million more than projected for land-based construction. The additional land-based construction costs funded upgrades to Rising Sun's water, sewage, and electrical systems. Grand Victoria estimates that they will incur an additional \$6.1 million in construction costs to complete the development.

Table 1: Actual Versus Predicted Development Costs (\$ 000s)

Development	Certificate of Suitability	1996-97 Actual	1997-98 Actual	Difference
Land	\$9,250	\$10,100	0	\$850
Vessel	\$24,000	\$39,800	0	\$15,800
Casino Equipment	\$8,500	\$15,100	0	\$6,600
Pre-opening Costs	\$6,500	\$6,500	\$2,349	\$2,349
Land Based Construction	\$40,250	\$51,000	\$5,700	\$16,450
Working Capital	\$2,500	\$1,000	0	(\$1,500)
Cash on Hand	\$2,500	\$3,000	0	\$500
Loan Commitment Fee	\$1,000	0	0	(\$1,000)
TOTAL DEVELOPMENT	\$94,500	\$126,500	\$8,049	\$40,049

Other Commitments

As Table 2 illustrates, Grand Victoria is on schedule with all of their incentive payments.

Table 2: Schedule and Description of Incentive Payments

Incentive	Promised Amount	Recipient	Amount Paid Through 9/30/97	Amount Paid through 9/30/98	Status
A) Rising Sun Redevelopment Commission	\$3,500,000	City of Rising Sun	\$2,157,296	\$1,031,077	Current
B) Community Park	\$500,000	City of Rising Sun	\$207,594	\$250,248	Current
C) Rising Sun/Ohio County Convention, Tourism, & Visitors Bureau	\$300,000	City of Rising Sun	\$300,000		Complete year 1
D) Contribution to Rising Sun Regional Foundation	\$1 per admission, no limit	City of Rising Sun	\$2,156,393	\$3,683,677	Ongoing
E) Road improvement advance*	Up to \$4,000,000	City of Rising Sun	\$689,372		City has paid back loan
F) Road improvements	Up to \$2,500,000	Indiana Dept. of Transportation	\$2,500,000		Complete year 1
G) Reimbursement for legal, financial, and consulting fees	Up to \$112,500	City of Rising Sun	\$112,500		Complete year 1

*These funds represent a loan to the town of Rising Sun; the funds were repaid to Grand Victoria through a reduction in their admission tax to the town of Rising Sun.

Table 3 represents some of the uses that the city of Rising Sun's 1998 budget had for riverboat revenue:

Table 3: Rising Sun Riverboat Fund Capital Budget

Wastewater-sewer	\$481,786
Water treatment	324,656
Electric improvements	234,581
Street improvements	1,483,004
Schools- educational projects	640,000
Library	104,600
Port Authority	32,786
New City Hall	1,157,577
Seniors building	127,760
Swimming pool	942,781
Downtown sound system	25,000
Riverbank stabilization	35,373
Riverwalk extension	30,000
Life squad	190,500
Fire department	119,043
Police department	277,218

For every casino admission, Grand Victoria makes a \$1 contribution to the Rising Sun Regional Foundation. So far, \$1,550,000 has been contributed to Dearborn, Ripley, and Switzerland counties to enable participating communities to establish community foundations. Another \$546,295 has been set aside as a Permanent Reserve Fund. Table 3 lists the grants that the foundation has made to organizations in Southeastern Indiana from inception through November 1998:

Table 3: Rising Sun Regional Foundation Grants

Name	Project	Award
Arts, Culture, Humanities		
City of Aurora	Production of musical	\$ 2,500
Hillforest Historical Foundation	Drainage Improvement	\$ 10,000
Historic Vevay, Inc.	Oral History of Switzerland	\$ 2,500
Milan Community School Corp.	Books/Accelerated Reading	\$ 2,500
Musee de Venoge, Inc.	Venoge Farmstead	\$ 2,400
Napoleon Community	Recreation & Rest Swan Lake	\$ 2,453
Ohio County Historical Society	Renovation Comprehensive	\$15,000
Community Improvement/Capacity Building		
American Legion/ St. Joseph Post #4	Capital Addition to Facility	\$ 50,000
Aurora Park Board	Preliminary Engineering	\$ 36, 200
Bear Branch Volunteer Fire Department	Construction of Fire Department	\$ 50,000
Center Township-Ripley County	Otter Village Cemetery	\$ 8,000
City of Aurora	Utilities/Infrastructure Plan	\$ 10,000
City of Greendale	Transportation Improvement	\$ 25,000
City of Rising Sun	New Medical Clinic	\$ 50,000
Community Foundation of Switzerland County	Challenge Grant Program	\$ 500,000
Dearborn County Community Foundation	Challenge Grant Program	\$ 500,000
Dearborn County Community Foundation	Main Street Aurora	\$ 17,000

Table 3 (cont'): Rising Sun Regional Foundation Grants

Name	Project	Award
East Enterprise Regional Sewer District	Water Line Extension and Renovation	\$ 32,000
Florence Regional Sewer District	Install a Complete Sewer	\$ 75,000
Friendship Regional Sewer District	Sewer System Construction	\$ 25,000.00
Historic Hoosier Hills RC&D	Community Network System	\$ 38,655
Historic Vevay, Inc.	Historic Hoosier Theater	\$ 7,646
Jac-Cen-Del Community School Corporation	Summer Day Care Program	\$ 11,000
Jac-Cen-Del Community School Corporation	Surface Upgrade/Playground	\$ 2,500
Milan Lions Club	Handicapped Access. Rest.	\$ 14,000
Moorefield Community Fire Department	Purchase of Midsize Pumper	\$ 15,000
New Horizons Rehabilitation	Children's Resource Center	\$ 50,000
Ohio County Community Foundation	Challenge Grant Program	\$ 500,000
Ohio County Historical Society	Museum Renovate and Promo	\$ 45,413
Osgood Lions Club	Fairground Flagpoles	\$ 2,500
Otter Creek Township Fire Department	Equipment Update	\$ 24,383
Posey Volunteer Fire Department	Interior Finishing and Insulation	\$ 11,316
Ripley County Department of Parks and Recreation	Renovation of Grandstand	\$ 20,000
Ripley County Department of Parks and Recreation	Blacktop Paving	\$ 25,000
Ripley County 4-H Corporation	Relocate Horse and Pony Barn	\$ 14,123
Ripley County Community Foundation	Challenge Grant Program	\$ 500,000
Rising Sun/Ohio County City Housing	Upkeep of the Complex	\$ 25,000
Rural Alliance for the Arts	Public Events Project	\$ 19,500
Scholarships-Indiana Academy		\$ 2,277
South Dearborn Community School	Community Park	\$ 50,000
Southeastern Indiana Reg. Plan County	Acquisition of Office Complex	\$ 50,000
Southeastern Indiana YMCA	48 Passenger Bus	\$ 44,200
Southern Indiana Rural Dev.	Leadership Development	\$ 8,000
Southern Ripley County Humane Society	Equipment for Shelter	\$ 20,000
St. Anthony of Paduca Catholic Church	Community Track	\$ 23,200
Sunman Area Soccer Association	Construction of Soccer Fields	\$ 10,000
Sunman Park Board	Community Building Kitchen	\$ 1,200
Switzerland County Park and Recreation Board	Markland Dam Park Reno	\$ 38,000
Switzerland County Sportsman Club	Building Construction	\$ 5,000
Switzerland County Commissioners	Senior Citizens Center	\$ 50,000
Switzerland County Public Library	Automated Conversion Project	\$ 21,031
Town of Helton	Holton Community Park	\$ 39,500
Town of Milan	H2O Line Connection	\$ 50,000
Town of Milan	Major Sewer Project	\$ 50,000
Town of Moores Hill	Senior Citizens Center	\$ 75,000
Town of Napoleon	Senior Citizens Center	\$ 50,000
Town of Osgood	Construction for Drainage Problem	\$ 50,000
Town of Sunman	Walkway	\$ 9,500
Town of Versailles	Sidewalk Replacement Project	\$ 20,000
Town of Versailles	Sewer Collection System Ren.	\$ 50,000
Town of Vevay/Police Department	Police Materials	\$ 5,000
Versailles Police Department	Community Policing Program	\$ 5,100
Versailles Fire Department	Replacement of Fire Hose	\$ 2,500
Vevay Park Board	Paul W. Ogle Riverfront Park	\$ 35,875

Vevay Park Board	Lift Station	\$ 5,000
Vevay Park Board	Paul Ogle Riverfront Park	\$ 10,885
Vevay Town Board	Utility Department Equipment	\$ 50,000

Table 3 (cont): Rising Sun Regional Foundation Grants

Name	Project	Award
Education/Instruction		
Indiana Youth Advocate Program	Resource Center and Lending Library	\$ 2,500
Jac-Cen-Del Community School Corporation	Continuation of Buddy Pre-School	\$ 50,000
Jac-Cen-Del Community School Corporation	Accelerated Reader Program	\$ 37,300
Milan Community School Corporation	Southeastern Indiana Alt.	\$ 50,000
Milan Community School Corporation	"Baby Think it Over" Dolls	\$ 9,800
Rising Sun/Ohio County Schools	Computer Mini Labs	\$ 25,000
Rising Sun/Ohio County Schools	Technology Plan	\$ 25,000
Rising Sun/Ohio County Schools	Technology Update	\$ 49,371
Scholarships-1997		\$ 13,000
Scholarships-1998		\$ 23,000
South Ripley Community Schools	Accelerated Reader Program	\$ 6,425
South Ripley Community Schools	Baseball Field Lighting Systems	\$ 10,000
South Ripley Community Schools	Video/Editing Club	\$ 1,576
South Ripley Community Schools	Expansion of Technology	\$ 50,000
St. Louis School	Automation of Library	\$ 11,765
Sunman-Dearborn School	Buddy Project	\$ 39,250
Switzerland County Library	1998 Summer Reading Project	\$ 2,445
Versailles State Park	Sound System/Nature Center	\$ 579
Health, General, and Rehabilitative		
Dearborn/Ohio County Red Cross	Computer System	\$ 2,485
East Enterprise Fire Department	Extrication	\$ 5,573
Patriot Volunteer Fire Department	Equipment Upgrade	\$ 10,000
South Ripley Community School	Career Pathways Program	\$ 4,000
Switzerland County Emergency Unit	EMT Training Equipment	\$ 1,400
Town of Osgood	Medical Center	\$ 50,000
Versailles Volunteer Fire Department	Fire Fighter/Series Training	\$ 2,831.00
Human Service-Multi-Purpose/Other		
Area 12/Council on Aging	SEIT Bus	\$ 10,000
Milan Housing for Elderly	Lamplate Villa	\$ 2,500.00
New Horizons Rehab. Inc.	New Day Program	\$ 12,981
Town of Dillsboro	Dillsboro Public Library	\$50,000
Ohio County 4-H Board	Cages and Pens	\$ 2,500
Rising Sun Soccer Association	Uniforms	\$ 2,500
Southeastern Indiana YMCA	National Youth Program	\$ 15,000
Switzerland County Child Abuse Prevention Council	Kid-Ability	\$ 1,000

Rising Sun and Ohio County each share one-half of the admission tax revenue they receive from admissions to Grand Victoria. Each quarter, two counties and 14 municipalities receive a portion of the proceeds from the admissions tax, with the formula for revenue sharing based on population: the greater the population, the more money the government will receive. Ripley and Switzerland counties are part of this plan, as are the following municipalities: Aurora, Dillsboro, Greendale, Moores Hill, St. Leon, and West Harrison (Dearborn County); Holton, Milan, Napoleon, Osgood, Sunman, and Versailles (Ripley County); and Patriot and Vevay (Switzerland County). It should be noted that Switzerland County and its municipalities received funds until the fifth Ohio River license was awarded to Hilton/Boomtown in Switzerland County. Pursuant to the original revenue sharing agreement, they will no longer receive revenue sharing funds. The only exception is Patriot, which will receive half of its original allocation until the Switzerland County boat opens. In addition, in 1999, the only Dearborn County municipality that will continue to receiving revenue is Aurora, who will also receive half of their original allocation.

Table 4: Rising Sun/Ohio County Revenue Sharing Fund Distribution

County	1997 Amount (Rising Sun)	1997 Amount (Ohio County)	1998 Amount (Rising Sun)	1998 Amount (Ohio County)
Ripley	\$214,981	\$293,471	\$393,346	\$397,638
Switzerland	91,696	125,175	167,776	161,755
Aurora	149,842	204,550	274,165	277,156
Greendale	151,989	207,481	278,092	281,126
West Harrison	12,451	16,997	22,782	23,030
Saint Leon	19,321	26,375	35,350	35,736
Moores Hill	25,403	34,678	46,479	46,987
Dillsboro	47,014	64,178	86,020	86,959
Milan	59,894	81,762	109,587	110,783
Sunman	24,401	33,310	44,646	45,134
Holton	17,675	24,128	32,340	32,692
Osgood	66,120	90,260	120,977	122,298
Napoleon	9,302	12,699	17,021	17,206
Versailles	70,127	95,730	128,310	129,710
Patriot	7,494	10,257	13,747	13,254
Vevay	54,527	74,435	99,768	96,188
TOTAL*	\$1,022,238	\$1,395,486	\$1,870,406	\$1,877,653

*There is a difference in the amount of revenue distributed by Rising Sun and Ohio County through revenue sharing because both the town and the county subtracted administrative costs from the funds before distribution.

Community Activity

In period from October 1997 through September 1998 Grand Victoria made donations to more than 70 community groups including Hoosier Trail Council for summer camp, United Fund of Dearborn County, and Rising Sun High School. They sponsored several community events including Rising Sun Navy Bean Festival, PTO Fall Festival, Rising Sun Band Boosters Annual Car Show, and the Rising Sun July Fourth Celebration. Grand Victoria's senior management is involved in several local organizations and is represented on several local boards of directors, including Rising Sun/Ohio County Convention, Tourism, & Visitors Bureau, Mainstreet Merchants Association, Rising Sun City Council, , Ohio County Community Foundation, and Rising Sun Chamber of Commerce.

Minority/Women Business Enterprise

In the Indiana riverboat legislation, the Indiana General Assembly stated that the opportunity for full enterprise participation in the riverboat industry for minorities and women is essential if social and economic parity for all citizens is to be obtained and if the economies of the riverboat cities are to be stimulated as contemplated by this legislation. Grand Victoria committed to meeting the goals of the legislation in their first year. According to their goals, Grand Victoria said they would expend ten percent of the dollar value of their contracts for goods and services from minority-owned businesses five percent from women-owned businesses. The Commission, through the Indiana Department of Administration's Office of Minority Business Development (OMBD), has established and administers a unified certification procedure for minority and women's enterprises that conduct business with riverboat operations. OMBD has recently submitted the 1996 and 1997 expenditure reports for Grand Victoria. The Commission has not yet audited these reports.

According to the OMBD, in 1996, 6.2 percent of Grand Victoria's purchases were from minority-owned businesses and 3.71 percent were from women-owned businesses. In 1997, 3.07 percent of purchases were from minority-owned businesses and 1.07 percent of purchases were from women-owned businesses.

Economic and Fiscal Impacts

Employment and Earnings Impacts

Grand Victoria began hiring and training the majority of their employees in November 1995. Training was provided by Hyatt.

As Table 5 indicates, Grand Victoria estimated in its application employment of 1,398 persons in the casino and hotel for annual wages totaling approximately \$41 million. As of October 1, 1998, Grand Victoria had 1,407 employees. For 1997-1998, salaries and wages were \$38.3 million, including tips to dealers (but not to bar and wait staff). This figure is \$3 million less than the employee earnings Grand Victoria estimated in their application. Only full-time employees receive health care coverage and life insurance benefits. Six percent of employees work part-time.

Table 5: Comparison of Forecast to Actual Grand Victoria Operation 10/97-9/98

Category	Application Forecast Year 2	Actual 1997-1998	Difference
Employment as of 10/98	1,398	1,407	9
Total Wages, Tips, & Benefits	\$41,287,523	\$38,326,037	(\$2,961,486)
Attendance	2,190,000	3,683,677	
Gross Gaming Receipts	\$114,975,000	\$163,412,076	\$48,437,076
\$ per Patron per Cruise	\$53*	\$44	(\$9)
Gaming Tax (State)	\$17,246,250	\$24,592,682	\$7,346,432
Gaming Tax (Local)	\$5,748,750	\$8,197,561	\$2,448,811
Admission Tax (State)	\$2,190,000	\$3,683,677	\$1,493,677
Admission Tax (County)	\$2,190,000	\$3,683,677	\$1,493,677
Admission Tax (City)	\$2,190,000	\$3,683,677	\$1,493,677

* Applicant Average for Rising Sun was \$55.

As Tables 5 and 6 indicate, Grand Victoria has exceeded forecasts in both years in all areas except wages and win-per-patron per cruise. As Table 7 indicates, Grand Victoria has increased wages, attendance, revenues, and taxes paid from Year 1 to Year 2.

Table 6: Comparison of Forecast to Actual Grand Victoria Operation, 10/96-9/97

Category	Application Forecast Year 1	Actual 1996-1997	Difference
Employment as of 10/97	1,398	1,591	193
Total Wages, Tips, & Benefits	\$39,321,450	\$32,216,595	(\$7,104,855)
Attendance	2,190,000	3,050,094	860,094
Gross Gaming Receipts	\$109,500,000	\$134,636,015	\$25,136,015
\$ per Patron per Cruise	\$50*	\$44	(\$6)
Gaming Tax (State)	\$16,425,000	\$20,292,283	\$3,867,283
Gaming Tax (Local)	\$5,475,000	\$6,764,094	\$1,289,094
Admission Tax (State)	\$2,190,000	\$3,050,094	\$860,094
Admission Tax (County)	\$2,190,000	\$3,050,094	\$860,094
Admission Tax (City)	\$2,190,000	\$3,050,094	\$860,094

* Applicant Average for Rising Sun was \$55.

Table 7: Comparison of Year 1 to Year 2

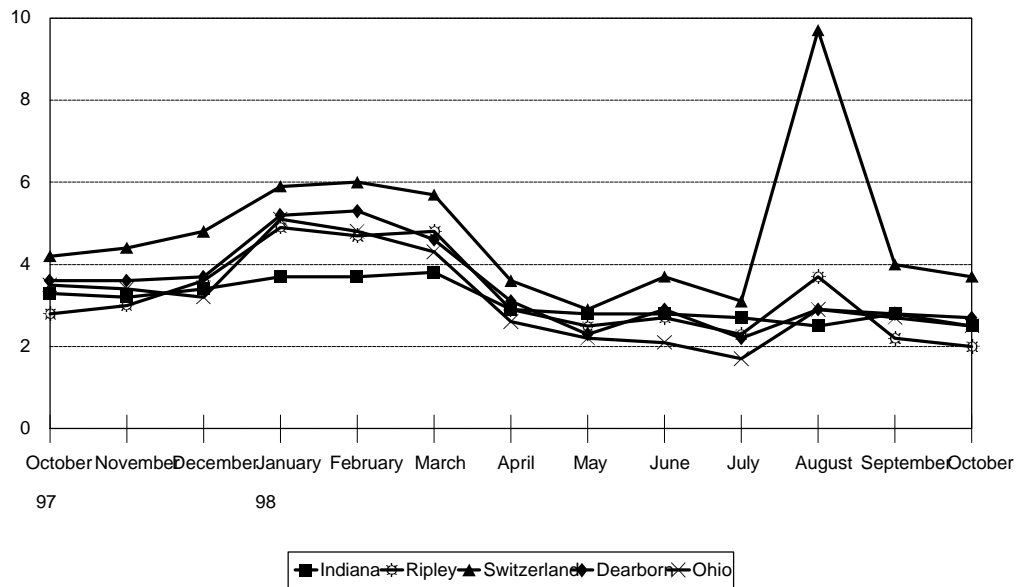
Category	Actual 1996-97	Actual 1997-98	Difference
Employment	1,591	1,407	(184)
Total Wages, Tips, & Benefits	\$32,216,595	\$38,326,037	\$6,109,442
Attendance	3,050,094	3,683,677	633,583
Gross Gaming Receipts	\$134,636,015	\$163,412,076	\$28,776,061
\$ per Patron per Cruise	\$44	\$44	\$0
Gaming Tax (State)	\$16,425,000	\$24,592,682	\$8,167,682
Gaming Tax (Local)	\$6,764,094	\$8,197,561	\$1,433,467
Admission Tax (State)	\$3,050,094	\$3,683,677	\$633,583
Admission Tax (County)	\$3,050,094	\$3,683,677	\$633,583
Admission Tax (City)	\$3,050,094	\$3,683,677	\$633,583

As Table 5 illustrates, in 1997-98, Grand Victoria had adjusted gross gaming receipts of \$163.4 million, or 21 percent more than their application estimate. They had total gross revenues of \$206.1 million, \$55.2 million more than the \$150.9 million estimated in their application. However, Grand Victoria overestimated receipts per passenger per trip. Total local taxes were \$15.6 million, or 54 percent more than the projection of \$10.1 million in Grand Victoria's application.

As of October 1998, 28 of Grand Victoria employees, (2 percent) were minorities, a decrease from the 4 percent of last year, 25 percent were from Ohio County, and 75 percent were residents of Dearborn, Ohio, Ripley, and Switzerland counties. In their application, Grand Victoria's goal was to have 90 percent of local employees (defined as residents of Dearborn, Ohio, Ripley, and Switzerland counties). Grand Victoria has fallen short of its projected percentage of employees who are local residents. One explanation for this shortfall is the relatively small labor force available for work in those counties. As of October, 1998, 24 percent of Grand Victoria's employees were from out-of-state, with the majority from Ohio.

As Figure 1 illustrates, unemployment rates for Dearborn, Ohio, Ripley, and Switzerland counties have decreased since 1997, as has the state unemployment rate. As of October 1998, only the unemployment rates for Ripley county was below the state unemployment rate, but Dearborn, Ohio, and Switzerland counties unemployment rates have all decreased substantially from previous highs.

Figure 1: Local and State Unemployment Rates



Local Economic Impact

In addition to the gaming taxes paid to the city and state, Grand Victoria paid \$1,207,341 in sales and use taxes. Grand Victoria paid \$322,146 in property taxes in 1997-1998. Payroll of \$38.3 million and purchases of \$3.8 million from local vendors also contributed to the local economy. This spending has led to several new developments since the riverboat opened, including five new inn/bed and breakfast establishments, four new restaurants, an apartment complex, a gas station, a Christmas store, and two new bank branches. In addition a harp manufacturing company that will employ 20 people is relocating from California to Rising Sun. While not directly attributable to the presence of the riverboat, they became aware of Rising Sun from the publicity surrounding the boat.

Impact on Tourism

Through the end of September, 1998, approximately one-third of the total trips to Grand Victoria were made by Indiana residents, with approximately one-fourth of the Indiana trips from the local area. In 1997-1998, Grand Victoria had 3.7 million paid admissions. This attendance is approximately 0.6 million greater than Grand Victoria's attendance projection in their application.

According to the Rising Sun/Ohio County Convention, Tourism & Visitors Bureau, occupancy at local bed and breakfast accommodations and inns increased between 1996 and 1997, resulting in approximately 27 new rooms. The bureau attributes this increase to visitation to Grand Victoria.

Grand Victoria, in conjunction with the Rising Sun/Ohio County Convention, Tourism & Visitors Bureau, the Historic Downtown Program, and the Rising Sun Redevelopment Commission also is distributing a brochure that promotes a free shuttle that travels from the casino to downtown Rising Sun and back. The goal of this marketing tool is to help Rising Sun capture some of the tourist business that results from Grand Victoria's presence in the community.

Legal Issues

Grand Victoria was sued once in 1997-1998 for a slip and fall occurrence. A total of 44 arrests were issued on Grand Victoria property during this period. The largest arrest category was public intoxication (29) and disorderly conduct (4 arrests). The chief of the Rising Sun police indicated that the main increase in crime in the area that can be attributed to the riverboat is the increase in alcohol related crimes, especially "driving under the influence", which have increased substantially from the period before the riverboat opened. Less than .0001 percent of total visits resulted in a citation or arrest.

Other Impacts

There are other impacts that can result from the location of a riverboat in a community. For example, compulsive gambling might become a problem, and as a result, lead to higher rates of bankruptcy and/or greater need for social services. From October 1997 to September 1998, nine calls for help with gambling problems were made by Dearborn County residents and one call was made by an Ohio County resident to the "Deal With It" line that's contracted through the Commission for a Drug Free Indiana. No calls were made by Switzerland or Ripley County residents. In the previous year, nine calls made by Dearborn County residents and one by a Ripley County resident.

Grand Victoria has made efforts to minimize negative impacts. Grand Victoria has trained employees concerning compulsive gambling and developed a brochure that provides patrons with information on the warning signs of compulsive gambling and where problem gamblers can receive help. They also display the 1-800-9-WITH-IT message on all material handed to patrons as well as post it on signs near casino cages.

Summary of Findings

Grand Victoria has met the requirements of their certificate of suitability in many areas:

- Grand Victoria spent a total of \$134.5 million on development, \$40 million more than estimated in the certificate of suitability.
- Grand Victoria is on schedule with all of its incentive payments.
- Grand Victoria has sponsored several community events; its senior management is represented on many boards; and the company has made numerous donations to community groups.
- Employment totaled 1,407 employees, slightly more than projected.
- State and local gaming taxes were \$14.3 million higher than projected in Grand Victoria's application.
- Grand Victoria paid \$1,207,341 in sales and use taxes and \$322,146 in property taxes.
- Grand Victoria has been proactive in developing programs for compulsive gambling.

Grand Victoria has not met its projections in the following areas:

- Employee wages, tips, and benefits totaled \$38.3 million, approximately \$3 million less than projected.
- Receipts per passenger per trip averaged \$44, less than the estimated \$53 Grand Victoria projected in their application.
- Grand Victoria has not met their local hiring goal.

We are not able to determine compliance in the following area:

- The Commission is currently reviewing the information provided by OMBD to determine Grand Victoria's compliance with MBE/WBE requirements.