

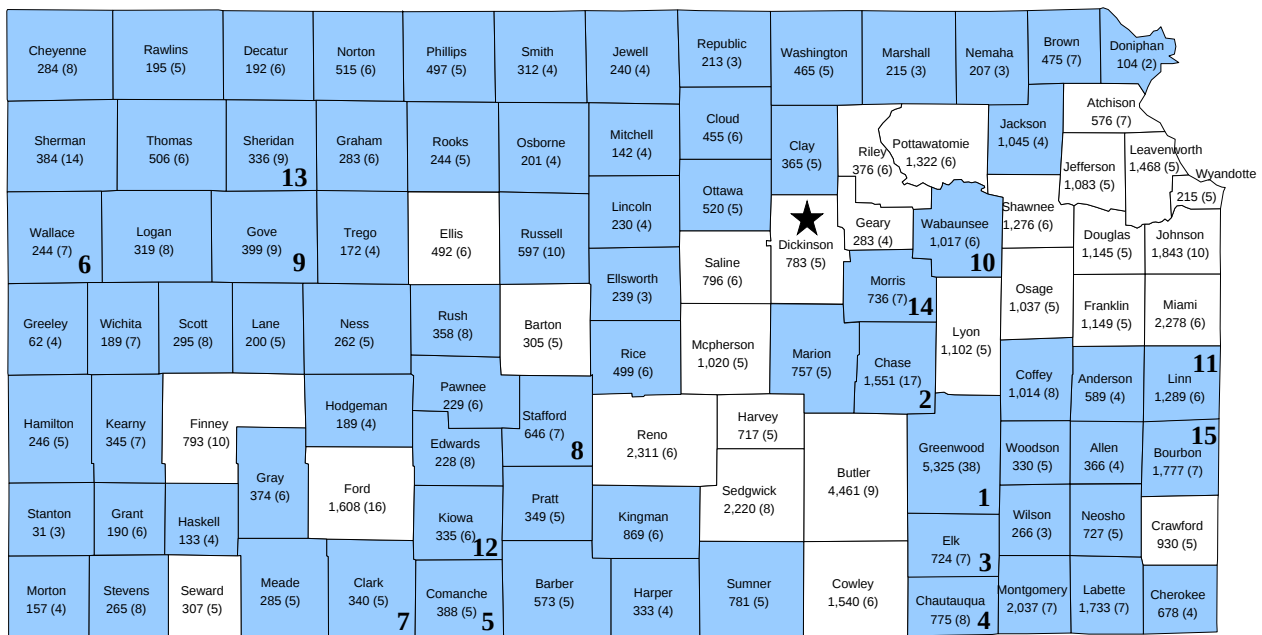
The Economics of Restoring Live Horse Racing and Greyhound Racing in Kansas

Discussion with Members of the Commerce, Labor and Economic Development Committee

Presented by Dr. Art Hall
On Behalf of the Greater Kansas Racing Alliance
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- The restoration of live horse racing and greyhound racing in Kansas will generate an estimated 4,475 jobs, \$291 million in annual wages, and \$23 million in annual state and local tax revenue—not counting revenue derived directly from gaming.
- No economic development incentives are involved with restoring the racetracks. To motivate at least \$160 million in private investment, the investor seeks only the opportunity to compete on a level playing field with the destination casinos, by partnering with the State on the same terms as the casinos.
- The State of Kansas has committed at least \$500 million of economic development incentives to make the complex around the Kansas Speedway a premier tourism destination. Live horse racing would add an exciting addition to the list of attractions—and economic research indicates that horse racing and casino gaming complement one another, improving the tourist draw of the Kansas side of the Kansas City border.
- Kansas racetracks will channel an estimated \$16 million annually to ranchers and farmers: horse breeders and greyhound breeders, and the support services employed by those breeders.

Racing and Rural Economic Opportunity Census of Horses (and Horses per Farm)



= Top 15 Counties Ranked by: Horses ÷ Population
★ = Hub of Greyhound Breeding in North America

Key
 Not Rural Opportunity Zone
 Rural Opportunity Zone

Summary of Economic Impacts from Restoring Live Horse Racing and Greyhound Racing in Kansas (Mid-Range Estimates)

Geographic Area/Economic Impact Item	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs	Total Wages(b)	Millions of Dollars			
						Estimated Personal Income Taxes	Estimated Personal Sales Taxes(c)	Estimated Residential Property Taxes	Estimated Commercial Property Taxes(d)
Statewide									
Racetrack Operations	1,750	689	439	2,878	\$115.4	\$2.1	\$2.3	\$1.86	\$5.9
Racetrack Renovations (Two Years)	500	407	563	1,470	153.4	2.8	3.0	2.47	n.a.
Restoration of Horse Racing (Farms)	(a)	40	24	64	10.5	0.1	0.2	0.06	n.a.
Restoration of Greyhound Racing (Farms)	(a)	40	24	64	11.8	0.1	0.2	0.05	n.a.
Statewide Totals	2,250	1,175	1,051	4,476	\$291.2	\$5.0	\$5.7	\$4.4	\$5.9
Wyandotte County (The Woodlands)									
Racetrack Operations	854	350	223	1,427	\$58.6	\$1.1	\$0.5	\$0.94	\$2.5
Racetrack Renovations (Two Years)	188	153	211	551	57.5	1.0	0.5	0.93	n.a.
Wyandotte County Totals	1,042	503	434	1,979	\$116.2	\$2.1	\$0.9	\$1.9	\$2.5
Sedgwick County (Wichita Greyhound Park)									
Racetrack Operations	427	175	112	714	\$29.3	\$0.5	\$0.2	\$0.47	\$2.0
Racetrack Renovations (Two Years)	188	153	211	551	57.5	1.0	0.3	0.93	n.a.
Sedgwick County Totals	615	328	323	1,265	\$86.8	\$1.6	\$0.5	\$1.4	\$2.0
Crawford County (Camptown Greyhound Park)									
Racetrack Operations	374	153	98	624	\$25.6	\$0.5	\$0.2	\$0.41	\$1.4
Racetrack Renovations (Two Years)	125	102	141	368	38.4	0.7	0.3	0.62	n.a.
Crawford County Totals	499	255	238	992	\$64.0	\$1.2	\$0.5	\$1.0	\$1.4
Greenwood County (Eureka Downs)									
Racetrack Operations (e)	95	37	24	156	\$1.8	\$0.03	\$0.01	\$0.03	n.a.

(a) The direct jobs and wages associated with horse and greyhound farms are difficult to quantify. Kansas has more than 10,000 farms with horses and 130 greyhound farms. Many of these farms are family-oriented operations.

(b) Includes expected prize money won by Kansas-based owners and breeders of racehorses or greyhounds.

(c) Sales tax figures represent the collections for each jurisdiction: state-level only for statewide; county plus city only for local jurisdictions. The estimates reflect estimated household expenditures only, not projected construction or tourism-related expenditures.

(d) Appraiser estimate the value of commercial property is different ways. The estimated dollar value of renovations is used here as a proxy for appraised value.

(e) Eureka jobs will be part-time jobs associated with seasonal horse racing, which is reflected in the wage levels but not the job count.

Source: Arthur P. Hall, "The Economics of Restoring Live Horse Racing and Greyhound Racing in Kansas," February 2016.