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## **Rhode Island Gaming and State Revenue Forecast**

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Prepared for: The Rhode Island Department of Revenue  
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## Rhode Island Gaming and State Revenue Forecast

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### SUMMARY OF RECENT AND PROJECTED DEVELOPMENTS

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Christiansen Capital Advisors, LLC (CCA) has been retained by the State of Rhode Island Department of Revenue (DOR) to update its previous studies of gaming in Rhode Island and New England.<sup>1</sup>

In this study, we update our 2019 gaming forecast; including the impact of the COVID-19 pandemic on the gaming market in Rhode Island and the greater region, the June 2019 opening of the Encore Casino in Massachusetts, and the September 2018 opening of the Tiverton Casino Hotel in Rhode Island. In addition, Connecticut has recently passed legislation to allow on-site and remote sports betting, iGaming and iLottery and Massachusetts may be on the verge of allowing sports betting. In this update, CCA provides additional forecasts considering these developments as well as the possibility of iGaming in Rhode Island, Connecticut, and Massachusetts; the addition of table games at Plainridge Park Casino in Plainville, Massachusetts;<sup>2</sup> and a new casino in East Taunton, Massachusetts.

Considering these meaningful changes that have occurred and are anticipated to occur within the southern New England gaming market, CCA has revisited its analysis of two years ago and has developed gaming revenue and Rhode Island revenue projections for the next eight years under the following three potential competitive scenarios:

1. Scenario A: a baseline scenario, consisting of an eight-year projection of Rhode Island casino gaming gross revenues and state shares for the FY 2022 – FY 2030 period assuming no changes in the regional gaming market from what existed as of July 1, 2021.
2. Scenario B: consisting of an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island's share of that revenue as above except with forecasting the impact of the addition of legalized sports betting in Connecticut and Massachusetts under two alternative scenarios: B.1-Sports betting just in Connecticut and B.2 sports betting in Connecticut and Massachusetts.
3. Scenario C: consisting of an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island's share of that revenue forecast as in Scenario B above, but also assuming the introduction of iGaming in Connecticut in FY2021, and Massachusetts and Rhode Island commencing in FY2025.
4. Scenario D: consisting of an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island's share of that revenue forecast as in Scenario B above, but also assuming the development of a tribal casino in East Taunton, Massachusetts that is built and operated due to a *Carcieri* fix<sup>3</sup> becoming Federal Law.

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<sup>1</sup> Christiansen Capital Advisors, LLC, for the Rhode Island Department of Revenue "Rhode Island Gaming and State Revenue Forecast," March 12, 2019, October 31, 2017, 2015, and 2014.

<sup>2</sup> Under current Massachusetts law, the Plainridge Park Casino is limited to operating a slot machines and video poker terminals only facility. The maximum number of slot machines and video poker terminals allowed to operate at Plainridge Park Casino is 1,250.

<sup>3</sup> The [1934 Indian Reorganization Act](#) (IRA) empowered the federal government and tribal nations to place new land into trust—that is, to enlarge existing tribal homelands or newly recognize tribal homelands—in order to "conserve and develop Indian lands and

5. Scenario E: consisting of an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island's share of that revenue forecast as in Scenario D above, but also assuming that table games will be allowed at Plainridge Park Casino.
6. Scenario F: consisting of an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island's if all the additional gaming described in Scenarios-C-E above are implemented.

To develop projections for the gaming revenue of terrestrial casinos (and one racino<sup>4</sup>) and sportsbooks in southern New England,<sup>5</sup> CCA utilized proprietary models it has used in previous studies,<sup>6</sup> modified to consider specific southern New England and surrounding area market conditions, to develop projections for the market potential of expanded gaming. To develop projections for online sports betting and iGaming CCA has analyzed the historical experience of other jurisdictions and applied that experience to Rhode Island and other New England states.

In preparing this report CCA compiled pertinent historical data relating to casinos and video lottery terminal (VLT) facilities in New England, including the Twin River Casino Hotel and the Tiverton Casino Hotel markets, casino gaming in Connecticut and in adjoining states, and constructed models of similar markets in other jurisdictions. Our analysis of this historical experience and the output of our models form the basis for the following independent analysis and conclusions.

### COVID-19

In the spring of 2020, The COVID-19 pandemic shuttered all 989 U.S. casinos. The shutdown of the gaming industry led to \$105 billion in lost economic activity and cost states more than \$2 billion in lost gaming taxes.<sup>7</sup> In some jurisdictions these closures ranged from several weeks to several months. Even after slowly reopening over the summer of 2020 many casinos were limited to 50% capacity and the professional sports that remained in operation were on sporadic schedules and played to empty stadiums. By the end of 2020, U.S. commercial casinos had lost a cumulative 45,600 business days due to COVID-19 related closures (equivalent to 27% of the year) and revenue declined 31% from 2019.

In Rhode Island, The Twin River and Tiverton Casino Hotels were closed from March 14 to June 8, 2020, when they reopened with limited capacity. The Rhode Island casinos were closed again due to the resurgence of the coronavirus the following winter. This closure lasted from November 30 to December 20, 2020. The other gaming facilities in southern New England were also closed at various periods

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resources,” and to further economic prosperity. For many years, the U.S. Department of the Interior (DOI) interpreted the IRA as authorizing the Secretary of the Interior to place land into trust for any federally recognized tribal nation. In 2009, however, the U.S. Supreme Court ruled in *Carcieri v. Salazar* that DOI could take land into trust only for tribal nations “under Federal jurisdiction” at the time the IRA was enacted in 1934. The *Carcieri* fix is legislation introduced in the U.S. Congress that would amend the IRA to reaffirm DOI’s authority to take land into trust for all federally recognized tribal nations, irrespective of when federal recognition was achieved.

<sup>4</sup> “Racino” is an industry term referring to a racetrack with gaming devices (slot machines or VLTs) and/or table games.

<sup>5</sup> These casinos include Foxwoods and Mohegan Sun in Connecticut, Ballys Twin River and Tiverton in Rhode Island, Encore Boston Harbor and MGM Springfield in Massachusetts and one racino in Plainville, Massachusetts.

<sup>6</sup> CCA has conducted similar studies with accurate results for the Federal National Gambling Impact Study Commission and in the states of California, Connecticut, Florida, Illinois, Iowa, Kansas, Kentucky, Maryland, Massachusetts, New York, and Pennsylvania; Ontario, Canada; the British Overseas Territory of Bermuda, the Chinese Special Administrative Region of Macau, the country of Greece, and various other domestic and international markets.

<sup>7</sup> American Gaming Association. “Gaming’s National Impact COVID-19’s Impact on U.S. Casino.” <https://www.americangaming.org/covid-19-resources/#COVID-19>

during the COVID-19 pandemic. Foxwoods and Mohegan Sun in southeastern Connecticut were closed at 8:00 PM on March 17, 2020 and remained closed until May 29, 2020 when each was re-opened initially to invited guests. The Massachusetts casinos, Plainridge, MGM Springfield, and Encore Boston Harbor, were closed on March 16, 2020 and remained closed until early July 2020 when each casino was reopened with limited capacity.

As of the drafting of this report, the United States appears to be emerging from the COVID-19 pandemic. The gaming industry has rebounded, and, in many states, gaming revenue has surpassed pre-pandemic levels. These gains likely reflect pent up demand resulting from the government-imposed lockdowns. This idea is supported by data from states that track casino admissions: win per visitor was up by 20.5% to 34.4% in Illinois, Iowa, Louisiana, and Missouri. In other words, these casinos are admitting fewer patrons that are spending more.<sup>8</sup> Furthermore, CCA believes these gains over FY 2019 are also at least partly due to generous government stimulus payments. Stimulus that is now tapering off. CCA believes that the elevated gaming revenue levels currently observed will moderate over the next year. However, assuming that there is no major resurgence in COVID-19, we believe gaming revenues will remain at or slightly above pre-pandemic levels.

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#### REVENUE FORECASTING METHODOLOGY

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To develop these projections, CCA utilized the same basic modeling technique it has used in similar studies over the past 30 years. The modeling technique is modified to account for specific southern New England and surrounding area market conditions, and then used to develop projections for the market potential of, and impacts on, existing Rhode Island licensees from expanded gaming operations in southern New England.

The core of the model, which is used in many location-based analyses of this type, is often referred to as a "gravity model," because it is based on Newton's Law of Gravitation (for which the distance factor would be  $-2.0$ : if you double the distance, the attraction declines by a factor of four). This model has been consistently refined and improved by CCA over the years as it relates to gaming facilities. CCA's technique focuses on the demographics of areas surrounding each gaming facility, in particular the number of adults residing at various distances (measured in drive time), and the observed ratio of actual spending of other similar adult populations in other gaming markets.

In other words, our model assesses, and projects, gaming revenues based upon the distribution and characteristics of the adult populations surrounding each facility. The model includes parameters for distance, competition, per capita income, urban/rural population mix, and the nonresident "visitor" population. These factors, or variables, are then weighted using real world data and experience to generate the resulting projections. In conducting these analyses, CCA drills down to a precise level of detail. CCA models markets in the United States down to adult population by ZIP Code.<sup>9</sup> Carrying the analysis down to the ZIP Code level is particularly important in markets that have several gaming facilities in close proximity.

Another vital component of CCA's modeling procedure is a *verifiable* adult spending base for slot machines and table games. We apply the experience of existing casino, racino and sport betting facilities in the existing market(s) and in comparable markets to estimate the consumer demand for a proposed

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<sup>8</sup> American Gaming Association. "AGA Commercial Gaming Revenue Tracker." <https://www.americangaming.org/resources/aga-commercial-gaming-revenue-tracker/>

<sup>9</sup> In Canada, CCA uses the Canada Post forward sortation area (FSA).

gaming facility and its potential impacts upon other forms of gaming. In this case, we have applied the experience of existing casinos and video lottery terminal (VLT) facilities in southern New England and in other comparable markets to estimate the consumer demand for southern New England casinos and their impacts upon Rhode Island. To this end, we analyzed the performance of gaming machines and table games at casinos and racetrack gaming facilities in a wide variety of markets, including Connecticut, Delaware, Illinois, Indiana, Maryland, New York, Pennsylvania, and West Virginia.

Our projections of casino demand and potential revenues are based on a particularly important observation: other things being equal, patrons of regional gaming facilities, as distinct from patrons of destination gaming resorts serving long-distance travelers, overwhelmingly tend to engage in gaming activity at the facility that is most conveniently located for them. Because the public tends to engage in gaming activity at the facility that is most conveniently located, patronage (and associated spending) at casino gaming facilities falls off with increased drive time. For very large destination gaming resorts, like Foxwoods and Mohegan Sun in Connecticut and Encore Boston Harbor in Massachusetts, we utilize a "drive time coefficient"<sup>10</sup> of about -0.45, compared to values of about -0.7 for racino or VLT only facilities. These coefficients are derived from observed experience and player tracking from many disparate casino markets. In other words, casino patronage rises with increased proximity to a gaming facility, but at differing rates for different types of gaming properties.<sup>11</sup>

Because regional gaming facilities with slot machines and table games are in essence commodities, drive time is by far the predominant determinant of casino patronage. The drive time impact is manifold because it not only determines the overall level of per capita expenditures in the marketplace; it weighs heavily in consumer choice among competing suppliers. In general, the evidence from other markets overwhelmingly indicates that consumer expenditures on regional casino games will flow to the closest supplier to any given market.<sup>12</sup> Effective player databases, clever promotions, amenities such as signature restaurants, concert venues and so forth can play a key role in the relative *attractiveness* of competing gaming properties, particularly if they are in close proximity, but at round trip travel times measured in an hour or more the tyranny of distance generally prevails. That said, casino patrons sometimes do visit more distant facilities, particularly if there is a critical mass of casinos or amenities that they cannot get at the gaming facility nearest to them and they will spend more per visit at those gaming facilities, but the local (nearby) supplier will usually get the lion's share of that patron's annual gaming budget.

To recap, the models used for the projections in this report adjust the populations surrounding each gaming facility (or proposed gaming facility) for drive time, per capita income,<sup>13</sup> the proportion of urban to rural residents in the population (urbanites typically spend more on gaming), the nonresident "visitor" population, and competition. From these data, we calculate an *adjusted adult population* around each gaming facility, or group of gaming facilities. This measure weights the adults who live closest to a gaming facility (and not closer to a competing gaming facility) at higher values than those who live at

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<sup>10</sup> The "distance factors" estimated for these models are, technically, the "elasticities" of spending with respect to distance. Based upon survey data from several jurisdictions, rates of casino visitation appear to decline in proportion to about the 0.5 to 0.7 power of the distance to the casino, yielding distance factors of about 0.5 to 0.7. This is a relatively "long-distance" attraction; if distance doubles, for example, spending (other things being equal) declines by only about 30 percent.

<sup>11</sup> Specifically, the drive time coefficient obtained from the analysis of comparable markets is -.45 for very large-scale destination gaming resorts, -.5 for large regional gaming facilities with hotels and other amenities, -.6 for small regional gaming facilities without a hotel, and -.7 for single product facilities, such as a slot machines only gaming operation.

<sup>12</sup> Integrated gaming resorts or IRs such as those in Las Vegas, Singapore, Macau, and proposed for Japan are an exception. These markets are unique both in terms of intensity of capital investment and of the many additional attractions that enable them to attract a truly global customer base.

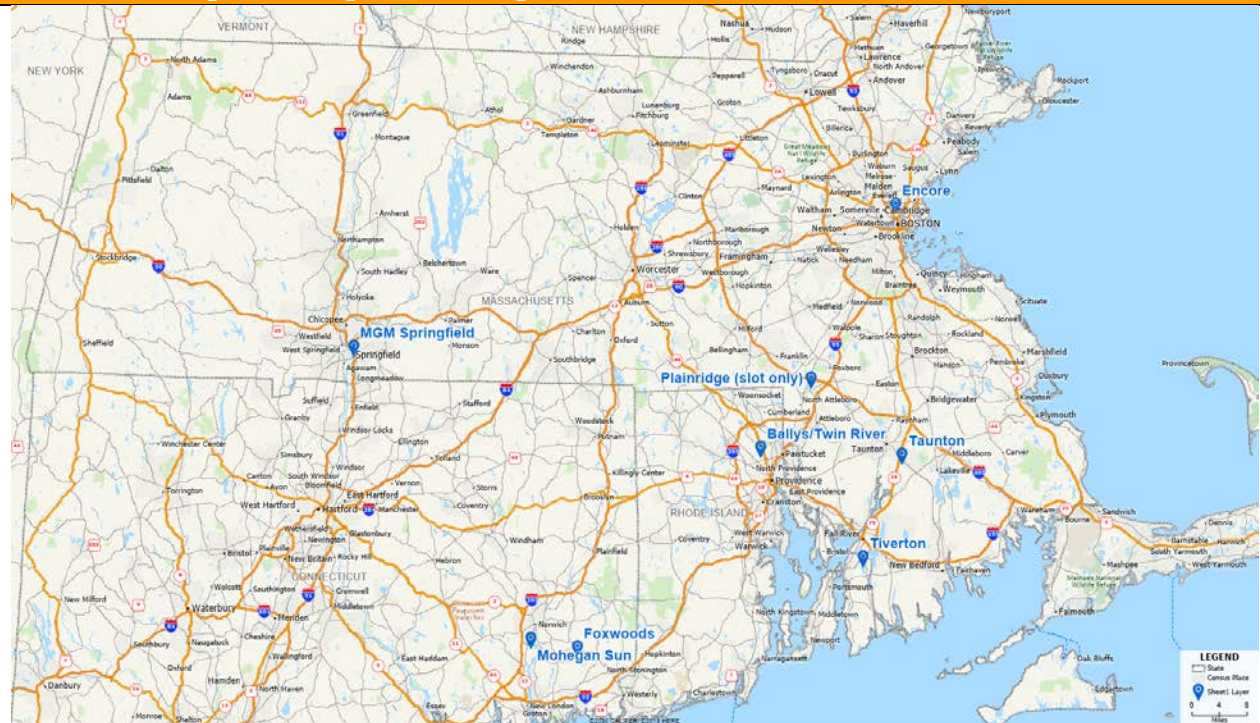
<sup>13</sup> We assume that for counties with per capita money incomes below regional averages, destination gaming resort spending declines with income with an elasticity of 0.5.

greater drive times. Total actual or estimated revenues (or consumer spending) in each market is divided by these adjusted population figures to arrive at a drive time adjusted spending base.<sup>14</sup>

**THE CURRENT SOUTHERN NEW ENGLAND MARKET—MAP AND FACILITY REVIEW**

The following section presents an overview of the gaming facilities that comprise the current land based southern New England gaming market. Exhibit 1.1 presents a map of this regional market. The locations of the six currently operating gaming facilities (Foxwoods and Mohegan Sun in southeastern Connecticut, MGM Springfield in western Massachusetts, Twin River Casino Hotel in northern Rhode Island, Tiverton Casino Hotel in southeastern Rhode Island, Encore Boston Harbor in northeastern Massachusetts, and Plainridge Park Casino in southern Massachusetts) as well as the previously proposed location of the Mashpee Wampanoag Region C casino in East Taunton, MA are indicated with pins on this map.

**Exhibit 1.1: Map of the Regional Gaming Market**



Source: Christiansen Capital Advisors, LLC

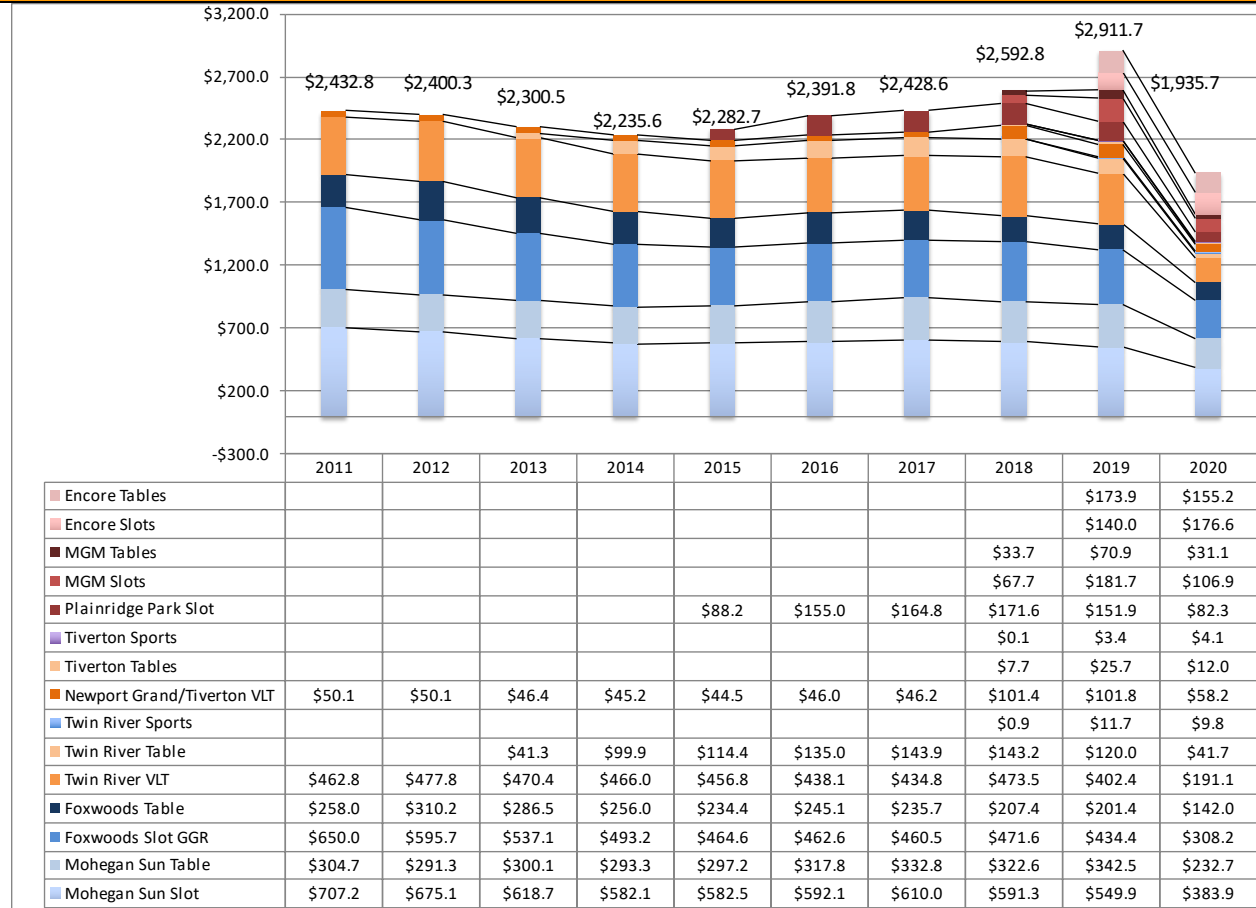
Exhibit 1.2 presents a historical performance summary of all the above-described gaming facilities (slot machines, VLTs, table games and sports wagering) in southern New England over the past ten calendar years. CCA has converted all values to calendar rather than fiscal years because we can only get Connecticut table revenues by calendar year.<sup>15</sup> In this exhibit the Connecticut casinos, Foxwoods and Mohegan Sun, are indicated by blue bars (slots and tables), Twin River Casino Hotel, Newport Grand and the Tiverton Casino Hotel with orange bars, and Massachusetts gaming facilities MGM Springfield,

<sup>14</sup> As noted above, these populations are adjusted for several other factors as well; however, the most significant variable, in terms of gaming spending, is drive time. Hence, we refer to these populations as “drive time” adjusted.

<sup>15</sup> Except for Foxwood’s whose fiscal year ends on September 30.

Plainridge Park Casino, and Encore Boston Harbor with red and pink bars. Like most U.S. gaming markets, total gaming revenue in southern New England was down in 2013 and 2014 but began recovering in 2015 and that recovery continued into 2019 prior to the onset of COVID-19. As shown in Exhibit 1.2 none of the casinos in this region were spared from the pandemic and gaming revenue at all seven regional casinos decreased by almost \$1 billion, or 33.5% in CY 2020.

**Exhibit 1.2: Southern New England Gaming Revenues by Calendar Year (in \$ millions)**



Source: Rhode Island Lottery, Massachusetts Gaming Commission, Connecticut Division of Special Revenue, Mohegan Tribal Gaming Authority Form 10-K, Electronic Municipal Market Access, Christiansen Capital Advisors estimates.

**THE SOUTHERN NEW ENGLAND GAMING MARKET—PROPOSED FACILITIES REVIEW**

The Massachusetts’ Expanded Gaming Act<sup>16</sup> envisioned a Class III tribal casino owned by the Mashpee Wampanoag tribe in Region C<sup>17</sup> provided that the United States Secretary of the Interior took land into trust for the Tribe for the purposes of constructing a casino. The legislation also left open the possibility of a commercial casino in that region should the Tribe fail to succeed in acquiring trust lands.<sup>18</sup>

<sup>16</sup> Chapter 194 of the Acts of 2011: “An Act Establishing Expanded Gaming in the Commonwealth.”

<sup>17</sup> Region C includes Bristol, Plymouth, Nantucket, Dukes and Barnstable counties in southeastern Massachusetts and Cape Cod.

<sup>18</sup> Massachusetts Session Law, Act 2011. Chapter 194. Section 91(e).



In 2015 the U.S. Department of the Interior (DOI) under President Barack Obama took 151 acres in Taunton, MA and 170 acres in Mashpee, MA into trust for the Mashpee Wampanoag tribe. A group of East Taunton residents, financed by Rush Street Gaming (a gaming company that wants to build a commercial Region C casino in Brockton, Massachusetts) filed suit. In 2016, U.S. District Court Judge William G. Young ruled that the DOI erred by taking the land into trust because the Tribe was not formally under federal jurisdiction in 1934 when the Indian Reorganization Act was enacted.<sup>19</sup> The judge remanded the case back to the DOI. In June of 2017, prior to the release of a new finding by the DOI, the Mashpee Wampanoag tribe announced that, “In consultation with the U.S. Department of Interior, the Tribe has suspended its request for review under Category 1 of the Indian Reorganization Act.”<sup>20</sup>

Nevertheless, in September of 2018, the DOI (now under the Trump administration) agreed with Judge Young’s conclusion that the Mashpee Wampanoag did not meet the definition of “Indian.” “Because the Tribe was not ‘under federal jurisdiction’ in 1934, the Tribe does not qualify under the [Indian Reorganization Act’s] first definition of ‘Indian,’” Assistant Secretary—Indian Affairs Tara Sweeney wrote in a letter to the Tribe.<sup>21</sup> The Tribe then filed a lawsuit against the administration, saying its decision was “arbitrary, capricious and contrary to law, and if left unaddressed, will have a devastating impact on the tribe [sic].”<sup>22</sup>

Some Massachusetts lawmakers continue to work on a *Carcieri* fix in Congress and have co-authored legislation to federally recognize the Mashpee Wampanoags and return the land to trust status.<sup>23</sup> As noted in previous reports, CCA believes it unlikely that the Region C gambling license created by the Expanded Gaming Act will remain dormant forever. Furthermore, the Tribe has vowed to “investigate all options” and “examine all avenues available under the law.”<sup>24</sup>

The Mashpee Wampanoag Tribe previously proposed a \$500 million destination gaming resort facility in East Taunton, Massachusetts which is located approximately 35 miles south of Boston and 20 miles east of Providence (Exhibit 1.1). Publicly released plans included a 150,000 square foot gaming facility with 3,000 slot machines, 150 house banked table games, and 40 poker tables.<sup>25</sup>

The Tribe’s planned program for the East Taunton casino was released before the Newport Grand Casino was closed and the Tiverton Casino Hotel opened.<sup>26</sup> CCA believes that the presence of competition in Tiverton, RI will significantly curtail the Mashpee Wampanoag Tribe’s proposed investment in an East Taunton casino, reducing it by as much as half from their original plans. Thus, CCA assumes that the

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<sup>19</sup> The basis for this decision was *Carcieri v. Salazar*, 555 U.S. 379 (2009), in which the Supreme Court of the United States held that the federal government could not take land into trust that was acquired by the Narragansett Tribe in the late 20th century, as it was not federally recognized until 1983. The Court ruled that the phrase “now under Federal jurisdiction” in the Indian Reorganization Act of 1934 referred only to those tribes that were federally recognized when the act was passed. It ruled that the federal government could not take land into trust for the Narragansett or other tribes that were federally recognized and acquired land after 1934.

<sup>20</sup> Although, as a few others have noted, the State of Massachusetts could award a commercial (non-tribal) gambling license to the Wampanoag tribe thereby circumventing the need for the casino site to be taken into trust under the Indian Gaming Regulatory Act (IGRA), but this would likely require reopening of the competitive bidding process for Region C.

<sup>21</sup> <https://www.indianz.com/News/2018/09/10/mashpee090718.pdf>

<sup>22</sup> by Shafik Mandhai, “Native American Mashpee tribe turns to Congress in land dispute” Aljazeera, 14 Nov 2018.

<https://www.aljazeera.com/news/2018/11/native-american-mashpee-tribe-turns-congress-land-dispute-181114184734541.html>

<sup>23</sup> <https://www.congress.gov/115/bills/hr5244/BILLS-115hr5244ih.pdf>

<sup>24</sup> <http://www.tauntongazette.com/news/20170627/mashpee-wampanoag-land-in-trust-taunton-casino-deal-hits-another-snag>

<sup>25</sup> <http://www.mashpeewampanoagtribe.com/content/pages/77/MWT-Presentation.pdf>

<sup>26</sup> The gaming license under which the Newport Grand casino operated was transferred to the Tiverton Casino Hotel upon the latter’s opening in September 2018.

potential East Taunton project will be reduced to a \$250-\$300 million gaming facility with 1,500-2,000 slot machines 75-100 house banked table games, and approximately 25 poker tables.<sup>27</sup>

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### THE REVENUE IMPACTS OF AN EAST TAUNTON CASINO

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In assessing the impacts of a new casino in East Taunton on Rhode Island gaming facilities, CCA relied primarily upon a gravity model analysis utilizing the methodologies and methods described in the previous section, and the most recent available data on gaming revenues. In addition, CCA incorporated updated projected opening dates for each operating gaming facility in the market and the observed historical impacts of the Plainridge Park and MGM Springfield casinos on Rhode Island venues.<sup>28</sup>

For the past decade, most mature gaming markets in the United States, spending per adult and gross gaming revenues in reasonably supplied markets were in decline. To a large degree, this decline in spending per adult and gaming revenues is reflective of a material change in casino gaming market economics in the United States: baby boomers with less retirement savings after the 2008 market crash; an anemic recovery in the years following that event; millennials and Generation Xers that don't engage in gaming activity at the levels of their parents (and showing a clear preference for table games when they do engage in gaming activity). All of these things are affecting consumer spending on gaming at some level. As a result, CCA projects substantially less "organic growth" in U.S. gaming markets than was observed in the 2000s. For this report, we have assumed underlying non-supply related growth at about -0.5% per year for machine gaming (slots, VLTs, etc.) and +1.5% per year for table gaming.

#### Timing

Upon consultation with the Department of Revenue, Division of Lottery, CCA assumed that the Mashpee Wampanoag casino located in Taunton would open and be fully operational in July 2024 (FY 2025).

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### SPORTS WAGERING

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Sports wagering, once restricted to only four states (and only one, Nevada, was allowed full sports wagering), is expanding rapidly in America. At the time of this writing, there 24 states with some form of betting on sports.<sup>29</sup>

#### **Sports Wagering Background**

On May 14, 2018, The Supreme Court of the United States ruled in favor of the State of New Jersey in *Murphy v. NCAA*. At issue in the case was the constitutionality of The Professional and Amateur Sports Protection Act ("PASPA") a federal law seeking to halt the expansion of sports wagering in the United States passed by Congress in 1992.

PASPA specifically held that it was unlawful for a State or its subdivisions "to sponsor, operate, advertise, promote, license, or authorize by law or compact . . . a lottery, sweepstakes, or other betting, gambling, or wagering scheme based. . . on" competitive sporting events<sup>30</sup>, and for "a person to sponsor,

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<sup>27</sup> The Tiverton Casino Hotel currently operates 1,000 video lottery terminals, 32 house banked table games and zero poker tables.

<sup>28</sup> Encore Boston Harbor first opened on June 23, 2019, thus was only running approximately eight months before being closed by COVID-19, and then reopened at limited capacity. It is only very recently that gaming revenue have returned "normal" levels, so we do not have enough data to assess the full historical impact of Encore Boston Harbor.

<sup>29</sup> "Legislative Tracker: Sports Betting" Legal Sports Report, <https://www.legalsportsreport.com/sportsbetting-bill-tracker/>

<sup>30</sup> 28 U. S. C. §3702(1)

operate, advertise, or promote” those same gambling schemes if done “pursuant to the law or compact of a governmental entity.”<sup>31</sup> PASPA did not make sports wagering a federal crime. Instead, it allowed the Attorney General, as well as professional and amateur sports organizations, to bring civil actions to enjoin violations.<sup>32</sup> The law included “grandfather” provisions which allowed existing forms of sports wagering prior to the passage of PASPA to continue in four States: Nevada, Delaware, Montana, and Oregon. It also would have permitted New Jersey to set up sports wagering in Atlantic City within a year of PASPA’s enactment.<sup>33</sup> The one-year deadline came and went without New Jersey establishing sports wagering.

More than twenty years later, New Jersey voters approved an amendment to the State Constitution giving the legislature the authority to legalize sports wagering in Atlantic City and at horseracing tracks. The New Jersey legislature quickly exercised that authority, and almost immediately the NCAA and three major professional sports leagues brought an action in federal court against New Jersey’s Governor and other state officials on the grounds that it had violated PASPA.

The New Jersey legislature enacted a law in 2014 that partially repealed its own sports wagering ban.<sup>34</sup> Over the next three years, New Jersey lost in both federal district court and the US Third Circuit Court of Appeals. New Jersey then appealed the case to the US Supreme Court.

The U.S. Supreme Court agreed to hear New Jersey’s appeal (granted *certiorari*) in the summer of 2017. Oral arguments in the case took place in December of that year. The majority opinion issued in May 2018 was written by Justice Samuel Alito, and, in sum, held that PASPA was unconstitutional.<sup>35</sup>

### Sports Wagering in Rhode Island

In anticipation of the U.S. Supreme Court ruling, Rhode Island began taking affirmative steps to authorize and enact sports wagering in early 2018. On January 18, 2018, a bill was introduced in the Rhode Island Senate (S-2045) that would allow the Rhode Island Lottery to operate sports wagering at the two state operated casinos. Governor Gina Raimondo’s FY 2019 Recommended Budget included different statutory language from S-2045 that also implemented sports wagering at Twin River Casino Hotel and Tiverton Casino Hotel and S-2045 was subsequently replaced with S-2045 Substitute A which mirrored the Governor’s proposed statutory changes to implement sports wagering. The Governor’s FY 2019 proposed budget projected \$23.5 million in revenue to the state from on-site sports wagering at the two facilities.<sup>36</sup> These estimated revenues were later included in the FY 2019 Enacted Budget passed by the House of Representatives and the Senate when the statutory language proposed by the Governor to

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<sup>31</sup> 28 U. S. C. §3702(2)

<sup>32</sup> 28 U. S. C. §3702(3)

<sup>33</sup> §3704(a)(1)–(3)

<sup>34</sup> The 2014 law was narrowly tailored as a “partial repeal” after the first attempt, a similar law passed in 2012, was contested by the NCAA and the leagues in Federal Court but failed to be granted *certiorari* by the United States Supreme Court.

<sup>35</sup> Key components of the ruling include: that when a State completely or partially repeals old laws banning sports gambling schemes, it for practical purposes “authorize[s]” those schemes under PASPA; PASPA’s provision prohibiting state authorization of sports gambling schemes violates the anticommandeering rule; PASPA’s provision prohibiting “licens[ing]” of sports gambling schemes also violates the anticommandeering rule. It issues a direct order to the state legislature and suffers from the same defect as the prohibition of state authorization. Thus, this Court need not decide whether New Jersey’s 2014 law violates PASPA’s antilicensing provision.”

<sup>36</sup> The estimated revenue to the state from sports wagering for FY 2019 was subsequently reduced to \$11.5 million at the November 2018 Revenue Estimating Conference. Thus, the amount of revenue included in the FY 2019 budget from on-site sports wagering was one-half of the original estimate.

implement sports wagering was modified slightly and passed into law contingent on the overturning of PASPA by the U.S. Supreme Court.

On April 3, 2018, the Rhode Island Lottery issued a Request for Proposals (RFP) for a “Sports Betting Service Provider for the Rhode Island Lottery.” According to the RFP, the sports betting service provider would be responsible for the establishment, implementation, and maintenance of all sports wagering within the state. While initial interest in the RFP seemed high, only one firm, IGT (and their sports wagering partner U.K. based William Hill), submitted a final bid.

On May 15, 2018 (one day after the U.S. Supreme Court’s ruling in *Murphy v. NCAA*) Rhode Island lawmakers held the first post-PASPA hearing in the United States. The legislature passed the FY 2019 Enacted Budget including the slightly modified sports wagering provisions proposed by the Governor in mid-June and Governor Raimondo signed it into law on June 22, 2018. As noted above, sports wagering commenced at Twin River Casino Hotel on November 26, 2018, and at Tiverton Casino Hotel on December 3, 2018, statewide remote sports wagering became available in Rhode Island on September 4, 2019.

### **Sports Wagering in Connecticut**

In 2017, Connecticut lawmakers passed a gaming bill that authorized a tribally owned casino in East Windsor, expanded the number of Off Track Betting (OTB) sites, and instructed the State’s consumer protection department to begin establishing a regulatory structure for sports wagering in the event of PASPA being overturned.<sup>37</sup> The Connecticut legislature adjourned on May 9, 2018 five days before the Supreme Court’s ruling in *Murphy v. NCAA*. Connecticut’s existing law in theory became active with the Supreme Court’s ruling, but regulators asked for more direction from the legislature including details such as who should be allowed to offer sports wagering in the State.

On May 27, 2021, Governor Ned Lamont signed HB6451 into law. HB6451 allows for sports betting in Connecticut as well as full-scale iGaming.<sup>38</sup> The law allows for three licensees; the two federally recognized Native American tribes and the Connecticut Lottery. The Lottery is allowed to operate 15 retail sportsbooks. Two of them must be in Bridgeport and Hartford. The Lottery can outsource some of these operations to Sportech, the state’s off-track betting (OTB) operator. DraftKings partnered with Foxwoods and FanDuel has partnered with Mohegan Sun. The Connecticut Lottery chose Rush Street Interactive (RSI) in a competitive bidding process.

On September 9, 2021, the U.S. Department of the Interior gave its approval on the new tribal gaming compacts. On September 30, 2021, DraftKings and FanDuel opened retail sportsbooks at Foxwoods Resort Casino and Mohegan Sun respectively, and on October 12, 2021, the three online sportsbooks went live in a soft-launch period for at least seven days with bettors limited to \$750 for each platform.

To date, the Connecticut Lottery has opened retail sports books in New Haven, Stamford, and Windsor Locks. These sportsbooks offer wall-to-wall TV monitors, odds boards, food and beverage menus, a wide array of bets on various professional and collegiate sports, including parlays, proposition bets and in-game bets, through self-service kiosks as well as staffed teller stations. The Connecticut Lottery plans to

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<sup>37</sup> Keating, Christopher and Gosselin, Kenneth R. “House Approves East Windsor Casino, But MGM Expects Legal Battle” Hartford Courant. June 7, 2017. <https://www.courant.com/politics/hc-house-casino-debate-20170606-story.html>

<sup>38</sup> iGaming as used in this report refers to casino games such as slot machines, craps, roulette, house banked, and non-house banked table games delivered via interactive media. Sometimes online sports wagering is included within descriptions of iGaming, but in this report, we confine that definition to casino style games to distinguish this form of gaming from sports betting and online lotteries.

open retail sportsbooks in Hartford, Manchester, Waterbury, Torrington, New Britain, Milford, and Norwalk by the end of 2021. The Connecticut Lottery and RSI retail sports wagering locations, will be within an approximately 30-minute drive for most Connecticut residents.”<sup>39</sup> For the purposes of our analysis, CCA assumes that at least one of the five retail sportsbooks yet to be announced by the Connecticut Lottery will be located near Connecticut’s border with Rhode Island and Massachusetts.

### **Sports Wagering in Massachusetts**

Massachusetts has allowed legal and regulated daily fantasy sports (DFS) since 2016. In July 2021, the Massachusetts House voted 156-3 to send an amended sports betting bill to the Senate.<sup>40</sup> So far, the Senate has not acted on the bill. In the House bill, both remote and land-based sports betting would be allowed, with up to 16 sportsbook licenses that could be issued at a cost of \$5 million apiece. The bill taxes sports betting revenue at 12.5% for retail and 15% for online.

#### Timing

For the purposes of CCA’s projections, and upon consultation with the Department of Revenue, Division of Lottery, CCA assumed that land-based and remote sports betting could be available in Massachusetts by September of 2022 (the second quarter of FY 2023).

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### **SPORTS WAGERING REVENUE FORECASTS**

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To produce estimates of Rhode Island on-site sports wagering for our previous study, CCA utilized its gravity modeling technique discussed earlier in this report for onsite sports betting. Specifically, CCA relied on the experience of local sports wagering markets in other states and applied that experience to the Rhode Island market. The reported onsite sports betting at Twin River and Tiverton in 2019-2021 came out very close to and slightly exceeded CCA’s initial projections. Thus, CCA utilized the same methodology in this report slightly revised by the observed early returns from onsite sports wagering in Rhode Island.

For online betting CCA utilized a weighted average of per adult remote betting results from other jurisdictions applied to the Rhode Island adult population. These forecasts were not as accurate. In CCA’s previous report, CCA projected FY 2021 remote sports betting revenue of \$43.1 million, actual FY 2021 remote sports betting revenue was only \$18.3 million, substantially less than projected. Given that onsite sports betting slightly exceeded CCA’s initial estimates it may be that Rhode Island’s geography makes onsite betting more competitive with the online product than in larger states, but CCA does not believe that fully explains what can only be described as Rhode Island’s remote sports betting relative underperformance (Exhibit 1.4). Thus, in this update CCA relies primarily on the observed experience of remote sports betting in Rhode Island to forecast future revenues.

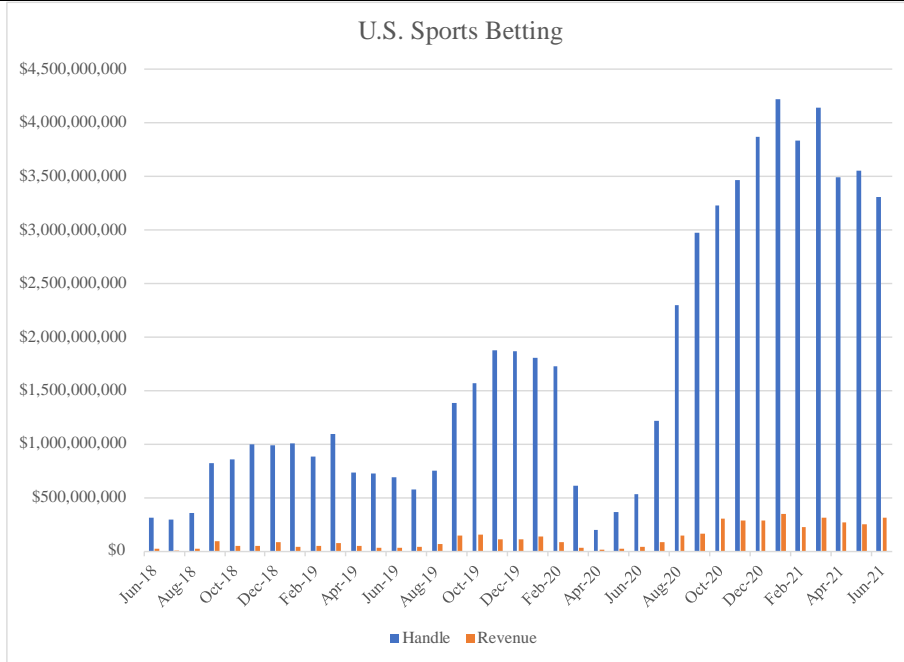
Exhibit 1.3 presents total sports wagering in the United States from June 2018 through July 2021. And Exhibit 1.4 presents this same information for Rhode Island.

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<sup>39</sup> “Connecticut Lottery Corporation and Rush Street Interactive Launch the PlaySugarHouse Retail Sportsbook” <https://www.ctlottery.org/News/530>

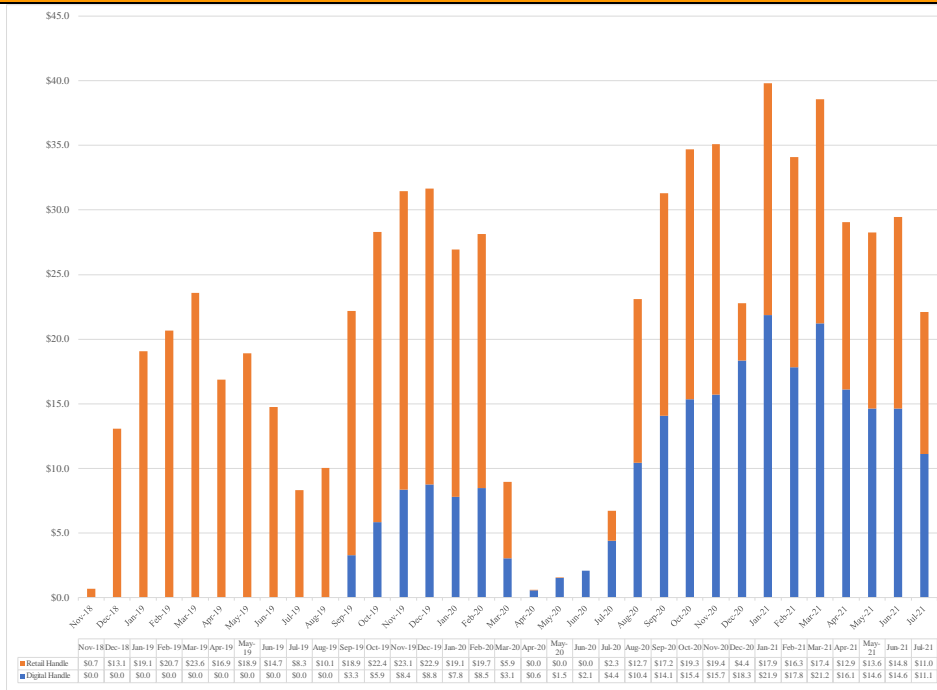
<sup>40</sup> HB3977. “An Act Regulating Sports Wagering.” <https://malegislature.gov/Bills/192/H3977/BillHistory>

**Exhibit 1.3: United States Sports Wagering June 2018-July 2021**



Source: David G. Schwartz and Autumn Bassett. United States Sports Betting: Monthly and Year-to-Date Revenue Results from States. Las Vegas: Center for Gaming Research, University Libraries, University of Nevada Las Vegas, 2019.

**Exhibit 1.4: Rhode Island Sports Wagering Retail and Remote, Nov-2018 to Jul-2021 (\$ millions)**



Source: Rhode Island Lottery

As discussed in CCA's previous report, sports wagering is relatively new in the United States and CCA's projections for sports wagering will be subject to greater variability than its projections for table and slot machine gaming. In addition, sports wagering is unlike slot machine or table gaming in one very material respect—volatility of hold. Over the course of a year the hold percentage (what is retained by the operator as revenues expressed as percentage of the total amount wagered) for machine and table gaming is almost entirely predictable. Sometimes players or casinos can get lucky, but over the course of a year the billions of pulls on slot machine handles and rolls of the dice or flips of the cards on table games will **hold** very close to what probability dictates the games should retain. In sports wagering, which is focused on a very finite pool of sporting contests and heavily weighted toward championships and certain sports, operators can and do lose. For this reason, unlike other forms of gaming, when preparing projections for sports wagering CCA utilizes handle rather than revenue, where handle is the total amount wagered not just the wagered amount that is retained by the sports book. In other words, CCA projects the sports wagering handle for Rhode Island and then applies an estimated hold percentage. Therefore, Exhibit 1.5 below presents sports wagering per adult.

In Exhibit 1.5, CCA analyzes sports wagering in the 17 states that had sports betting in 2021 and compares these results with the adult populations of these states. These results are sorted by spending by adult to depict the relative rank of each state. As shown in this exhibit, sports wagering (handle) per adult in Rhode Island is at the low end of the observed range. In fact, for states with both online and land-based sports betting, only West Virginia and the District of Columbia report lower wagering per adult.

**Exhibit 1.5: Per Adult Spending on Sports Wagering (\$ millions) for FY 2021**

	Adult Population (in millions)	FY21 Retail Wagering	FY21 Remote Wagering	FY 21 Total Wagering	Per Adult Retail	Per Adult Remote	Per Adult Total
Nevada	2.3	\$2,627.1	\$3,842.7	\$6,469.8	\$1,124.70	\$1,645.10	\$2,769.80
New Jersey	6.8	\$776.4	\$8,576.7	\$9,353.1	\$113.83	\$1,257.39	\$1,371.22
Colorado	4.3	\$47.9	\$2,632.6	\$2,680.4	\$11.10	\$610.36	\$621.46
Indiana	4.9	\$394.8	\$2,524.0	\$2,918.8	\$80.07	\$511.90	\$591.96
Pennsylvania	9.8	\$455.4	\$5,135.6	\$5,591.0	\$46.52	\$524.66	\$571.19
Illinois	9.5	\$206.6	\$4,912.7	\$5,119.3	\$21.81	\$518.81	\$540.63
Iowa	2.3	\$233.4	\$985.1	\$1,218.5	\$99.44	\$419.73	\$519.18
New Hampshire	1.1	\$91.0	\$454.7	\$545.7	\$86.46	\$432.06	\$518.52
Michigan (annualized)	7.5	\$270.3	\$3,143.7	\$3,414.0	\$36.07	\$419.56	\$455.64
<i>Rhode Island</i>	<i>0.8</i>	<i>\$168.4</i>	<i>\$184.6</i>	<i>\$353.0</i>	<i>\$206.77</i>	<i>\$226.67</i>	<i>\$433.44</i>
West Virginia	1.4	\$161.8	\$356.2	\$518.1	\$115.94	\$255.24	\$371.17
Tennessee (annualized)	5.1	\$0.0	\$1,696.4	\$1,696.4	\$0.00	\$331.11	\$331.11
Mississippi	2.2	\$549.8	\$0.0	\$549.8	\$252.76	\$0.00	\$252.76
District of Columbia	0.6	\$41.9	\$142.0	\$116.2	\$72.23	\$245.15	\$200.58
Delaware	0.7	\$116.2	\$0.0	\$116.2	\$155.75	\$0.00	\$155.75
Arkansas	2.2	\$53.7	\$0.0	\$53.7	\$23.96	\$0.00	\$23.96
New York	15.2	\$157.3	\$0.0	\$157.3	\$10.38	\$0.00	\$10.38

*Sources:* United States Census Bureau, Nielsen/Claritas, Delaware Lottery, West Virginia Lottery, New Jersey Division of Gaming Enforcement, Nevada Gaming Control Board, Mississippi Gaming Commission, Indiana Gaming Board, Illinois Gaming Board, Iowa Racing and Gaming Commission, Pennsylvania Gaming Control Board, New Hampshire Lottery, DC Lottery, Michigan Gaming Control Board, Rhode Island Lottery, West Virginia Lottery, Mississippi Gaming Board, Delaware Lottery, New York Gaming Commission, Arkansas Tennessee Lottery, Colorado Department of Revenue, Christiansen Capital Advisors estimates.

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**IGAMING REVENUE FORECASTS**

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**Nevada**

Nevada was the first state to authorize iGaming. In March 2011, the Nevada legislature introduced AB 258, which instructed the Nevada Gaming Commission to adopt regulations for the licensing and regulation of Internet Poker. In December 2011, the Commission adopted amendments to its regulations to make possible the licensing and operation of Internet Poker. In February 2013, Nevada enacted legislation that allowed interstate Internet Poker with other jurisdictions where the practice was legal via entering into “compacts” with these other states.

In addition to being limited to Internet Poker only, Nevada does not report statistics on Internet Poker due to a provision in Nevada gaming law that prevents the disclosure of individual financial records. Thus, Nevada reports online and offline poker together in its reports.

**Delaware**

On June 28, 2012, Delaware Governor Jack Markell signed the Delaware Gaming Competitiveness Act of 2012, allowing the Delaware State Lottery to operate full-scale casinos online. Their iGaming website was launched on November 8, 2013. The Delaware Lottery operates the gaming platform and sites, or “skins” are provided by the licensed gaming sites (Delaware Park, Dover Downs, and Harrington Raceway). In essence, iGaming in Delaware is a single portal that the licensees feed into. The gaming platform is a joint venture of Scientific Games and 888 Holdings. Delaware offers several poker games, as well as roulette, blackjack, and slots. Despite being in operation for eight years iGaming in Delaware significantly lags most other states, even after posting significant gains in 2020 and 2021 due to COVID-19 induced lockdowns. It appears that this single portal structure as well as a taxation system that is more onerous than land-based table games and video lottery games has hampered the performance of iGaming in Delaware (Exhibit 1.6).<sup>41</sup>

**New Jersey**

On February 26, 2013, Governor Chris Christie signed an amended version of the New Jersey Casino Control Act, which allowed the licensing and regulation for online poker in the state. The regulations took effect as of October 21, 2013, and the first websites launched on November 26, 2013. iGaming in New Jersey is now generating nearly \$120 million a month in gross gaming revenues (Exhibit 1.6).

**Pennsylvania**

On October 30, 2017, Governor Tom Wolf signed House Bill 271. This bill legalized online poker, table games, and slots. iGaming in Pennsylvania is now generating nearly \$90 million a month in gross gaming revenues (Exhibit 1.6).

**Michigan**

December 20th, 2019, Governor Gretchen Whitmer signed the Lawful Internet Gaming Act into law. This bill legalized online sports betting, poker, and daily fantasy sports. The first sites launched very recently on January 22, 2021, and very quickly began generating meaningful revenue. Michigan’s 14 iGaming licensees generated nearly \$100 million in gross gaming revenues in August of 2021 (Exhibit 1.6).

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<sup>41</sup> Table games are subject to a 15.5% tax on licensees and a 4.5% purse supplement. 29 Del. C. §4815(d). Internet video lottery games are subject to a 42.5% state tax and a 10% purse supplement. 29 Del. C. §4815(b). Furthermore, the first \$3.75 million of interactive gross revenues must be transferred to the state lottery fund.

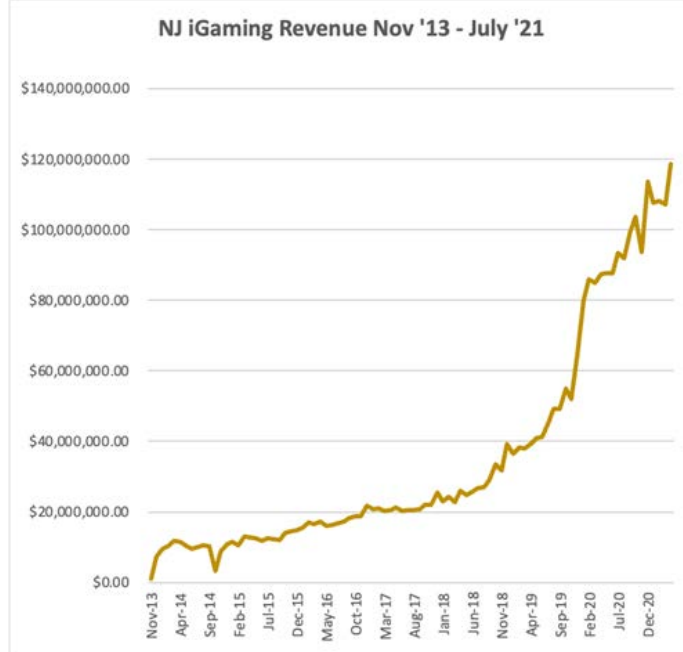


**West Virginia**

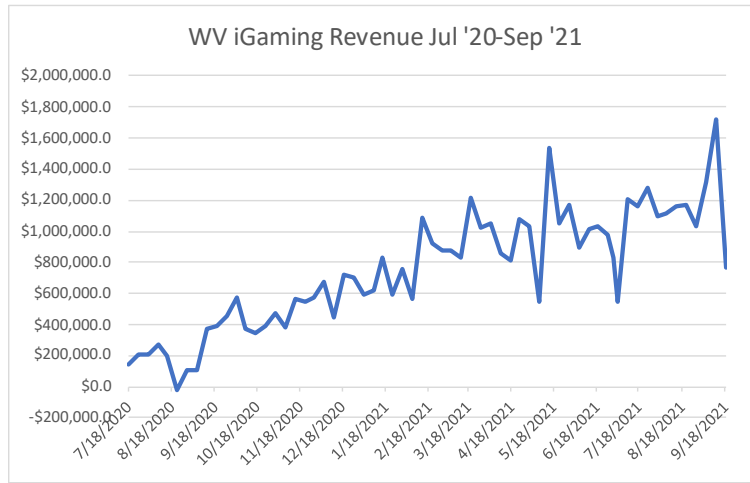
On March 27, 2019, West Virginia legislators passed the West Virginia Lottery Interactive Wagering Act. The bill went into effect on June 7, 2019, with Governor Jim Justice's signature. Five interactive wagering licenses are permitted, tied to the land-based casino operators, although these casinos can partner with interactive wagering licensees to conduct interactive wagering. That entity must obtain a license as a management services provider prior to the execution of any such contract and pay a nonrefundable license and application fee of \$100,000. Site operators are required to pay a \$250,000 application fee and licenses may be renewed every five years for \$100,000. iGaming commenced in West Virginia on July 15, 2020, with the opening of DraftKings casino. The final licensee FanDuel casino did not launch until May 5, 2021. West Virginia reports result weekly. Despite being in full operation for less than year, West Virginia iGaming is currently averaging about \$1 million a week.

Exhibit 1.6 presents the iGaming revenue generated in the states described above from inception to July 2021. As depicted in Exhibit 1.6, states with iGaming are experiencing rapid growth, particularly after the onset of the COVID-19 pandemic in the Spring of 2020. So far, the reopening of bricks and mortar casinos has done little to moderate that growth.

Exhibit 1.6: New Jersey, Delaware, Pennsylvania Michigan iGaming Revenue







Source(s): Pennsylvania Gaming Control Board, New Jersey Division of Gaming Enforcement, Delaware Lottery, Michigan Gaming Control Board, West Virginia Lottery

To forecast iGaming revenue in Rhode Island we reviewed and analyzed the results for U.S. states that currently offer casino games on digital platforms, specifically Delaware, Michigan, New Jersey, Pennsylvania, and West Virginia. In Exhibit 1.7, CCA presents the per adult spending on iGaming in these states during FY 2021. On a per adult basis, iGaming spend ranges from a low \$13.50 in Delaware to as much as \$190.67 in New Jersey.

Given the rapid growth observed in iGaming, even in lower performing states such as Delaware and West Virginia, and that, to date, has shown no signs of abating, these figures are likely to increase in the coming years, particularly in those states that have been operating for less than two years. Even this limited performance is instructive, however. As CCA noted in the discussion of sports betting above, the evidence to date suggests that a monopoly or limited license models for online gaming, whether casinos or sports, results in limited performance. The requirement in Rhode Island that all gaming be owned and operated by the State likely precludes Rhode Island from a diverse iGaming offering akin to the more successful iGaming states like Michigan, New Jersey, and Pennsylvania. Thus, in generating projections for Rhode Island iGaming CCA has relied primarily on the experience of Delaware and West Virginia.

For the Rhode Island’s share of iGaming revenue CCA has assumed that it would be the same as the current distribution of casino gaming revenues at land-based facilities, specifically 15.5% for tables games and 60.8% for VLTs.

**Exhibit 1.7: Per Adult Spending on iGaming (\$ millions)**

	Adult Population (millions)	iGaming Revenue (\$ millions)	Per Adult Spending
Delaware	0.75	\$10.1	\$ 13.50
New Jersey	6.82	\$1,300.5	\$ 190.67
Pennsylvania	9.79	\$985.9	\$ 100.72
Michigan (annualized)	7.49	\$1,112.1	\$ 148.42
West Virginia	1.40	\$33.8	\$ 24.25

*Source(s):* Delaware Lottery, New Jersey Division of Gaming Enforcement, Pennsylvania Gaming Control Board, Michigan Gaming Control Board, West Virginia Lottery, Christiansen Capital Advisors, LLC. estimates

Timing

Upon consultation with the Department of Revenue, Division of Lottery, CCA assumed that iGaming in Rhode Island would commence in January 2024.

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**REVENUE FORECAST SCENARIO A: BASELINE**

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For the purposes of comparison with our previous studies and the other scenarios in this report, CCA has prepared a baseline scenario to assess the extent of the impact of the expanded gaming scenarios examined in the subsequent pages of this report. Specifically, a baseline scenario consisting of an eight-year projection of Rhode Island casino gaming gross revenues and state shares for the FY 2022 – FY 2030 period assuming no changes in the regional gaming market from what existed as of July 1, 2021.

Facility Assumptions

- Twin River Casino Hotel currently has 111 live table games, which include a gaming mix of Blackjack (51 tables), Roulette (8 tables), Baccarat (8 tables), Three Card Poker (5 tables), Craps (4 tables), Spanish 21 (5 tables), Let It Ride (3 tables), Pai Gow Poker (2 tables), as well as a Poker Room (23 tables), 4,042 VLTs and a 134-room hotel.<sup>42</sup> The facility is currently undergoing an expansion that includes an additional 40,000 square feet of gambling space on the first floor. This addition will allow the majority of gaming to occur on one floor, freeing up the second floor for "an additional entertainment offering."<sup>43</sup> The expansion will also include: a 14,000-square-foot Korean-style spa attached to the hotel, improved air circulation and lighting, and greater separation between nonsmoking and smoking areas.

Upon consultation with the Department of Revenue, Division of Lottery, CCA assumes that VLTs will be reduced by 150 units around the beginning of the next fiscal year (FY 2023) with no further reductions in VLTs until FY 2026 and a reduction of 15 VLTs per year in the ensuing fiscal years. CCA assumes no change in house banked table games or poker over the period.

- Tiverton Casino Hotel currently has 1,000 VLTs, 32 table games, a sports book, and a hotel with 84 rooms. Newport Grand ceased operations on August 28, 2018 and the Tiverton facility opened August 29, 2018. CCA assumes no material changes at this property over the projection period.
- Plainridge Park Casino is a slot machine/video poker only facility and thus currently has no house banked table games or poker tables. Plainridge is authorized to operate 1,250 slot machines and video poker terminals as well as a seasonal harness racetrack. There is no hotel on the premises. Plainridge Park Casino opened June 24, 2015. CCA assumed no material changes at this property over the projection period.
- MGM Springfield currently has 102 gaming tables, 1,814 slot machines and a 240-room hotel. MGM Springfield opened August 24, 2018. CCA assumed no material changes at this property over the projection period.
- Encore Boston Harbor currently has 168 gaming tables, 2,838 slot machines and a 671-room hotel. Encore Boston Harbor opened in June 2019. CCA assumed no material changes at this property over the projection period.

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<sup>42</sup> <https://www.twinriver.com/table-games/>

<sup>43</sup> Gregg, Katherine. "Twin River Casino in Lincoln is about to get a lot bigger. Here's what that means." The Providence Journal. September 16, 2021.

<https://www.providencejournal.com/story/news/politics/2021/09/16/ballys-expansion-twin-river-casino-lincoln-begins/8362205002/>

- Foxwoods currently has 3,420 slot machines video poker terminals, etc. and 265 house banked table games and poker tables. The property has 47 restaurants, three bars, four hotels with 2,061 rooms and 59 retail outlet stores at Tanger Outlets Foxwoods. CCA assumed no material changes at this property over the projection period.
- Mohegan Sun currently has 4,000 slot machines, video poker terminals, etc. and 308 house banked table games and poker tables. The property has 40 restaurants, five bars, four hotels with 1,600 rooms, and a 10,000-seat arena that hosts concerts and sporting events. CCA assumed no material changes at this property over the projection period.

Due to the COVID-19 pandemic, The Twin River and Tiverton Casino Hotels were closed from March 14 to June 8, 2020, when they reopened with limited capacity. The Rhode Island casinos were closed again due to the resurgence of the coronavirus the following winter. This closure lasted from November 30 to December 20, 2020. The other southern New England gaming facilities also experienced closures during the COVID-19 pandemic, although these closures were confined to the spring 2020 period.

The resulting projections are presented in Exhibit 1.9 and 1.10.

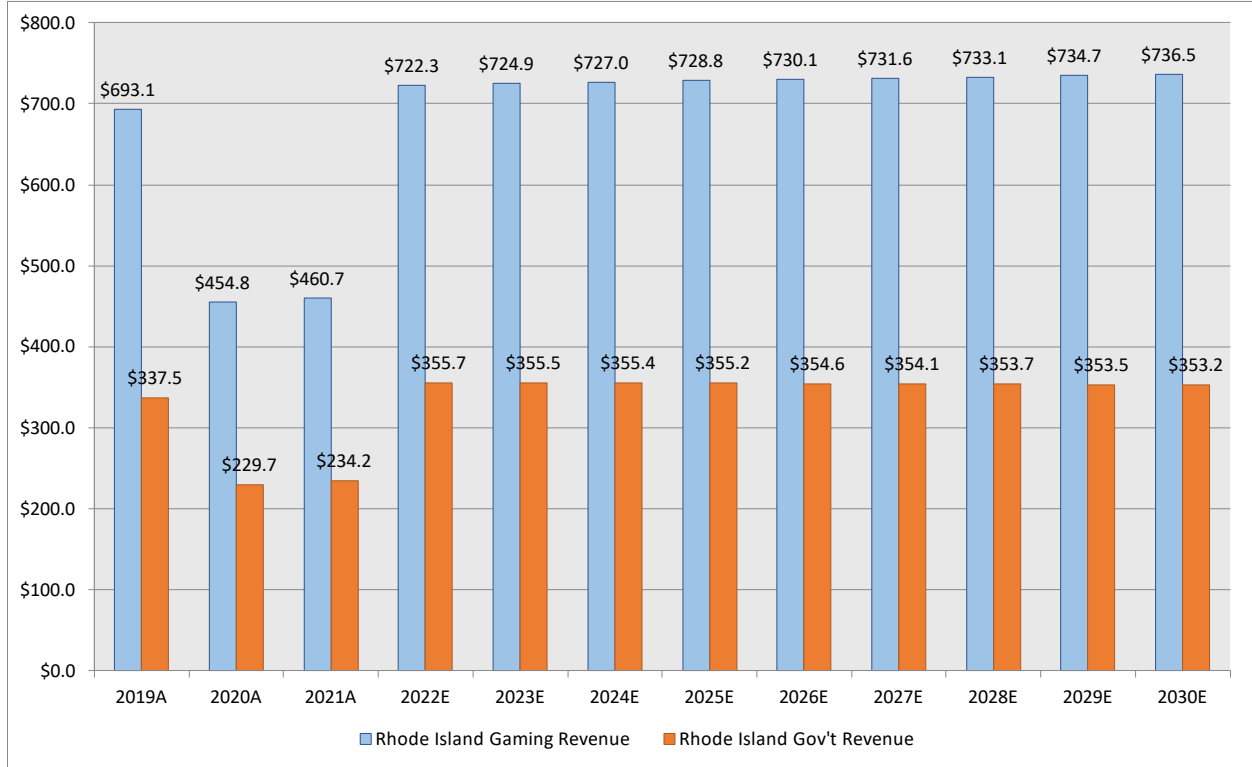
#### Exhibit 1.9: Baseline Scenario Rhode Island Revenue Projections by Fiscal Year (\$ millions)

GGR (in millions)	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Twin River VLTs	\$431.9	\$276.2	\$262.0	\$413.7	\$411.6	\$409.6	\$407.5	\$405.5	\$403.4	\$401.4	\$399.4	\$397.4
Twin River Tables	\$142.6	\$65.6	\$61.2	\$127.3	\$129.2	\$131.1	\$133.1	\$135.1	\$137.1	\$139.2	\$141.3	\$143.4
Twin River Sports Wagering	\$5.3	\$11.9	\$11.7	\$13.7	\$14.1	\$14.5	\$15.0	\$15.4	\$15.9	\$16.3	\$16.8	\$17.3
Tiverton VLTs	\$90.9	\$76.6	\$83.0	\$113.2	\$112.0	\$111.4	\$110.9	\$110.3	\$109.8	\$109.2	\$108.7	\$108.1
Tiverton Tables	\$20.9	\$17.7	\$18.2	\$24.5	\$24.9	\$25.2	\$25.6	\$26.0	\$26.4	\$26.8	\$27.2	\$27.6
Tiverton Sports Wagering	\$1.6	\$3.0	\$6.2	\$7.4	\$7.6	\$7.8	\$8.1	\$8.3	\$8.5	\$8.8	\$9.1	\$9.3
Remote Sports Wagering		\$3.8	\$18.3	\$22.6	\$25.5	\$27.3	\$28.7	\$29.5	\$30.4	\$31.3	\$32.3	\$33.3
<b>Rhode Island Gaming Revenue</b>	<b>\$693.1</b>	<b>\$454.8</b>	<b>\$460.7</b>	<b>\$722.3</b>	<b>\$724.9</b>	<b>\$727.0</b>	<b>\$728.8</b>	<b>\$730.1</b>	<b>\$731.6</b>	<b>\$733.1</b>	<b>\$734.7</b>	<b>\$736.5</b>
Net State Revenue (in millions)	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Twin River VLTs	\$259.0	\$166.4	\$160.1	\$247.8	\$246.1	\$244.8	\$243.5	\$242.2	\$240.9	\$239.6	\$238.4	\$237.2
Twin River Table	\$18.7	\$6.7	\$5.9	\$16.1	\$16.4	\$16.7	\$17.0	\$17.3	\$17.6	\$17.9	\$18.2	\$18.6
Tiverton VLTs	\$55.5	\$46.7	\$48.9	\$67.8	\$67.1	\$66.8	\$66.4	\$66.0	\$65.6	\$65.3	\$65.0	\$64.6
Tiverton Table	\$1.3	\$0.4	\$0.3	\$1.3	\$1.3	\$1.4	\$1.4	\$1.5	\$1.5	\$1.6	\$1.7	\$1.7
Sports Wagering	\$3.0	\$9.5	\$19.1	\$22.8	\$24.6	\$25.8	\$26.9	\$27.7	\$28.5	\$29.3	\$30.2	\$31.1
<b>Rhode Island Gov't Revenue</b>	<b>\$337.5</b>	<b>\$229.7</b>	<b>\$234.2</b>	<b>\$355.7</b>	<b>\$355.5</b>	<b>\$355.4</b>	<b>\$355.2</b>	<b>\$354.6</b>	<b>\$354.1</b>	<b>\$353.7</b>	<b>\$353.5</b>	<b>\$353.2</b>

Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

Exhibit 1.10 summarizes and expresses in graphical form the results from Exhibit 1.9.

**Exhibit 1.10: Baseline Rhode Island Revenue Projections by Fiscal Year (\$ millions)**



Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates



**REVENUE FORECAST SCENARIO B.1: SPORTS BETTING IN CONNECTICUT**

The following scenario examines the likely impact on Rhode Island revenues of in-person and remote sports wagering in Connecticut which just recently became available. As described in the previous section on sports betting in Connecticut, remote wagering is already available in the state, and 10 retail locations will open by the end of 2021. CCA assumes in this analysis that all retail sports betting facilities (including the five yet to be located sportsbooks run by the Connecticut Lottery) open the by the end of this fiscal year (FY 2022).

The facility assumptions are the same as in the previous scenario and this scenario only measures the impact of Connecticut sports betting. The resulting projections are presented in Exhibit 1.11 and 1.12.

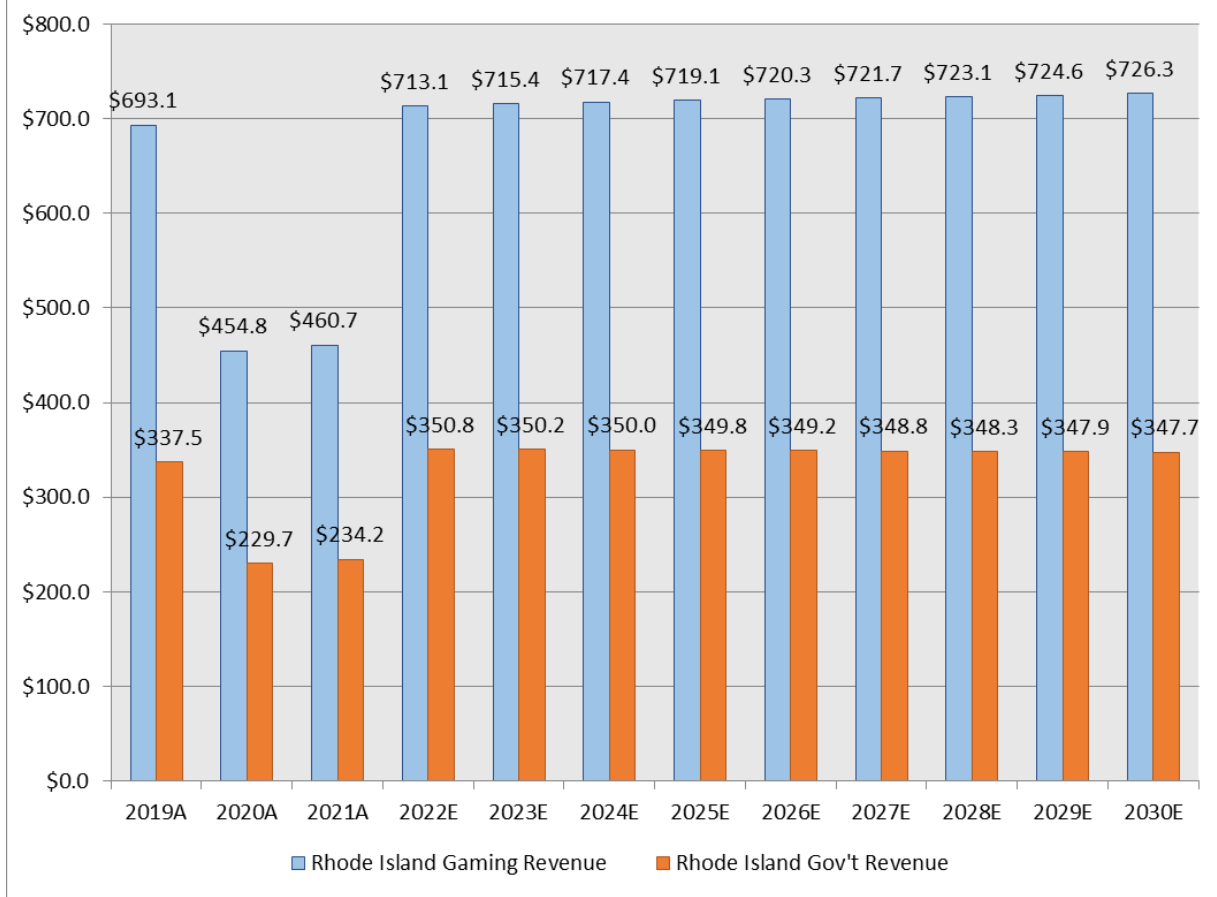
**Exhibit 1.11: Rhode Island Revenue Projections by Fiscal Year w/CT Sports Betting (\$ MM)**

GGR (in millions)	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Twin River VLTs	\$431.9	\$276.2	\$262.0	\$408.9	\$406.8	\$404.8	\$402.8	\$400.8	\$398.8	\$396.8	\$394.8	\$392.8
Twin River Tables	\$142.6	\$65.6	\$61.2	\$125.3	\$127.2	\$129.1	\$131.0	\$133.0	\$135.0	\$137.0	\$139.1	\$141.1
Twin River Sports Wagering	\$5.3	\$11.9	\$11.7	\$11.9	\$12.3	\$12.6	\$13.0	\$13.4	\$13.8	\$14.2	\$14.6	\$15.1
Tiverton VLTs	\$90.9	\$76.6	\$83.0	\$113.2	\$112.0	\$111.4	\$110.9	\$110.3	\$109.8	\$109.2	\$108.7	\$108.1
Tiverton Tables	\$20.9	\$17.7	\$18.2	\$24.4	\$24.7	\$25.1	\$25.5	\$25.9	\$26.2	\$26.6	\$27.0	\$27.4
Tiverton Sports Wagering	\$1.6	\$3.0	\$6.2	\$7.0	\$7.2	\$7.5	\$7.7	\$7.9	\$8.2	\$8.4	\$8.7	\$8.9
Remote Sports Wagering		\$3.8	\$18.3	\$22.4	\$25.1	\$26.9	\$28.2	\$29.1	\$30.0	\$30.9	\$31.8	\$32.7
<b>Rhode Island Gaming Revenue</b>	<b>\$693.1</b>	<b>\$454.8</b>	<b>\$460.7</b>	<b>\$713.1</b>	<b>\$715.4</b>	<b>\$717.4</b>	<b>\$719.1</b>	<b>\$720.3</b>	<b>\$721.7</b>	<b>\$723.1</b>	<b>\$724.6</b>	<b>\$726.3</b>
<b>Net State Revenue (in million):</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$259.0	\$166.4	\$160.1	\$244.7	\$243.1	\$241.8	\$240.6	\$239.3	\$238.0	\$236.8	\$235.5	\$234.3
Twin River Table	\$18.7	\$6.7	\$5.9	\$15.8	\$16.0	\$16.3	\$16.6	\$16.9	\$17.3	\$17.6	\$17.9	\$18.2
Tiverton VLTs	\$55.5	\$46.7	\$48.9	\$67.5	\$66.4	\$66.1	\$65.7	\$65.3	\$65.0	\$64.6	\$64.3	\$64.0
Tiverton Table	\$1.3	\$0.4	\$0.3	\$1.2	\$1.3	\$1.4	\$1.4	\$1.5	\$1.5	\$1.6	\$1.7	\$1.7
Sports Wagering Total	\$3.0	\$9.5	\$19.1	\$21.6	\$23.3	\$24.5	\$25.5	\$26.2	\$27.0	\$27.8	\$28.6	\$29.4
<b>Rhode Island Gov't Revenue</b>	<b>\$337.5</b>	<b>\$229.7</b>	<b>\$234.2</b>	<b>\$350.8</b>	<b>\$350.2</b>	<b>\$350.0</b>	<b>\$349.8</b>	<b>\$349.2</b>	<b>\$348.8</b>	<b>\$348.3</b>	<b>\$347.9</b>	<b>\$347.7</b>

Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

Exhibit 1.12 summarizes and expresses in graphical form the results from Exhibit 1.11.

**Exhibit 1.12: Rhode Island Revenue Projections by Fiscal Year w/CT Sports Betting (\$ MM)**



Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

**REVENUE FORECAST SCENARIO B.2: SPORTS BETTING IN CONNECTICUT AND MASSACHUSETTS**

The following scenario provides an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island's share of that revenue with the added impact of legalized sports betting in Massachusetts. In this scenario CCA assumes that sports betting is implemented in Massachusetts, in time for the 2022-2023 pro football season in September.

All other facility assumptions are the same as in the previous scenario and this scenario measures the incremental impact of Massachusetts sports betting on Rhode Island gaming. For the purposes of this analysis, CCA has assumed that only existing Massachusetts casinos, racetracks and off-track betting (OTB) sites are allowed both remote and retail sports betting.

The resulting projections are presented in Exhibit 1.13 and 1.14.

**Exhibit 1.13: Rhode Island Revenue Projections by Fiscal Year w/CT and MA Sports Betting (\$ MM)**

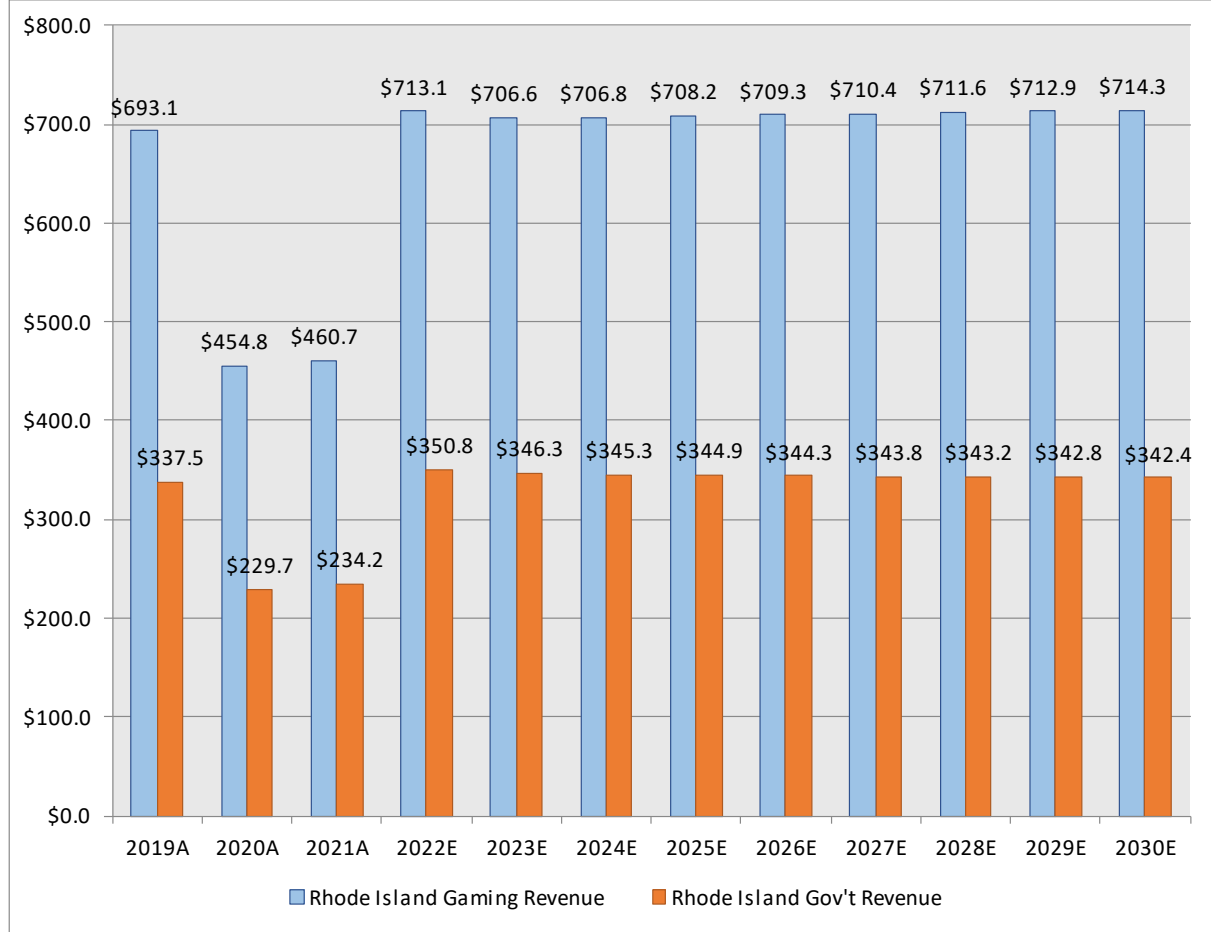
<b>GGR (in millions)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$431.9	\$276.2	\$262.0	\$408.9	\$404.4	\$402.4	\$400.4	\$398.4	\$396.4	\$394.4	\$392.5	\$390.5
Twin River Tables	\$142.6	\$65.6	\$61.2	\$125.3	\$124.8	\$126.7	\$128.6	\$130.5	\$132.4	\$134.4	\$136.4	\$138.5
Twin River Sports Wagering	\$5.3	\$11.9	\$11.7	\$11.9	\$10.8	\$10.4	\$10.8	\$11.1	\$11.4	\$11.7	\$12.1	\$12.5
Tiverton VLTs	\$90.9	\$76.6	\$83.0	\$113.2	\$112.0	\$111.4	\$110.9	\$110.3	\$109.8	\$109.2	\$108.7	\$108.1
Tiverton Tables	\$20.9	\$17.7	\$18.2	\$24.4	\$24.5	\$24.9	\$25.2	\$25.6	\$26.0	\$26.4	\$26.8	\$27.2
Tiverton Sports Wagering	\$1.6	\$3.0	\$6.2	\$7.0	\$6.7	\$7.1	\$7.3	\$7.5	\$7.7	\$7.9	\$8.2	\$8.4
Remote Sports Wagering		\$3.8	\$18.3	\$22.4	\$23.4	\$23.9	\$25.1	\$25.9	\$26.7	\$27.5	\$28.3	\$29.1
<b>Rhode Island Gaming Revenue</b>	<b>\$693.1</b>	<b>\$454.8</b>	<b>\$460.7</b>	<b>\$713.1</b>	<b>\$706.6</b>	<b>\$706.8</b>	<b>\$708.2</b>	<b>\$709.3</b>	<b>\$710.4</b>	<b>\$711.6</b>	<b>\$712.9</b>	<b>\$714.3</b>

<b>Net State Revenue (in millions)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$259.0	\$166.4	\$160.1	\$244.7	\$241.6	\$240.4	\$239.1	\$237.8	\$236.6	\$235.3	\$234.1	\$232.9
Twin River Table	\$18.7	\$6.7	\$5.9	\$15.8	\$15.7	\$16.0	\$16.3	\$16.6	\$16.9	\$17.2	\$17.5	\$17.8
Tiverton VLTs	\$55.5	\$46.7	\$48.9	\$67.5	\$66.4	\$66.0	\$65.7	\$65.3	\$65.0	\$64.6	\$64.3	\$64.0
Tiverton Table	\$1.3	\$0.4	\$0.3	\$1.2	\$1.3	\$1.3	\$1.4	\$1.4	\$1.5	\$1.5	\$1.6	\$1.7
Sport Wagering Total	\$3.0	\$9.5	\$19.1	\$21.6	\$21.4	\$21.6	\$22.5	\$23.2	\$23.9	\$24.6	\$25.3	\$26.0
<b>Rhode Island Gov't Revenue</b>	<b>\$337.5</b>	<b>\$229.7</b>	<b>\$234.2</b>	<b>\$350.8</b>	<b>\$346.3</b>	<b>\$345.3</b>	<b>\$344.9</b>	<b>\$344.3</b>	<b>\$343.8</b>	<b>\$343.2</b>	<b>\$342.8</b>	<b>\$342.4</b>

Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

Exhibit 1.14 summarizes and expresses in graphical form the results from Exhibit 1.13.

**Exhibit 1.14: Rhode Island Revenue Projections by Fiscal Year w/CT and MA Sports Betting (\$ MM)**



Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

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**REVENUE FORECAST SCENARIO C: SPORTS BETTING AND IGAMING IN CONNECTICUT, MASSACHUSETTS, AND RHODE ISLAND**

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The following scenario examines the impact of expanded gaming in southern New England on Rhode Island revenues if there remains only two casinos and one slots-only racino in Massachusetts, specifically MGM Springfield, Encore Boston Harbor, and Plainridge Park Casino, with sports wagering in Connecticut, Massachusetts, and Rhode Island. In this scenario, the expanded gaming consists of iGaming in Connecticut, Massachusetts, and Rhode Island.

As described in the iGaming Revenue section of this report the term “iGaming” as used in this report refers to casino games such as slot machines, craps, roulette, house banked, and non-house banked table games delivered via interactive media. Sometimes online sports wagering is included within descriptions of iGaming, but in this report, CCA confines that definition to casino style games to distinguish this form of gaming from sports betting and online lotteries (which are commonly referred to as iLottery). The states that have iGaming as well as their reported revenues are provided in the above section. Connecticut recently authorized iGaming, but it is not yet in operation.

For the calculation of Rhode Island’s share of gross gaming revenue associated with iGaming, CCA assumed that 75% of iGaming revenues will come from interactive slots and 25% from interactive tables and poker rake and tournament fees.<sup>44</sup>

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<sup>44</sup> These percentages are based on the average FY 2021 shares for iGaming reported in Pennsylvania and Delaware.

The resulting projections are presented in Exhibit 1.15 and 1.16.

**Exhibit 1.15: Rhode Island Revenue Projections by Fiscal Year with Sports Betting and iGaming in Connecticut, Massachusetts, and Rhode Island (\$ MM)**

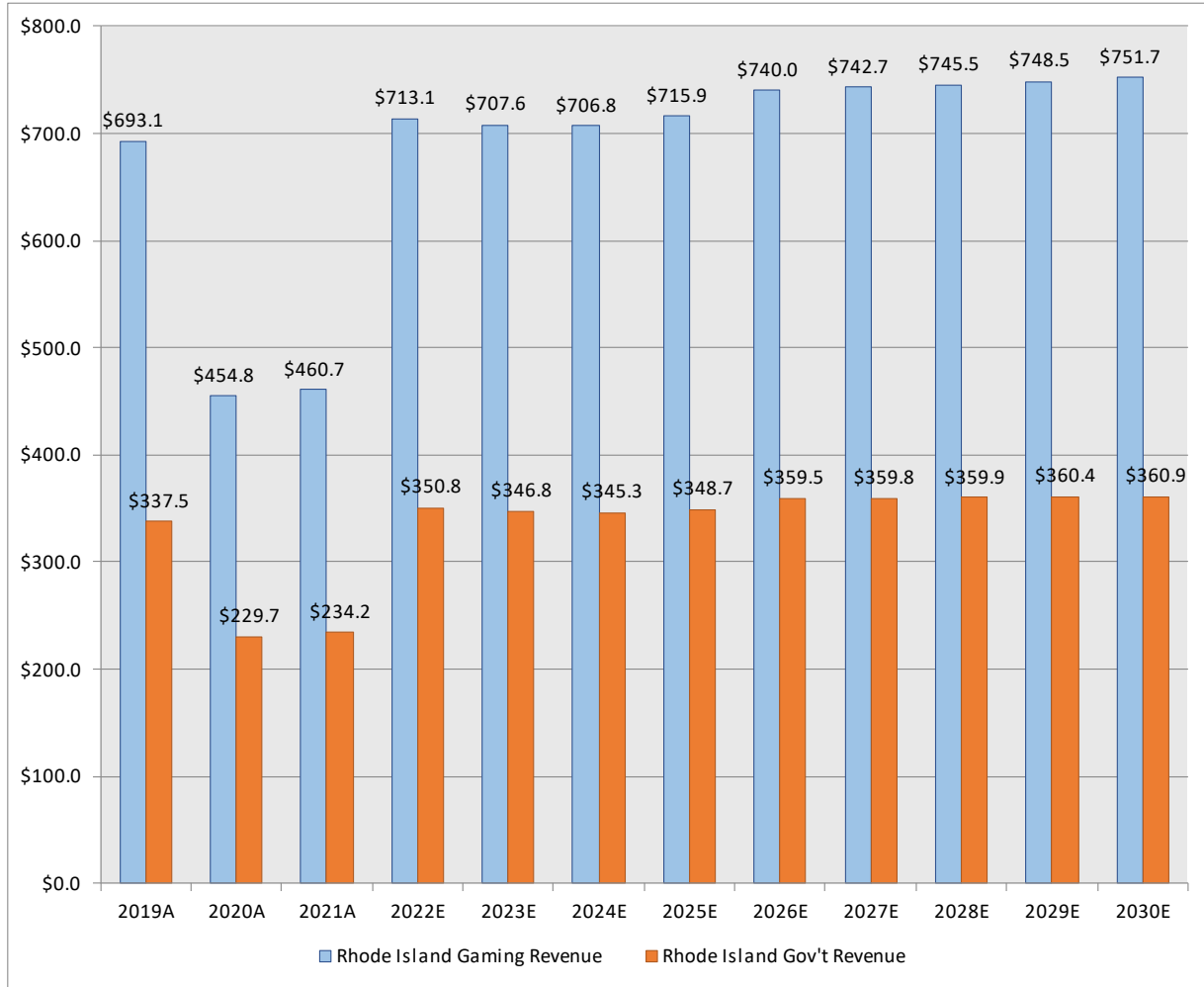
<b>GGR (in millions)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$431.9	\$276.2	\$262.0	\$408.9	\$404.4	\$402.4	\$400.4	\$398.4	\$396.4	\$394.4	\$392.5	\$390.5
Twin River Tables	\$142.6	\$65.6	\$61.2	\$125.3	\$124.8	\$126.7	\$128.6	\$130.5	\$132.4	\$134.4	\$136.4	\$138.5
Twin River Sports Wagering	\$5.3	\$11.9	\$11.7	\$11.9	\$11.8	\$10.4	\$10.8	\$11.1	\$11.4	\$11.7	\$12.1	\$12.5
Tiverton VLTs	\$90.9	\$76.6	\$83.0	\$113.2	\$112.0	\$111.4	\$110.9	\$110.3	\$109.8	\$109.2	\$108.7	\$108.1
Tiverton Tables	\$20.9	\$17.7	\$18.2	\$24.4	\$24.5	\$24.9	\$25.2	\$25.6	\$26.0	\$26.4	\$26.8	\$27.2
Tiverton Sports Wagering	\$1.6	\$3.0	\$6.2	\$7.0	\$6.7	\$7.1	\$7.3	\$7.5	\$7.7	\$7.9	\$8.2	\$8.4
Remote Sports Wagering		\$3.8	\$18.3	\$22.4	\$23.4	\$23.9	\$25.1	\$25.9	\$26.7	\$27.5	\$28.3	\$29.1
iGaming							\$7.7	\$30.7	\$32.3	\$33.9	\$35.6	\$37.4
<b>Rhode Island Gaming Revenue</b>	<b>\$693.1</b>	<b>\$454.8</b>	<b>\$460.7</b>	<b>\$713.1</b>	<b>\$707.6</b>	<b>\$706.8</b>	<b>\$715.9</b>	<b>\$740.0</b>	<b>\$742.7</b>	<b>\$745.5</b>	<b>\$748.5</b>	<b>\$751.7</b>

<b>Net State Revenue (in millions)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$259.0	\$166.4	\$160.1	\$244.7	\$241.6	\$240.4	\$239.1	\$237.8	\$236.6	\$235.3	\$234.1	\$232.9
Twin River Table	\$18.7	\$6.7	\$5.9	\$15.8	\$15.7	\$16.0	\$16.3	\$16.6	\$16.9	\$17.2	\$17.5	\$17.8
Tiverton VLTs	\$55.5	\$46.7	\$48.9	\$67.5	\$66.4	\$66.0	\$65.7	\$65.3	\$65.0	\$64.6	\$64.3	\$64.0
Tiverton Table	\$1.3	\$0.4	\$0.3	\$1.2	\$1.3	\$1.3	\$1.4	\$1.4	\$1.5	\$1.5	\$1.6	\$1.7
Sports Wagering Total	\$3.0	\$9.5	\$19.1	\$21.6	\$21.9	\$21.6	\$22.5	\$23.2	\$23.9	\$24.6	\$25.3	\$26.0
iGaming							\$3.8	\$15.2	\$16.0	\$16.8	\$17.6	\$18.5
<b>Rhode Island Gov't Revenue</b>	<b>\$337.5</b>	<b>\$229.7</b>	<b>\$234.2</b>	<b>\$350.8</b>	<b>\$346.8</b>	<b>\$345.3</b>	<b>\$348.7</b>	<b>\$359.5</b>	<b>\$359.8</b>	<b>\$359.9</b>	<b>\$360.4</b>	<b>\$360.9</b>

Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

Exhibit 1.16 summarizes and expresses in graphical form the results from Exhibit 1.15.

**Exhibit 1.16: Rhode Island Revenue Projections by Fiscal Year with Sports Betting and iGaming in Connecticut, Massachusetts, and Rhode Island (\$ MM)**



Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

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**REVENUE FORECAST SCENARIO D: SPORTS BETTING AND IGAMING IN CONNECTICUT, SPORTS BETTING IN MASSACHUSETTS AND A TRIBAL CASINO IN EAST TAUNTON, MA**

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Scenario D provides an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island's share of that revenue forecast assuming the development of a tribal casino in East Taunton, Massachusetts that is built and operated due to the passage of federal legislation that addresses the *Carcieri* fix.<sup>45</sup> Should this occur the Mashpee Wampanoag's will almost certainly revive their plans for a casino in East Taunton.

The Mashpee Wampanoag Tribe previously proposed a \$500 million destination gaming resort facility in East Taunton, Massachusetts which is located approximately 35 miles south of Boston and 20 miles east of Providence (Exhibit 1.1). Publicly released plans included a 150,000 square foot gaming facility with 3,000 slot machines, 150 house banked table games, and 40 poker tables.<sup>46</sup>

The Tribe's planned program for the East Taunton casino was released before the Newport Grand Casino was closed and the Tiverton Casino Hotel opened.<sup>47</sup> CCA believes that the presence of competition in Tiverton, RI will significantly curtail the Mashpee Wampanoag Tribe's proposed investment in an East Taunton casino, reducing it by as much as half from their original plans. Thus, CCA assumes that the potential East Taunton tribal casino will be reduced to a \$250-\$300 million gaming facility with 1,500-2,000 slot machines 75-100 house banked table games, and approximately 25 poker tables.<sup>48</sup>

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<sup>45</sup> The [1934 Indian Reorganization Act](#) (IRA) empowered the federal government and tribal nations to place new land into trust—that is, to enlarge existing tribal homelands or newly recognize tribal homelands—in order to “conserve and develop Indian lands and resources,” and to further economic prosperity. For many years, the U.S. Department of the Interior (DOI) interpreted the IRA as authorizing the Secretary of the Interior to place land into trust for any federally recognized tribal nation. In 2009, however, the U.S. Supreme Court ruled in *Carcieri v. Salazar* that DOI could take land into trust only for tribal nations “under Federal jurisdiction” at the time the IRA was enacted in 1934. The *Carcieri* fix is legislation introduced in the U.S. Congress would amend the IRA to reaffirm DOI's authority to take land into trust for all federally recognized tribal nations, irrespective of when federal recognition was achieved.

<sup>46</sup> <http://www.mashpeewampanoagtribe.com/content/pages/77/MWT-Presentation.pdf>

<sup>47</sup> The gaming license under which the Newport Grand casino operated was transferred to the Tiverton Casino Hotel upon the latter's opening in September 2018.

<sup>48</sup> The Tiverton Casino Hotel currently operates 1,000 video lottery terminals, 32 house banked table games and no poker tables.



The resulting projections are presented in Exhibit 1.17 and 1.18.

**Exhibit 1.17: Rhode Island Revenue Projections by Fiscal Year with Sports Betting and iGaming in Connecticut, Sports Betting in Massachusetts, and a Tribal Casino in East Taunton (\$ MM)**

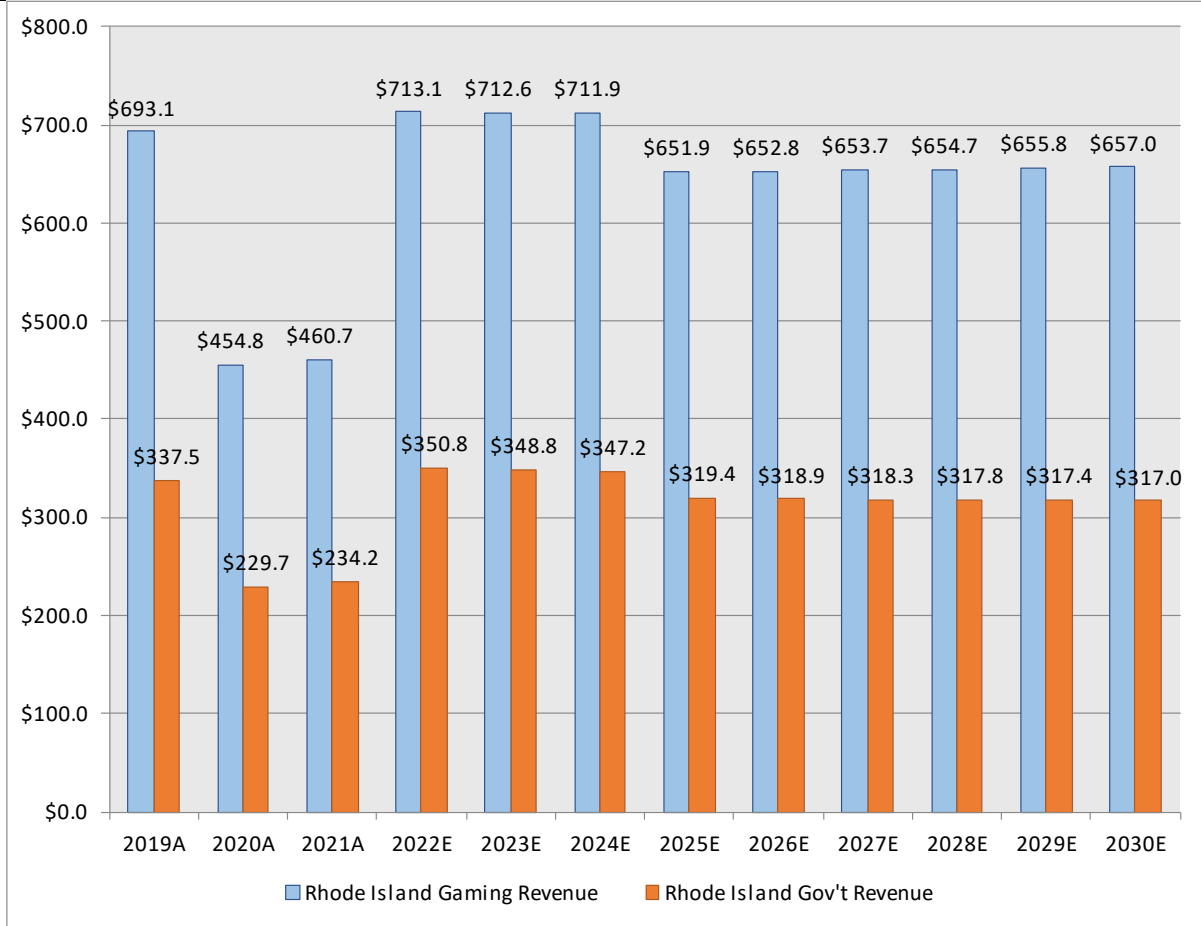
<b>GGR (in millions)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$431.9	\$276.2	\$262.0	\$408.9	\$406.8	\$404.8	\$382.3	\$380.4	\$378.5	\$376.6	\$374.7	\$372.9
Twin River Tables	\$142.6	\$65.6	\$61.2	\$125.3	\$127.2	\$129.1	\$115.0	\$116.8	\$118.5	\$120.3	\$122.1	\$123.9
Twin River Sports Wagering	\$5.3	\$11.9	\$11.7	\$11.9	\$11.8	\$10.4	\$9.1	\$9.4	\$9.7	\$10.0	\$10.3	\$10.6
Tiverton VLTs	\$90.9	\$76.6	\$83.0	\$113.2	\$112.0	\$111.4	\$94.2	\$93.7	\$93.2	\$92.8	\$92.3	\$91.8
Tiverton Tables	\$20.9	\$17.7	\$18.2	\$24.4	\$24.7	\$25.1	\$19.9	\$20.2	\$20.5	\$20.9	\$21.2	\$21.5
Tiverton Sports Wagering	\$1.6	\$3.0	\$6.2	\$7.0	\$6.7	\$7.1	\$6.2	\$6.4	\$6.6	\$6.8	\$7.0	\$7.2
Remote Sports Wagering		\$3.8	\$18.3	\$22.4	\$23.4	\$23.9	\$25.1	\$25.9	\$26.7	\$27.5	\$28.3	\$29.1
<b>Rhode Island Gaming Revenue</b>	<b>\$693.1</b>	<b>\$454.8</b>	<b>\$460.7</b>	<b>\$713.1</b>	<b>\$712.6</b>	<b>\$711.9</b>	<b>\$651.9</b>	<b>\$652.8</b>	<b>\$653.7</b>	<b>\$654.7</b>	<b>\$655.8</b>	<b>\$657.0</b>

<b>Net State Revenue (in millions)*</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$259.0	\$166.4	\$160.1	\$244.7	\$243.1	\$241.8	\$228.0	\$226.9	\$225.7	\$224.5	\$223.4	\$222.2
Twin River Table	\$18.7	\$6.7	\$5.9	\$15.8	\$16.0	\$16.3	\$14.2	\$14.4	\$14.7	\$15.0	\$15.3	\$15.5
Tiverton VLTs	\$55.5	\$46.7	\$48.9	\$67.5	\$66.4	\$66.1	\$55.5	\$55.2	\$54.9	\$54.6	\$54.3	\$54.0
Tiverton Table	\$1.3	\$0.4	\$0.3	\$1.2	\$1.3	\$1.4	\$0.6	\$0.6	\$0.6	\$0.7	\$0.7	\$0.8
Sports Wagering Total	\$3.0	\$9.5	\$19.1	\$21.6	\$21.9	\$21.6	\$21.1	\$21.8	\$22.4	\$23.1	\$23.7	\$24.4
<b>Rhode Island Gov't Revenue</b>	<b>\$337.5</b>	<b>\$229.7</b>	<b>\$234.2</b>	<b>\$350.8</b>	<b>\$348.8</b>	<b>\$347.2</b>	<b>\$319.4</b>	<b>\$318.9</b>	<b>\$318.3</b>	<b>\$317.8</b>	<b>\$317.4</b>	<b>\$317.0</b>

Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

Exhibit 1.18 summarizes and expresses in graphical form the results from Exhibit 1.17.

**Exhibit 1.18: Rhode Island Revenue Projections by Fiscal Year with Sports Betting and iGaming in Connecticut, Sports Betting in Massachusetts, and a Tribal Casino in and a Tribal Casino in East Taunton (\$ MM)**



Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

**REVENUE FORECAST SCENARIO E: SPORTS BETTING AND iGAMING IN CONNECTICUT, SPORTS BETTING IN MASSACHUSETTS, A TRIBAL CASINO IN EAST TAUNTON, MA, AND TABLES GAMES AT PLAINRIDGE PARK CASINO**

Scenario E provides an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island’s share of that revenue forecast as in Scenario D above, but also assuming that table games will be allowed at Plainridge Park Casino. Currently, Plainridge Park Casino is prevented from operating table games by Massachusetts law and thus, only operates 1,250 slot machines at its facility.<sup>49</sup> Given that the law would need to be changed and implementing table gaming would require an expansion of Plainridge Park Casino we assume for projection purposes that it would be sometime in FY 2025 before Plainridge Park Casino would have table games that are available to the public. CCA assumes for the purposes of the following projections that Plainridge Park would keep its full complement of slot machines and add approximately 65 house banked and poker tables.

The resulting projections are presented in Exhibit 1.19 and 1.20.

**Exhibit 1.19: Rhode Island Revenue Projections by Fiscal Year with Sports Betting and iGaming in Connecticut, Sports Betting in Massachusetts, a Tribal Casino in East Taunton, MA, and Table Games at Plainridge Park Casino (\$ MM)**

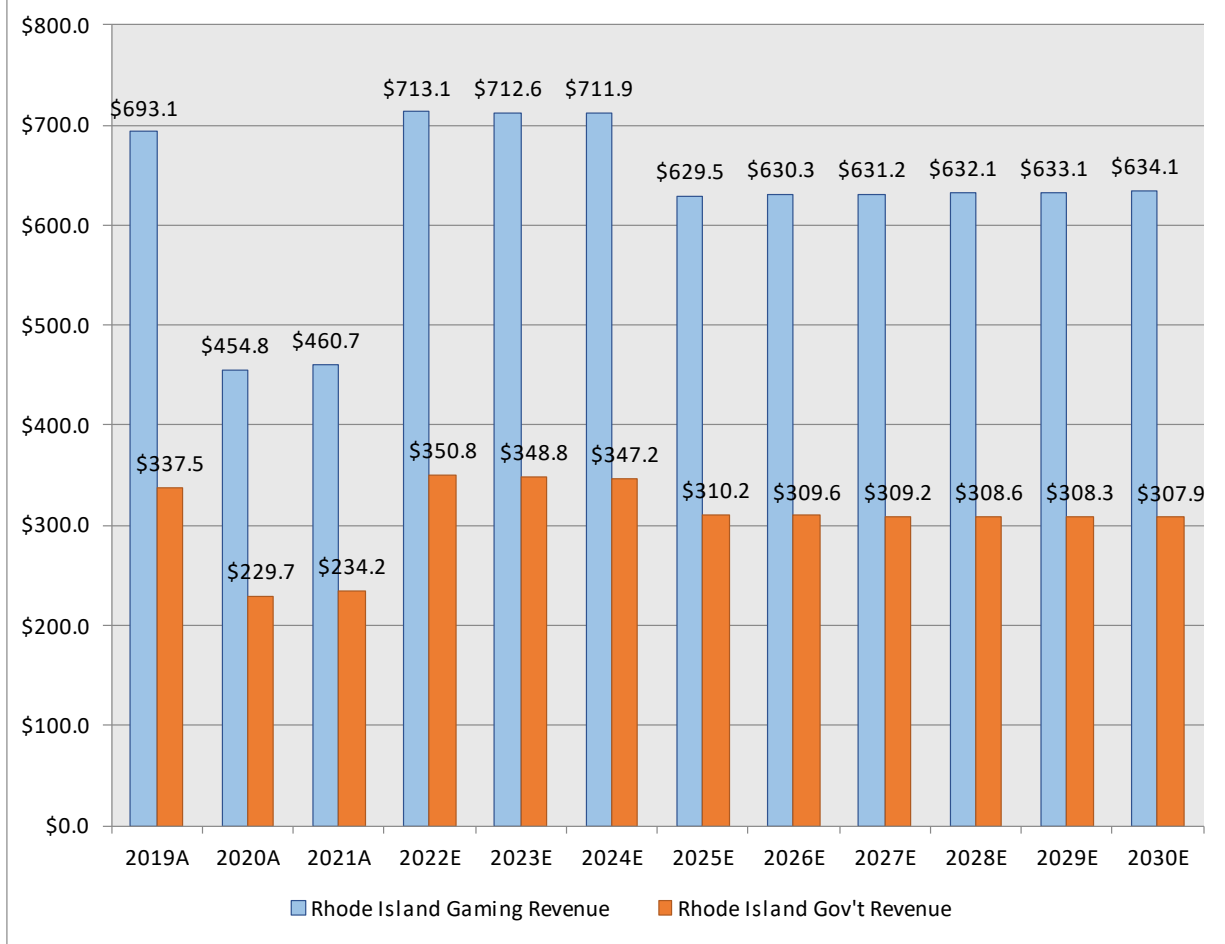
GGR (in millions)	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Twin River VLTs	\$431.9	\$276.2	\$262.0	\$408.9	\$406.8	\$404.8	\$370.9	\$369.0	\$367.2	\$365.3	\$363.5	\$361.7
Twin River Tables	\$142.6	\$65.6	\$61.2	\$125.3	\$127.2	\$129.1	\$105.8	\$107.4	\$109.0	\$110.7	\$112.3	\$114.0
Twin River Sports Wagering	\$5.3	\$11.9	\$11.7	\$11.9	\$11.8	\$10.4	\$9.0	\$9.3	\$9.6	\$9.9	\$10.2	\$10.5
Tiverton VLTs	\$90.9	\$76.6	\$83.0	\$113.2	\$112.0	\$111.4	\$93.2	\$92.8	\$92.3	\$91.8	\$91.4	\$90.9
Tiverton Tables	\$20.9	\$17.7	\$18.2	\$24.4	\$24.7	\$25.1	\$19.3	\$19.6	\$19.9	\$20.2	\$20.5	\$20.8
Tiverton Sports Wagering	\$1.6	\$3.0	\$6.2	\$7.0	\$6.7	\$7.1	\$6.1	\$6.3	\$6.5	\$6.7	\$6.9	\$7.1
Remote Sports Wagering		\$3.8	\$18.3	\$22.4	\$23.4	\$23.9	\$25.1	\$25.9	\$26.7	\$27.5	\$28.3	\$29.1
<b>Rhode Island Gaming Revenue</b>	<b>\$693.1</b>	<b>\$454.8</b>	<b>\$460.7</b>	<b>\$713.1</b>	<b>\$712.6</b>	<b>\$711.9</b>	<b>\$629.5</b>	<b>\$630.3</b>	<b>\$631.2</b>	<b>\$632.1</b>	<b>\$633.1</b>	<b>\$634.1</b>
<b>Net State Revenue (in millions)<sup>5</sup></b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$259.0	\$166.4	\$160.1	\$244.7	\$243.1	\$241.8	\$221.1	\$219.9	\$218.8	\$217.6	\$216.5	\$215.4
Twin River Table	\$18.7	\$6.7	\$5.9	\$15.8	\$16.0	\$16.3	\$12.7	\$13.0	\$13.2	\$13.5	\$13.7	\$14.0
Tiverton VLTs	\$55.5	\$46.7	\$48.9	\$67.5	\$66.4	\$66.1	\$54.9	\$54.6	\$54.3	\$54.0	\$53.8	\$53.5
Tiverton Table	\$1.3	\$0.4	\$0.3	\$1.2	\$1.3	\$1.4	\$0.5	\$0.5	\$0.5	\$0.6	\$0.6	\$0.7
Remote Sports Wagering	\$3.0	\$9.5	\$19.1	\$21.6	\$21.9	\$21.6	\$21.0	\$21.7	\$22.3	\$23.0	\$23.6	\$24.3
<b>Rhode Island Gov't Revenue</b>	<b>\$337.5</b>	<b>\$229.7</b>	<b>\$234.2</b>	<b>\$350.8</b>	<b>\$348.8</b>	<b>\$347.2</b>	<b>\$310.2</b>	<b>\$309.6</b>	<b>\$309.2</b>	<b>\$308.6</b>	<b>\$308.3</b>	<b>\$307.9</b>

Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

<sup>49</sup> Plainridge Park Casino’s video lottery terminals do include electronic simulations of traditional table games such as roulette, craps, and blackjack, however, the odds of winning are structured the same way as the odds of winning at a video lottery terminal or slot machine are (i.e., using a random number algorithm to generate winning blackjack hands, spins of the roulette wheel, etc.).

Exhibit 1.20 summarizes and expresses in graphical form the results from Exhibit 1.19.

**Exhibit 1.20: Rhode Island Revenue Projections by Fiscal Year with Sports Betting and iGaming in Connecticut, Sports Betting in Massachusetts, a Tribal Casino in East Taunton, MA, and Table Games at Plainridge Park Casino (\$ MM)**



Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

**REVENUE FORECAST SCENARIO F: ALL THE ABOVE**

Scenario F provides an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island’s share of that revenue forecast if all the additional gaming described in Scenarios-C-E above are implemented.

The resulting projections are presented in Exhibit 1.19 and 1.20.

**Exhibit 1.19: Rhode Island Revenue Projections by Fiscal Year with Sports Betting and iGaming in Connecticut, Massachusetts, and Rhode Island, a Tribal Casino in East Taunton, MA, and Table Games at Plainridge Park Casino (\$ MM)**

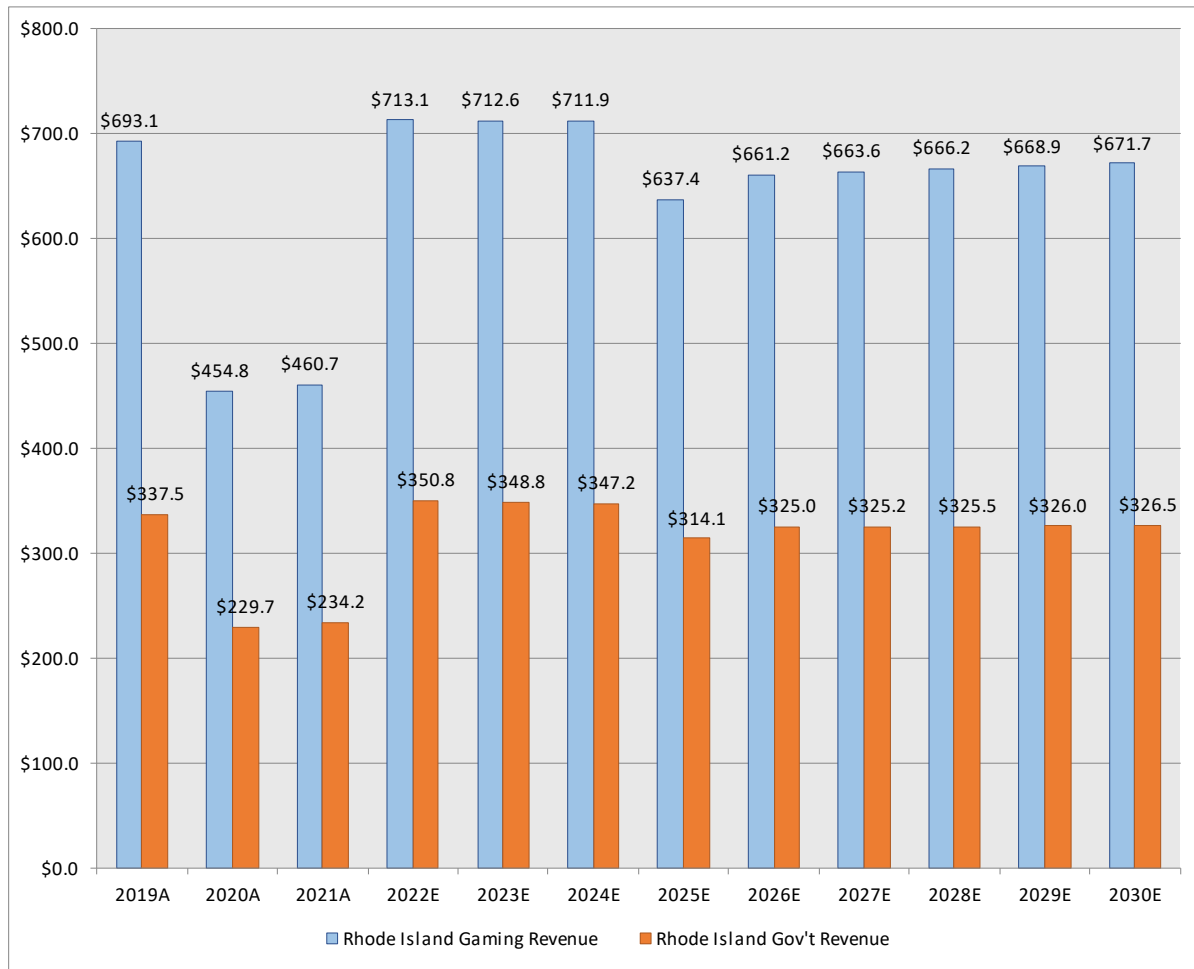
<b>GGR (in millions)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$431.9	\$276.2	\$262.0	\$408.9	\$406.8	\$404.8	\$370.9	\$369.0	\$367.2	\$365.3	\$363.5	\$361.7
Twin River Tables	\$142.6	\$65.6	\$61.2	\$125.3	\$127.2	\$129.1	\$105.8	\$107.4	\$109.0	\$110.7	\$112.3	\$114.0
Twin River Sports Wagering	\$5.3	\$11.9	\$11.7	\$11.9	\$11.8	\$10.4	\$9.1	\$9.4	\$9.7	\$10.0	\$10.3	\$10.6
Tiverton VLTs	\$90.9	\$76.6	\$83.0	\$113.2	\$112.0	\$111.4	\$93.2	\$92.8	\$92.3	\$91.8	\$91.4	\$90.9
Tiverton Tables	\$20.9	\$17.7	\$18.2	\$24.4	\$24.7	\$25.1	\$19.3	\$19.6	\$19.9	\$20.2	\$20.5	\$20.8
Tiverton Sports Wagering	\$1.6	\$3.0	\$6.2	\$7.0	\$6.7	\$7.1	\$6.2	\$6.4	\$6.6	\$6.8	\$7.0	\$7.2
Remote Sports Wagering		\$3.8	\$18.3	\$22.4	\$23.4	\$23.9	\$25.1	\$25.9	\$26.7	\$27.5	\$28.3	\$29.1
iGaming							\$7.7	\$30.7	\$32.3	\$33.9	\$35.6	\$37.4
<b>Rhode Island Gaming Revenue</b>	<b>\$693.1</b>	<b>\$454.8</b>	<b>\$460.7</b>	<b>\$713.1</b>	<b>\$712.6</b>	<b>\$711.9</b>	<b>\$637.4</b>	<b>\$661.2</b>	<b>\$663.6</b>	<b>\$666.2</b>	<b>\$668.9</b>	<b>\$671.7</b>

<b>Net State Revenue (in million)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Twin River VLTs	\$259.0	\$166.4	\$160.1	\$244.7	\$243.1	\$241.8	\$221.1	\$219.9	\$218.8	\$217.6	\$216.5	\$215.4
Twin River Table	\$18.7	\$6.7	\$5.9	\$15.8	\$16.0	\$16.3	\$12.7	\$13.0	\$13.2	\$13.5	\$13.7	\$14.0
Tiverton VLTs	\$55.5	\$46.7	\$48.9	\$67.5	\$66.4	\$66.1	\$54.9	\$54.6	\$54.3	\$54.0	\$53.8	\$53.5
Tiverton Table	\$1.3	\$0.4	\$0.3	\$1.2	\$1.3	\$1.4	\$0.5	\$0.5	\$0.5	\$0.6	\$0.6	\$0.7
Remote Sports Wagering	\$3.0	\$9.5	\$19.1	\$21.6	\$21.9	\$21.6	\$21.1	\$21.8	\$22.4	\$23.1	\$23.7	\$24.4
iGaming							\$3.8	\$15.2	\$16.0	\$16.8	\$17.6	\$18.5
<b>Rhode Island Gov't Revenue</b>	<b>\$337.5</b>	<b>\$229.7</b>	<b>\$234.2</b>	<b>\$350.8</b>	<b>\$348.8</b>	<b>\$347.2</b>	<b>\$314.1</b>	<b>\$325.0</b>	<b>\$325.2</b>	<b>\$325.5</b>	<b>\$326.0</b>	<b>\$326.5</b>

Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

Exhibit 1.20 summarizes and expresses in graphical form the results from Exhibit 1.19.

**Exhibit 1.20: Rhode Island Revenue Projections by Fiscal Year with Sports Betting and iGaming in Connecticut, Massachusetts, and Rhode Island, a Tribal Casino in East Taunton, MA, and Table Games at Plainridge Park Casino (\$ MM)**



Source: Rhode Island Department of Revenue, Christiansen Capital Advisors, LLC. estimates

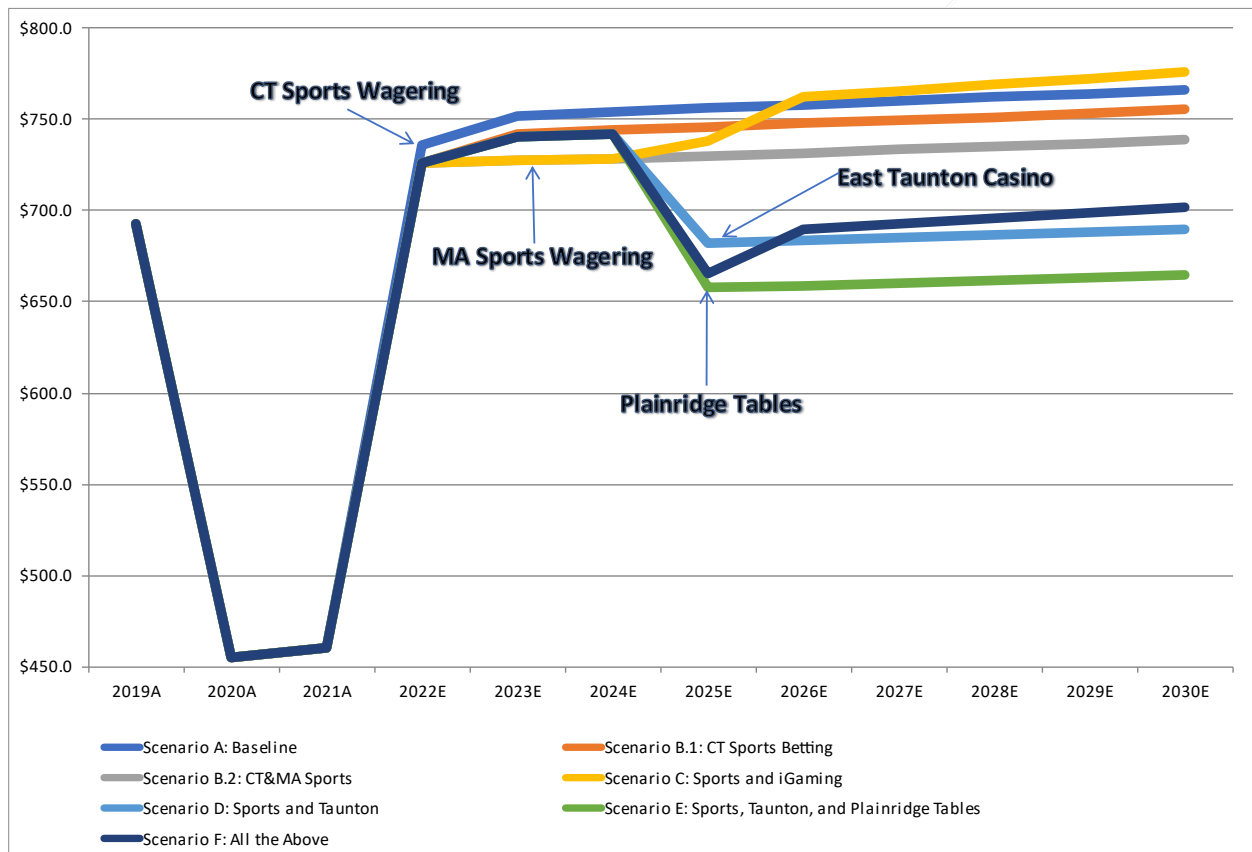
**SUMMARY OF FORECASTS**

Exhibit 1.21 summarizes Rhode Island total gaming revenue under the scenarios CCA was asked to examine in this report, including the dates of various milestones that will impact gaming revenue in the future. As shown in the exhibit, CCA expects gaming revenues in Rhode Island to recover and slightly exceed pre-pandemic levels in FY 2022, and in our baseline and *status quo*, scenarios<sup>50</sup> grow modestly

<sup>50</sup> According to our contract, CCA was asked to construct a baseline scenario, consisting of an eight-year projection of Rhode Island casino gaming gross revenues and state shares for the FY 2022 – FY 2030 period assuming no changes in the regional gaming market from what existed as of July 1, 2021. Since Connecticut implemented sports

over the next eight years. If sports betting is approved in Massachusetts in addition to already legalized sports betting in Connecticut (Scenario B.2), CCA forecasts that total Rhode Island gaming revenues will decline by approximately \$16.5 million. CCA projects that if iGaming is authorized in Rhode Island, even with iGaming available in Connecticut and Massachusetts, much of that impact would be mitigated and Rhode Island gaming revenues could grow beyond the baseline model assuming no new casinos open in Massachusetts (Scenario C). As in the previous studies of the Rhode Island gaming market, CCA projects that if a new tribal gaming facility opens in East Taunton, MA (Scenario D), Rhode Island gaming revenues will be approximately \$74 million less than our baseline projections for FY 2025. In addition, if table games are allowed at Plainridge, as well as a new casino in East Taunton (Scenario E), Rhode Island gaming revenues will be approximately \$98 million lower than our baseline projections for FY 2025. Lastly, if Rhode Island were to implement iGaming in the face of all the above prospective competition the losses described above could be mitigated by as much \$37 million in FY 2030.

**Exhibit 1.21: Summary of Rhode Island Gaming Revenue Projections by Fiscal Year**



Source: Christiansen Capital Advisors, LLC. estimates

betting and iGaming after that date, the *status quo* is scenario B.1. Or, as described in our contract, Scenario B: consisting of an eight-year projection of Rhode Island gross gaming revenue and the State of Rhode Island’s share of that revenue as above except with forecasting the impact of the addition of legalized sports betting in Connecticut and Massachusetts under two alternative scenarios: B.1-Sports betting just in Connecticut and B.2 Sports betting in Connecticut and Massachusetts.

The projections presented herein are based upon the accompanying assumptions. Some of these assumptions will inevitably not materialize, and unanticipated events and circumstances will occur. Actual results may therefore vary from our projections, and such variations may be material.