

Review of the Ancillary Facilities Proposed by Applicants for the Prince George's County, Maryland Gaming Facility License



Presented to: Maryland Lottery Commission, Video Lottery Facility Location Commission

Presented by: Macomber International, Inc.

Date: December 6, 2013 v.1.4.

Assignment

Macomber International, Inc. (“MI”) was asked to:

- Review the Ancillary Facilities as proposed by each applicant (“Applicant”) ... and then ...
- Determine which Applicant submission (“Submission”) best achieves the Evaluation Criteria the Maryland Lottery Commission Video Lottery Facility Location Commission (collectively, “MLC”) must follow as dictated by Maryland law.

Ancillary Facilities generally refers to all non-gaming facilities and activities that may include but is not necessarily limited to:

Dining

Bars and Lounges

Entertainment/Clubs

Retail

Relaxation (e.g., spa)

Recreation (e.g., fitness)

Hotel

Meeting & Convention

Other

Qualifications

This review and evaluation was conducted solely by Dean M. Macomber, President, Macomber International, Inc.

- 38 years in the gaming industry.
- Held operation positions ranging from Dealer to CEO.
- Worked as a consultant for a public accounting firm as well as my own company, MI.
- Involved in the opening of 7 casinos and 2 takeovers.
- Projects have included:
 - Scope: 400 unit slot operation to >\$2B mega Casino-Resorts.
 - Positioning:
 - Locals, Regional, Domestic/International to ...
 - Value driven slot to ...
 - VVIP table game operations to ...
 - Virtually everything in between.
 - Location:
 - Operations: Nevada (Las Vegas, Lake Tahoe, Laughlin), New Jersey, Canada, Macau, Philippines.
 - Consulting: U.S., Canada, Caribbean, Latin America, Europe, Russia, Asia, Australia, Internet gaming, and technology.
 - Similar work: Town of Plainville, MA. Kansas Gaming and Lottery Commission. Other venues as bidder.
- 65 domestic/international presentations, university casino gaming courses, 23 articles.
- Masters Hotel School of Administration, Cornell University plus undergraduate Marketing.

Approach

MI took a linear sequential approach to its review. MI initially began with a top down review following the work plan outlined below but, as findings so dictated, iterated this sequential approach up, down, and across between and among steps until a holistic overall conclusion was reached:

1. Review and understand the driving goals and parameters established by Maryland gaming related laws, statutes, legislative imperatives, and regulations.
2. Evaluate external factors that influence or have the potential to influence the proposed gaming facilities.
3. Evaluate internal factors that influenced or could influence the applicant's Submission.
4. Evaluate the specifics of each applicant's proposal.
5. Evaluate and Compare each Applicant's Submission.

MI's assessed each Submission project as an independent business activity but also in the context of other existing and possible future gaming and non-gaming competition.

Ancillary Facility Evaluation Criteria Optimized by Commercial Success

Reference	Category and Evaluation Criteria	
BENEFITS TO THE STATE -- REVENUE		
(2)	(i)	Highest potential benefit and potential prospective revenue to be derived by the State;
(2)	(v)	Competitiveness of the proposed facility;
(2)	(ii)	The potential revenues from a proposed location based on a market analysis;
(2)	(iv)	The extent to which the proposed location demonstrates that the facility will be a substantial regional and national tourist destination;
Reference	Category and Evaluation Criteria	
BENEFITS TO THE STATE -- REVENUE ... continued		
(2)	(iii)	The extent to which the proposed location encourages Maryland gaming participants to remain in the State;
(2)	(vi)	The amount of gross revenues to be allocated to the video lottery operator over the term of the license;
BENEFITS TO THE STATE -- CAPITAL INVESTMENT		
(2)	(v)	The proposed facility capital construction plans and ...
JOB CREATION		
(because jobs are related to capital investment and revenue)		
(2)	(viii)	The extent to which the proposed location will preserve existing Maryland jobs and the number of net new jobs to be created;
(3)	(i)	The anticipated wages and benefits for new jobs to be created;

Source: MLC and Macomber International, Inc.

The weighting of the Evaluation Criteria is dominated by Business and Marketing Factors at 70 percent.

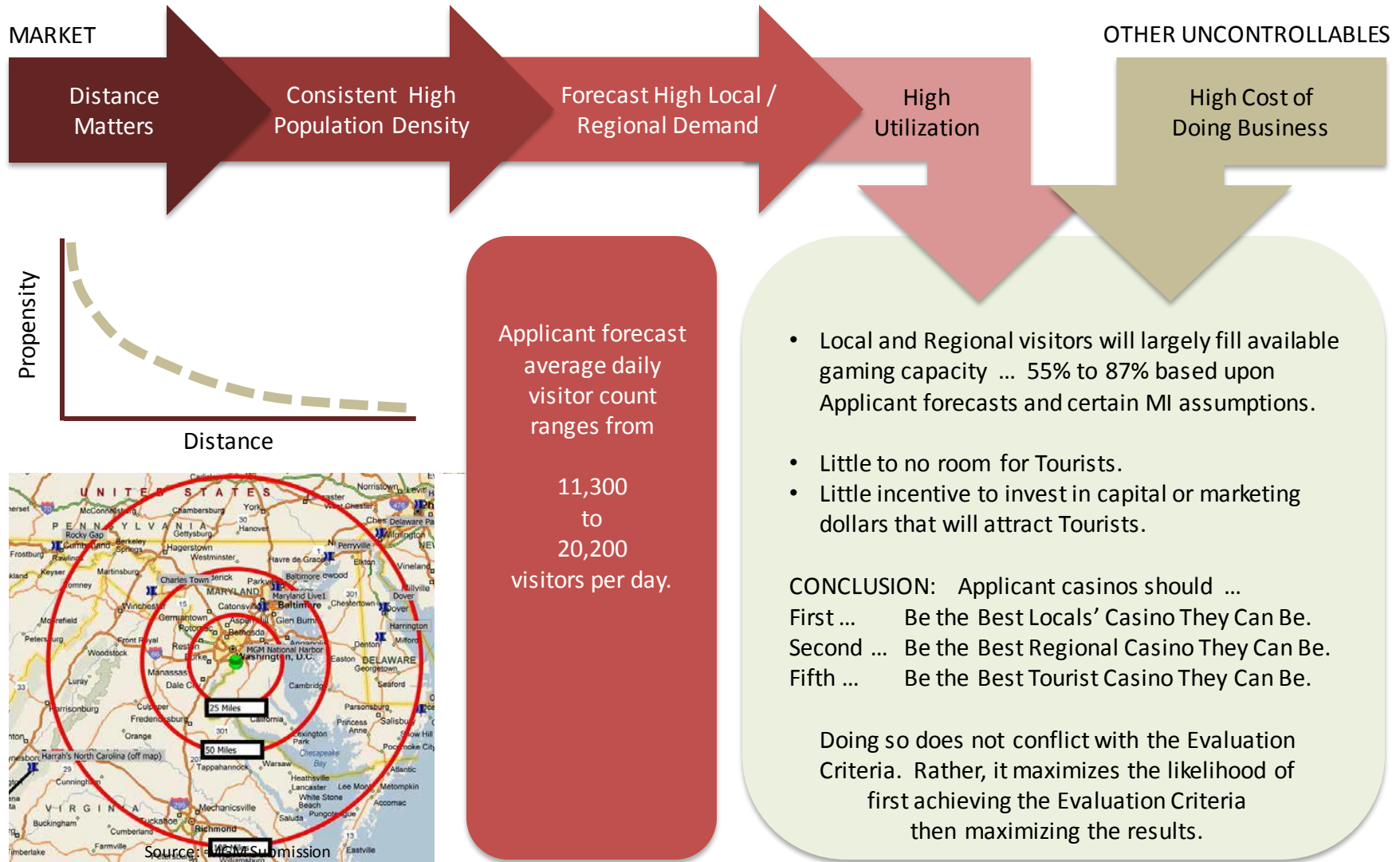
Adding the Economic Development weighting of 15 percent brings the total to 85 percent.

Maximizing the potential and actual commercial success drives ...

- ☞ **More capital Investment** that directly drives ...
- ☞ **More construction jobs.**
- ☞ More, higher quality, and **more competitive facilities** and activities that directly:
 - ☞ Drive **more permanent, post opening “operating” jobs.**
 - ☞ **Retain more Maryland gamers** in Maryland.
 - ☞ Drive **more revenue** that ...
 - ☞ Directly drives **more revenue to the State** through gaming revenue tax and related fees.
 - ☞ **More profit** that potentially indirectly drives:
 - ☞ **Higher paying permanent, post opening “operating” jobs.**
 - ☞ **A lower potential retention rate** by the gaming licensee.
 - ☞ Potentially greater capital investment and marketing leading to **more Tourists.**

Maximizing commercial success maximizes 85 percent of the Evaluation Criteria.

Embedded Dynamics Means Achieving Commercial Success Means “Being the Best Locals / Regional Casino You Can Be”



Commercial Success Means Niche-ing and/or Beating the Competition

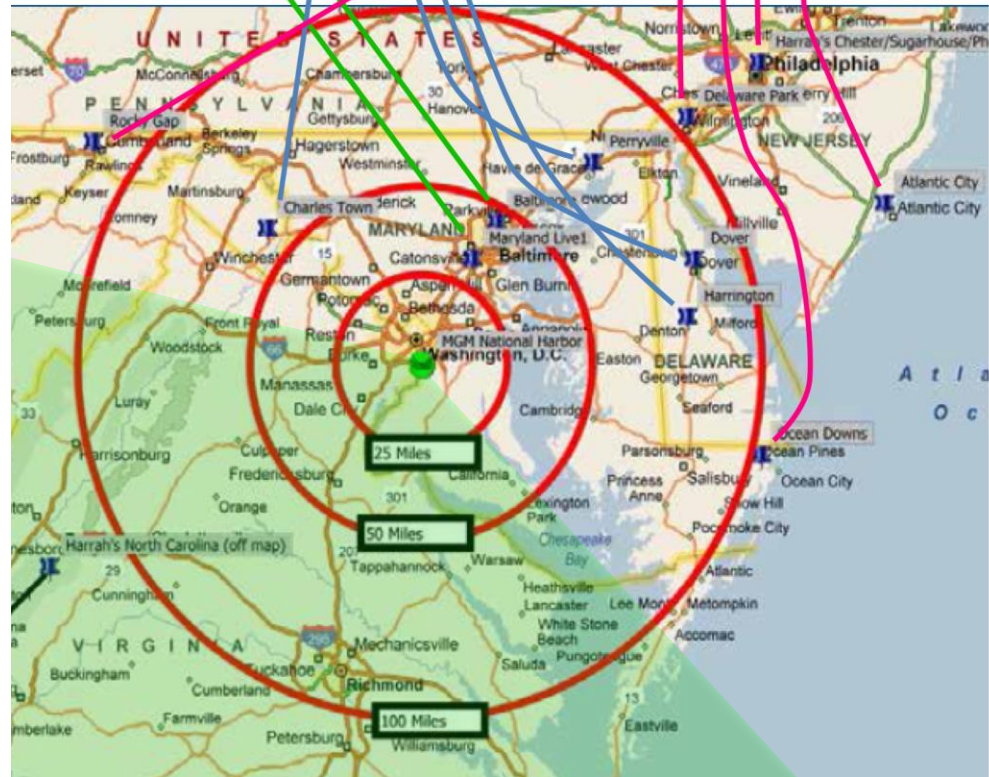
The gaming facility will have ...

- Significant competition within the 25 to 50 mile radius for feeder markets from the ...
 - North, northeast, and east;
- Significant competition within the 50 to 100 mi. radius for feeder markets from the ...
 - North, northwest, east and southeast;
- Varying competition from feeder markets greater than 100 miles ...
 - Significant competition from feeder markets further to the Northeast, east, and southeast but ...
- **Minimal competition from feeder markets to the west, southwest, and south.**

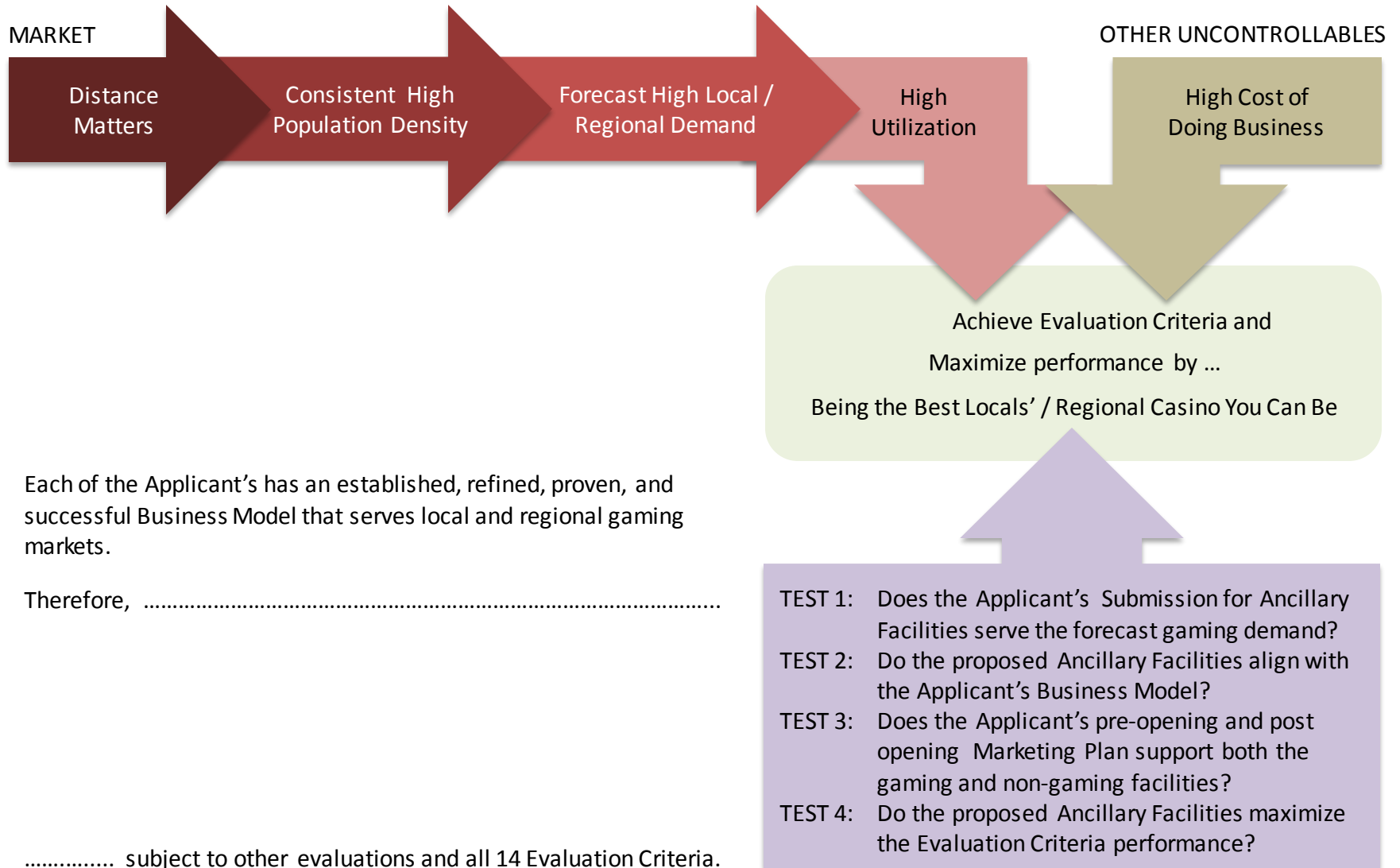
All of the competition except for the Atlantic City casinos are positioned as local / regional casinos. But, two are near regional / tourist clusters:

- Maryland Live!, is near Arundel Mills Mall, BWI Airport, and allegedly 5000 hotel rooms.
- Horseshoe Baltimore will be adjacent to the Ravens and Oriole's stadiums, Inner Harbor Baltimore, and the hotel and other dining/bar options of the Central Business District.

WITHIN 25 MILES	WITHIN 26 TO 50 MILES	WITHIN 51 TO 100 MILES	GREATER THAN 100 MILES
None	Maryland Live! Maryland	Penn National – Hollywood Charles Town, West Virginia	Rocky Gap Maryland
	Baltimore Horseshoe Maryland (2014)	Penn National – Hollywood Perryville, Maryland	Delaware Park Delaware
		Dover Downs Delaware	Ocean Downs Maryland
		Harrington Racetrack Delaware	Philadelphia, PA: • Harrah's Chester • Sugarhouse • Parx • Valley Forge
			Atlantic City, NJ: • 12 casinos
Source: MGM Submission and Macomber International			



Evaluation Criteria Driven Applicant Tests



Proven, Successful But Different Business Models

HOLLYWOOD / PENN NATIONAL

Target the dead-center middle of the Marketplace

- ↳ ... by providing comfortable, familiar, new and clean environments
- ↳ ... using relatively low price points
- ↳ ... accompanied by consistently good quality (relative to expectations)
- ↳ ... thereby creating price-value.

This effort takes place within a Hollywood-inspired theme that has broad appeal.

Hollywood then caters “up” or “down” the Mass Market income/budget chain via targeted facilities (e.g., a food court for the low end and a steakhouse for their highest-most customer) *and* such artifices as an aspirational-ly tiered loyalty club program.

As such, Hollywood will rarely spend the greatest amount per unit on the building and interior design or even discretionary marketing dollars relying instead on consistently meeting if not exceeding ‘average’ expectations at a price-value.

Hollywood currently operates 26 such properties in 17 jurisdictions and has been one of if not THE fastest growing locals’ / regional focused U.S. gaming company.

PARX

Parx appears to position its property slightly higher than say Hollywood/Penn still aiming at the Mass Market but probably with their “center” more in the upper half of the Mass Market continuum.

As such they appear to spend more per unit to create a higher level, modern bricks-and-mortar environment as well as to offer a slightly greater variety of activities.

Parx “average” price points track the notch up in quality but still allow Parx to market “down” but able to more easily penetrate further “up” into the lower extremities of the Upper Market Segment.

It appears they are also very aggressive in spending marketing dollars to incentivize Trial, then Repeat Visitation, and ultimately Loyalty.

Parx is a newer company and only operates only one other casino under the Parx brand in the oligopolistic Philadelphia Market.

Even so, their brand went through an evolution from an initial, rather opportunistic building to become Philadelphia’s gaming revenue leader.

Proven, Successful But Different Business Models

MGM

The MGM brand appears positioned to serve the dead center of the “4-star” Market which is generally considered to be the lower portion of the Upper Market.

In so doing, MGM presents a modern, more sophisticated image wrapped in “big” properties that offer multiple gaming and non-gaming options and often multiple options within a given activity.

Commensurately, MGM makes higher investments per unit and in aggregate.

Individually and collectively, these strategies allow them to market “down” via multiple price points but also for the lowest in their target range by making such visits aspirational. Within the same property, MGM markets “up” by offering elements at the 5-star and *über*, world class quality levels.

The company also appears to follow through with a willingness to spend in aggregate large sums on incentive marketing.

MGM has grown from its MGM DNA but also through the clever and aggressive acquisition of a number of high quality brands and properties in Las Vegas (e.g., Bellagio, Mandalay Bay).

MGM has a multitude of brands that stretch from more Mass Market (e.g., New York. New York) to the best-of-the-best (e.g., Bellagio and aspects of City Center).

OBSERVATIONS AND CONCLUSIONS

The Business Model for each of the Applicants has evolved, been refined, is proven, and is successful serving markets similar to the Greater Washington D.C. / Baltimore Market Area. Each of their Business Models has also proved competitive against specific competitors already in the Marketplace or about to enter.

Each has submitted a proposal consistent with their Business Model but different in positioning, mix and scope of activities, capital investment, and pre- and post-opening marketing as well as operating strategies.

Each achieves the minimum Evaluation Criteria expectations relative to Ancillary Facilities.

Big Picture

Investment, Capacity, Revenue

APPLICANT DATA

	HOLLYWOOD (Penn)	PARX	MGM
Investment: Building, Equipment, & Supplies only	\$458M	\$379M Phase 1* \$589M Full build out*	\$735M
Gaming Positions	3,980 positions	4,190 positions 5,940 positions	4,481 positions
“Investment” (defined above) per Gaming Position	\$115,000	\$90,000 Phase 1 \$99,000 Full build out	\$164,000
Forecast Gross Gaming Revenue	\$334M 2016 \$413M 2019	\$660M 2016 \$809M 2019	\$599M 2016 \$688M 2019
Forecast Non-gaming Revenue	\$ 38M 2016 \$ 47M 2019	\$ 81M 2016 \$122M 2019	\$107M 2016 \$123M 2019
* Parx has proposed opening in 2016 Phase 1 with 3000 VLTs but by 2019 adding an additional 1750 VLTs (4750 VLTs total if the MLC is able and willing to allow additional units) and their 250 room hotel.			

Source: Applicant submissions and Macomber International, Inc.

MLC CONSULTANT DATA

2019 dollars	HOLLYWOOD (Penn)	PARX	MGM
CCA Forecast Gross Gaming Revenue	\$560M 136% Applicant	\$682M 84% Applicant	\$713M 104% Applicant
Custom Gaming Forecast Gross Gaming Revenue	\$551M 133% Applicant	\$617M 76% Applicant	\$719M 105% Applicant

Parx is proposing a two-phase development versus Hollywood and MGM with full build out at opening.

Investment in Building, Equipment, & Supplies follows each Applicants Business Model. Parx “in the middle” of Investment per Gaming Position if maximum capacity adjusted and in the middle of forecast GGR if MRC Consultant forecasts are used.

Visitor counts are high: 13,600 Hollywood, 16,600 Parx, and 17,500 MGM

Gaming dominates revenue: 90% Hollywood, 87% Parx, and 85% MGM.

Virginia, Maryland, DC residents dominate forecast visitors: 96%, 97%, and 96%, respectively.

Gaming Facilities

	HOLLYWOOD (Penn)	PARX	MGM
VLTs / Slot Machines	3,000 units	3,000 units (Opening) 4,750 units (Phase 2)	3,600 units
Table Games	100 units	120 units (Opening)	110 units
Poker	40 units	50 units (Opening)	30 units
Total Positions (calculated)	3,980 positions	4,190 positions 5,940 positions	4,580 positions
Specialty Areas	High Limit/VIP Areas: 55 VLTs. 12 Tables.	High Limit/VIP Areas: 80 VLTs. 15 Tables.	Premium/VIP Areas: 64 VLTs. 15 Tables.
Lottery Sales	Yes.	Yes.	Yes.
Other Gaming	Hollywood/Penn only: Rosecroft Raceway to continue seasonal live harness racing and year around simulcast.		
Forecast visitors per day	11,300 2016 13,500 2019	16,000 2016 20,000 2019	18,600 2016 20,200 2019

Source: Applicant submissions, website, articles, and Macomber International, Inc.

MLC CONSULTANT VISITOR PER DAY FORECAST

2019 dollars	HOLLYWOOD (Penn)	PARX	MGM
Average Visitors	13,600 average day 23,900 peak Fri./Sat.	16,600 average day 29,100 peak Fri./Sat.	17,500 average day 30,500 peak Fri./Sat.

Gaming capacity will be the same if kept to 3000 VLT units.

It is also “relatively” the same between the Applicants if more are granted. If more are allowed, they will ask for only what is needed at the time and each could make room for the number requested.

All are proposing High Limit and/or VIP areas of more or less the same capacity.

All are offering Lottery Sales outlets.

But, only Hollywood is offering seasonal harness racing and year around simulcasting.

These are large, high volume Local / Regional casinos.

Ranking Importance of Gamer Motivators to Patronize

TIER ONE GAMER TOP PRIORITIES
PARKING
DINING
BARS AND LOUNGES
HOTEL
TIER TWO GAMER PRIORITIES
ENTERTAINMENT
RETAIL
TIER THREE GAMER PRIORITIES
OTHER
GENERALLY UNIMPORTANT TO GAMERS ... with rare exceptions
MEETING, INCENTIVE, CONVENTION, AND EXHIBITION (“M.I.C.E.”)

Source: Macomber International, Inc.

Under the “Be the Best Locals’ / Regional Casino You Can Be” objective, MI clustered the Ancillary Facilities in terms of what it has learned are the most important to gamers and, in particular, repeat gamers.

The importance of Tier Two relative to Tier One activities decreases more than “one unit.” The same applies for the importance of Tier Three to Tier Two activities.

In Tier One if Parking meets expectations with respect to availability, convenience, and comfort then it becomes a background issue only important if conditions change.

Likewise, the Hotel is important to a subset, but important subset, of the a casino’s total visitor base. The Hotel also becomes more important as Loyalty Club “points” accrue.

Tier Two and Tier Three activities can become important situationally, e.g., when accompanied by a non-gamer, the gamer is celebrating, and/or a trip can be provoked by the Casino Marketing Team via the use of these other activities.

Summary – Ancillary Facilities

Applicant programming appears to be more an execution of their Business Model to serve Local / Regional demand than competitive.

In this regard each Applicant's proposed Ancillary Facilities ...

- Serve forecast demand.
- Serve minimum gamer “utility” functions (e.g., provide food).
- And optimize the commercial opportunity *relative to each company's Business Model*.

In terms of raw capacity and activity mix they are fairly similar.

Only MGM seems to go beyond what is needed to serve Local / Regional demand in terms of quality, total investment, and offering limited Tourist-centric activities.

HOLLYWOOD (Penn)		PARX	MGM
<i>Some activities and venues may be shown in more than one category. See detail.</i>			
TIER ONE -- GAMER'S TOP PRIORITIES			
PARKING		Shown with total spaces first / covered spaces after.	
Spaces	5,100 / 3,000 spaces	5,317 / 5,011 spaces	4,988 / 4,988 spaces
DINING			
Venues / seats	9 venues, 764 seats	6 venues, 690 seats	14 venues, 1,485 seats
Includes a Food Court with ...	4 fast food outlets	Number of food outlets not specified.	5 fast food outlets
BARS AND LOUNGES			
Venues / seats	6 venues, 286 seats	5 venues, 220 seats	4 venues, 263 seats
HOTEL			
Number of keys	258 keys	250 keys	300 keys
Room Mix:		Number of keys / Square Feet each room	
Standard	126 keys / 360 sq. ft.	90 keys / 450 sq. ft.	221 keys / 431 sq. ft.
Premium	114 keys / 360 sq. ft.	135 keys / 450 sq. ft.	n.a. / sq. ft.
Suites	18 keys / see detail	25 keys / see detail	79 keys / see detail
TIER TWO GAMER PRIORITIES			
ENTERTAINMENT			
Venues / Sq. Ft.	2 venues, unknown	3 venues, 57,000 sq. ft.	4 venues, 24,185 sq. ft.
RETAIL			
Stores / Sq. Ft.	1 store, 500 sq. ft.	2 stores, 550 sq. ft.	12 stores, 42,419 sq. ft.
TIER THREE GAMER PRIORITIES			
OTHER			
	Indoor swimming pool/Spa/Gym.	Spa, Salon, Fitness Top of hotel.	Outdoor rooftop pool with Whirlpool spas,
		Box office.	Spa/Salon/Fitness/Gym
		Transportation Center	Conservatory
			Spectacle Garden
UNIMPORTANT TO GAMERS			
... with rare exception			
MEETING, INCENTIVE, CONVENTION, AND EXHIBITION (“M.I.C.E.”)			
Spaces	4 “spaces”	4 “spaces”	8 “spaces”
Square Feet	69,000 sq. ft.	10,000 sq. ft., FOH only	Approx.. 68,000 sq. ft.

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Tier One – Parking

HOLLYWOOD (Penn)		PARX	MGM
<i>Some activities and venues may be shown in more than one category. See detail.</i>			
TIER ONE -- GAMER'S TOP PRIORITIES			
PARKING		Shown with total spaces first / covered spaces after.	
Spaces	5,100 / 3,000 spaces	5,317 / 5,011 spaces	4,988 / 4,988 spaces
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TIER THREE GAMER PRIORITIES			
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Source: Applicant submissions, website, articles, and Macomber International, Inc.

Tier One – Dining

HOLLYWOOD (Penn)		PARX	MGM
<i>Some activities and venues may be shown in more than one category. See detail.</i>			
TIER ONE -- GAMER'S TOP PRIORITIES			
PARKING		Shown with total spaces first / covered spaces after.	
Spaces	5,100 / 2,000 spaces	5,217 / 5,011 spaces	4,088 / 4,088 spaces
DINING			
Venues / seats	9 venues, 764 seats	6 venues, 690 seats	14 venues, 1,485 seats
Includes a Food Court with ...	4 fast food outlets	Number of food outlets not specified.	5 fast food outlets
BARS AND LOUNGES			
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Source: Applicant submissions, website, articles, and Macomber International, Inc.

Tier One – Bars and Lounges

HOLLYWOOD (Penn)		PARX	MGM
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Source: Applicant submissions, website, articles, and Macomber International, Inc.

Tier One – Hotel

HOLLYWOOD (Penn)		PARX	MGM
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Tier 2: Entertainment and Retail

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... with rare exception			
MEETING, INCENTIVE, CONVENTION, AND EXHIBITION ("M.I.C.E.")			
Spaces	4 "spaces"	4 "spaces"	8 "spaces"
Square Feet	69,000 sq. ft.	10,000 sq. ft., FOH only	Approx.. 68,000 sq. ft.

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Tier 3 – Other

HOLLYWOOD (Penn)		PARX	MGM
<i>Some activities and venues may be shown in more than one category. See detail.</i>			
TIER ONE -- GAMER'S TOP PRIORITIES			
PARKING		Shown with total spaces first / covered spaces after.	
Spaces	5,100 / 3,000 spaces	5,317 / 5,011 spaces	4,988 / 4,988 spaces
DINING			
Venues / seats	9 venues, 764 seats	6 venues, 690 seats	14 venues, 1,485 seats
Includes a Food Court with ...	4 fast food outlets	Number of food outlets not specified.	5 fast food outlets
BARS AND LOUNGES			
Venues / seats	6 venues, 286 seats	5 venues, 220 seats	4 venues, 263 seats
HOTEL			
Number of keys	258 keys	250 keys	300 keys
Room Mix:		Number of keys / Square Feet each room	
Standard	126 keys / 360 sq. ft.	90 keys / 450 sq. ft.	221 keys / 431 sq. ft.
Premium	114 keys / 360 sq. ft.	135 keys / 450 sq. ft.	n.a. / sq. ft.
Suites	18 keys / see detail	25 keys / see detail	79 keys / see detail
TIER TWO GAMER PRIORITIES			
ENTERTAINMENT			
Venues / Sq. Ft.	2 venues, unknown	3 venues, 57,000 sq. ft.	4 venues, 24,185 sq. ft.
RETAIL			
Stores / Sq. Ft.	1 store, 500 sq. ft.	2 stores, 550 sq. ft.	12 stores, 42,419 sq. ft.
TIER THREE GAMER PRIORITIES			
OTHER			
	Indoor swimming pool/Spa/Gym.	Spa, Salon, Fitness Top of hotel.	Outdoor rooftop pool with Whirlpool spas,
		Box office.	Spa/Salon/Fitness/Gym
		Transportation Center	Conservatory
			Spectacle Garden
UNIMPORTANT TO GAMERS			
... with rare exception			
MEETING, INCENTIVE, CONVENTION, AND EXHIBITION ("M.I.C.E.")			
Spaces	4 "spaces"	4 "spaces"	8 "spaces"
Square Feet	69,000 sq. ft.	10,000 sq. ft., FOH only	Approx.. 68,000 sq. ft.

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Generally “Unimportant ” to Gamers

HOLLYWOOD (Penn)		PARX	MGM
<i>Some activities and venues may be shown in more than one category. See detail.</i>			
TIER ONE -- GAMER'S TOP PRIORITIES			
PARKING		Shown with total spaces first / covered spaces after.	
Spaces	5,100 / 3,000 spaces	5,317 / 5,011 spaces	4,988 / 4,988 spaces
DINING			
Venues / seats	9 venues, 764 seats	6 venues, 690 seats	14 venues, 1,485 seats
Includes a Food Court with ...	4 fast food outlets	Number of food outlets not specified.	5 fast food outlets
BARS AND LOUNGES			
Venues / seats	6 venues, 286 seats	5 venues, 220 seats	4 venues, 263 seats
HOTEL			
Number of keys	258 keys	250 keys	300 keys
Room Mix:		Number of keys / Square Feet each room	
Standard	126 keys / 360 sq. ft.	90 keys / 450 sq. ft.	221 keys / 431 sq. ft.
Premium	114 keys / 360 sq. ft.	135 keys / 450 sq. ft.	n.a. / sq. ft.
Suites	18 keys / see detail	25 keys / see detail	79 keys / see detail
TIER TWO GAMER PRIORITIES			
ENTERTAINMENT			
Venues / Sq. Ft.	2 venues, unknown	3 venues, 57,000 sq. ft.	4 venues, 24,185 sq. ft.
RETAIL			
Stores / Sq. Ft.	1 store, 500 sq. ft.	2 stores, 550 sq. ft.	12 stores, 42,419 sq. ft.
TIER THREE GAMER PRIORITIES			
OTHER			
	Indoor swimming pool/Spa/Gym.	Spa, Salon, Fitness Top of hotel.	Outdoor rooftop pool with Whirlpool spas,
		Box office.	Spa/Salon/Fitness/Gym
		Transportation Center	Conservatory
			Spectacle Garden
UNIMPORTANT TO GAMERS			
... with rare exception			
MEETING, INCENTIVE, CONVENTION, AND EXHIBITION (“M.I.C.E.”)			
Spaces	4 “spaces”	4 “spaces”	8 “spaces”
Square Feet	69,000 sq. ft.	10,000 sq. ft., FOH only	Approx.. 68,000 sq. ft.

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Differences

All Applicant proposed Ancillary Activities serve forecast Local / Regional demand.

The differences among the three Applicant proposals is more in the execution of their Business Model than the mix of activities or capacity(ies) thereof with some minor differences.

However, consistent with their brand, MGM is positioned to be incrementally bigger, offer incrementally “more,” and be of incrementally higher quality than Parx or Hollywood. MGM also offers a modest array of elements that are Tourism centric.

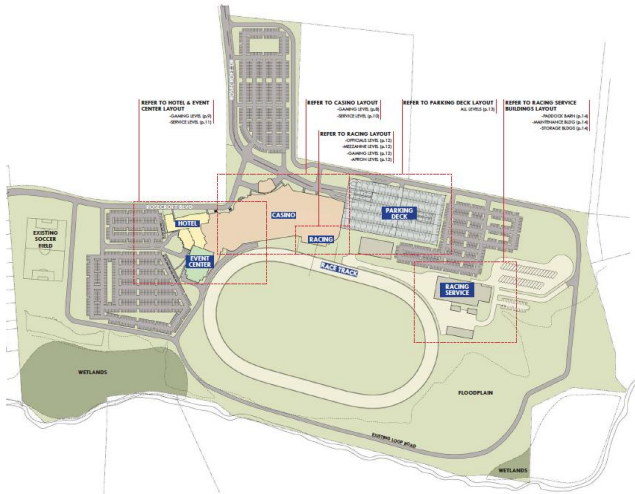
At this point in the evaluation, Parx and Hollywood appear to both be second.

HOLLYWOOD (Penn)		PARX	MGM
<i>Some activities and venues may be shown in more than one category. See detail.</i>			
TIER ONE -- GAMER'S TOP PRIORITIES			
PARKING		Shown with total spaces first / covered spaces after.	
Spaces	5,100 / 3,000 spaces	5,317 / 5,011 spaces	4,988 / 4,988 spaces
DINING			
Venues / seats	9 venues, 764 seats	6 venues, 690 seats	14 venues, 1,485 seats
Includes a Food Court with ...	4 fast food outlets	Number of food outlets not specified.	5 fast food outlets
BARS AND LOUNGES			
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Suites	18 keys / see detail	25 keys / see detail	79 keys / see detail
TIER TWO GAMER PRIORITIES			
ENTERTAINMENT			
Venues / Sq. Ft.	2 venues, unknown	3 venues, 57,000 sq. ft.	4 venues, 24,185 sq. ft.
RETAIL			
Stores / Sq. Ft.	1 store, 500 sq. ft.	2 stores, 550 sq. ft.	12 stores, 42,419 sq. ft.
TIER THREE GAMER PRIORITIES			
OTHER			
	Indoor swimming pool/Spa/Gym.	Spa, Salon, Fitness Top of hotel.	Outdoor rooftop pool with Whirlpool spas,
	Racing Facility / Simulcast	Box office	Spa/Salon/Fitness/Gym
		Transportation Center	Conservatory
			Spectacle Garden
UNIMPORTANT TO GAMERS			
... with rare exception			
MEETING, INCENTIVE, CONVENTION, AND EXHIBITION (“M.I.C.E.”)			
Spaces	4 “spaces”	4 “spaces”	8 “spaces”
Square Feet	69,000 sq. ft.	10,000 sq. ft., FOH only	Approx.. 68,000 sq. ft.

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Building Design, Ambience, Appeal, and Sum-of-the-Parts

HOLLYWOOD



PARX



MGM



Building Design, Ambience, Appeal, and Sum-of-the-Parts

HOLLYWOOD

PARX

MGM



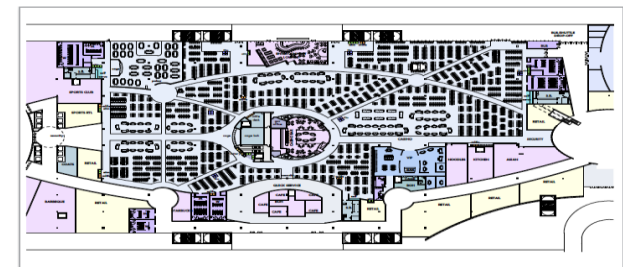
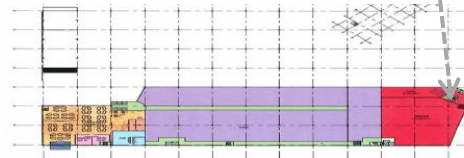
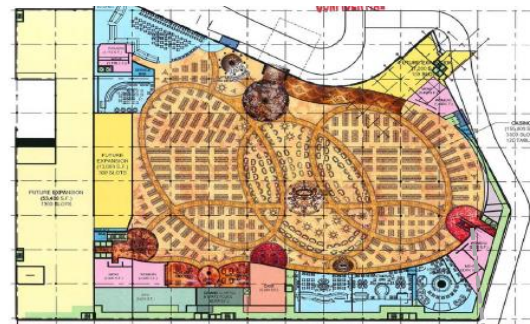
Casino Level



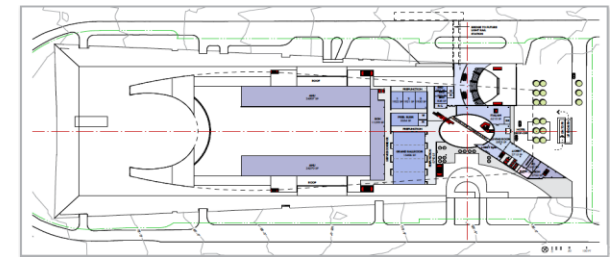
Left of casino



Mezzanines



Level above casino



Building Design, Ambience, Appeal, and Sum-of-the-Parts

HOLLYWOOD



PARX



Players card desk, Parx Casino, Fort Washington, Maryland



MGM



Building Design, Ambience, Appeal, and Sum-of-the-Parts

HOLLYWOOD	PARX	MGM
<ul style="list-style-type: none">• Hollywood is employing its well established art-deco, Hollywood theme that provides a comfortable environment for its target mid-market.• The site creates a more suburban almost rural environment within in a large site entered through a relatively long, meandering driveway. The presence of horse racing adds to this ambience.• As such, the Hollywood experience will be a change-of-pace to the dense, urban environments where many of the feeder markets will be coming from.• The large site provides the greatest capacity and flexibility to make changes and/or expand in the future.	<ul style="list-style-type: none">• Parx appears to be applying more of a modern, “hip” look with heavy use of vid-walls, geometric architecture, and a more vertical, compact development.• The quality appears to be a notch up from Hollywood expressed not only in the interior design but other attributes such as room size.• Parx is labeling one of its entertainment venues an UltraLounge, ostensibly appealing to perhaps a younger, <i>avant garde</i> market segment.• It has boldly projected high visitor volume and gaming revenue requesting the maximum number of possible VLT units in the process.• Expansion potential exists but is more constrained.	<ul style="list-style-type: none">• MGM is the most modern, sophisticated, and iconic-seeking design.• The property is also perched with an overlook of the Potomac River, National Harbor, and with views of the Washington D.C. skyline. Multiple activities are located to take advantage of these memorable views through glass walls.• These views will be a value-added for all visitors but together with expanded dining and retail plus the Wow! Conservatory/Spectacle Garden should appeal to Tourists.• The higher quality and presumably higher prices together with ‘marble and art’ will serve “4-star” markets and adjacent affinity-markets but may be off-putting to the lowest ends of the marketplace.

Marketing Expenditure

	HOLLYWOOD (Penn)	PARX	MGM
	2016 / 2019 followed by % of gaming revenue for that year.		
GAMING REVENUE:	\$334M / \$413M	\$660M / \$809M	\$599M / \$688M
MARKETING:			
Promotional Allowances	\$ 13M / \$ 16M 3.9% / 3.9%	\$ 31M / \$ 43M 4.7% / 5.3%	\$ 27M / \$ 32M 4.5% / 4.7%
Marketing - General & Administrative	\$ 11M / \$ 14M 3.3% / 3.3%	\$ 34M / \$ 47M 5.1% / 5.9%	\$ 10M / \$ 10M 1.6% / 1.4%
Subtotal	\$ 24M / \$ 30M 7.2% / 7.2%	\$ 65M / \$ 90M 9.8% / 11.2%	\$ 37M / \$ 42M 6.1% / 6.1%
Entertainment Expenses	n.a. / n.a.	\$ 9 M / \$ 9M 1.4% / 1.2%	\$ 6M / \$ 6M 0.8% / 0.9%
Total Marketing	n.a. / n.a.	\$ 74M / \$ 100M 11.2% / 12.3%	\$ 43M / \$ 48M 7.1% / 7.0%

Source: Applicant "Workbooks" and Macomber International, Inc.

Promotional Allowances largely represent services and activities offered at a discount or full complimentary. Parx is the most aggressive in terms of offering Promotional Allowances as a percent of gaming revenue and in absolute dollars. Parx's Marketing Expense in the General and Administrative section of the P&L Statement is also the largest by percentage and in absolute dollars.

MGM ranks second and Hollywood third in absolute dollars but reverse in rank as a percent of Gross Gaming Revenue. Hollywood submitted another document wherein Promotional Allowances is \$28.7M and Marketing Expense is \$6.0M totaling \$34.7M Hollywood or 8.4% of Gross Gaming Revenue which is more in line with MGM.

Regardless, MGM may be relying more on a greater capital investment and perhaps on its large and established loyalty club program to allocated marketing dollars in a more focused manner. Similarly, Hollywood with two other properties serving the Greater Washington D.C. Marketplace Hollywood could be doing the same.

It is unclear what insight the Entertainment Expense might suggest regarding the use of entertainment as a Marketing Tool and, therefore, it is probably wiser to rely on Promotional Allowances and the capital expenditure on entertainment facilities to judge.

Evaluation – Quantitative

This Rating Scheme was developed to provide a quantitative summary of the perceived relative success each of the Applicant’s Submissions will have in supporting gaming in the specific and the overall performance of each project in general.

The categories and weighting scheme are based upon MI’s experience and the “scores” are solely that of MI. Others may have different opinions and/or might provide different scores.

The scores are more useful in relative than absolute terms. Accordingly, if MGM’s score is indexed to 100 then Parx scored 83 percent and Hollywood 81 percent.

If Demand Stimulation Marketing is removed then MGM is still 100 but Hollywood then scores 83 percent and Parx 81 percent.

RATING SCHEME

Relative to the ability of the Ancillary Facilities to foster the commercial success of the proposed gaming facility.

Category	Weight	HOLLYWOOD / PENN		PARX		MGM	
		Score	Result	Score	Result	Score	Result
GOAL SET *	0%	0	n.a.	0	n.a.	0	n.a.
EXTERNAL-ITIES *	0%	0	n.a.	0	n.a.	0	n.a.
INTERNAL-ITIES *	0%	0	n.a.	0	n.a.	0	n.a.
PRODUCT MARKETING	50%						
TIER 1							
Casino **	0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Parking	18%	7	1.3	8	1.4	9	1.6
Food	30%	7	2.1	6	1.8	8	2.4
Beverage	25%	5	1.3	5	1.3	7	1.8
Hotel	15%	5	0.8	6	0.9	7	1.1
TIER 2							
Entertainment	8%	6	0.5	6	0.5	7	0.6
Retail	2%	3	0.1	4	0.1	6	0.1
TIER 3 / OTHER							
Other (cumulative) ***	1%	6	0.1	4	0.0	7	0.1
Meeting and Convention	1%	4	0.0	4	0.0	5	0.1
Subtotal - Product Marketing	100%	6.0	3.0	6.0	3.0	7.6	3.8
DEMAND STIMULATION MARKETING	25%						
Pre-opening	40%	6	2.4	7	2.8	8	3.2
Post opening	60%	6	3.6	7	4.2	8	4.8
	100%	6.0	1.5	7.0	1.8	8.0	2.0
SUM OF THE PARTS	25%	7	1.8	7	1.8	8	2.0
TOTAL	100%	6.3		6.5		7.8	

These ratings do not rate the real or perceived benefits to be generated by each Applicant.

* Note: MI has intentionally omitted any comparison of each applicant's Goal Set, consideration of External-ities and Internal-ities, and certain big-picture strategic statements because MI found (or speculates) that reference to these Marketing Plan elements were not explicitly requested in most instances by the MLC Submission process, each company may not 'think' about the development process in these terms. But, perhaps most importantly, it is the tactics and execution that in the final analysis are most important and telling about the applicant's development, operating, and marketing process.

** Note: The casino is not rated because MI's scope of responsibility for this engagement did not include a review of the gaming activities.

*** See body of report.

Source: Macomber International, Inc.

Evaluation – Subjective

MGM	PARX	HOLLYWOOD
<ul style="list-style-type: none"> • MGM is positioned to capture the greatest bandwidth of the marketplace positioning-wise (4-star that allows it to appeal both higher up as well as far down into the Mass Market category). • MGM has a property both in terms of scope, mix, and excitement value that will appeal to the Local / Regional gamer's interests plus modest tourist offerings. • MGM has the ability to leverage its Experience(s) with National Harbor and the Tanger Outlets. • MGM appears to have the company resources behind it to execute a more of a national/world class facility while not losing grasp of the Local / Regional Market. • MGM should be more competitive to Maryland Live! and Baltimore Horseshoe in terms of a total destination / activity clusters. 	<p>The Hollywood and Parx projects are very close even though they get there in different ways.</p>	
	<ul style="list-style-type: none"> • Parx seems more committed to working hard to earn the business. • This starts with the seeming willingness to spend more on marketing than anyone else, appears to be appealing to a bit of a broader market with a greater variety than Hollywood/Penn (younger and more "hip"). • Parx also is positioning their property a notch below MGM but a notch above Hollywood/Penn and this has the potential to create greater market and marketing bandwidth. • In all, while this may just be just perception Parx seems more aggressive. 	<ul style="list-style-type: none"> • But, MI likes Hollywood/Penn, too. • Mass Market can be the sweet spot for a Marketplace and maybe Hollywood has picked up that scent and the other two have got it wrong. • Hollywood feels more comfortable, warm, homey, and low key. • Hollywood will definitely attract the middle and, with some steakhouses and other upscale-pointed activities perhaps higher than MI appreciates. • Hollywood's multiple locations in the greater Eastern Corridor could be a boost. • Hollywood also has the site to expand probably three to four-fold from the plans being shown.

Conclusion

Three good established, proven, and successful casino operators.

Three good projects with a mix and programming of Ancillary Facilities that will serve Local and Regional gamers as well as some fair share of Tourists.

MI rejected none and believes all could work if the consideration for the sum of all fourteen Evaluation Criteria and the subjective assessment of the MLC so dictate.

Thank you.

Macomber International, Inc.

APPENDIX

SUPPORT SLIDES TO MAIN PRESENTATION AND TO RESPOND TO
POTENTIAL POST PRESENTATION QUESTION-AND-ANSWER PERIOD.

Parking -- Detail

	HOLLYWOOD (Penn)	PARX	MGM
Total spaces	5,100 spaces	5,317 spaces	4,988 spaces
“Covered”	3,000 spaces	5,011 spaces	4,988 spaces
Surface	2,100 spaces	300 spaces	0 spaces
Valet	Not separated	600 spaces	649 spaces
		Transportation Center 6,900 sq. ft. ... includes Waiting Lounge with seating, vending, and restrooms	Bus/Shuttle drop area.

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Peak Daily Hour (defined) Parking Space Utilization

As forecast by the Applicants for 2016 / 2019

	HOLLYWOOD (Penn)	PARX	MGM
Utilization (defined)	38% / 45%	51% / 63%	64% / 69%

Source: Applicant submissions and Macomber International, Inc.

Dining – Detail

	HOLLYWOOD (Penn)	PARX	MGM
Capacity			
Venues	9 venues	6 venues	14 venues
Seats	764 seats	690 seats	1,485 seats
Square Feet	20,138 sq. ft.	25,500 sq. ft.	60,097 sq. ft.
Applicant Financial Forecast:	2016 / 2019		
Food Revenue	\$ 10M / \$13M	\$ 41M / \$50M	n.a. / n.a.
F&B Revenue	\$ 17M / \$21M	\$ 63M / \$78M	\$ 66M / \$76M
Profit Margin	F&B: 23% / 23%	F&B: 21% / 19%	F&B: 11% / 17%
Outlet Mix: Seats/Ave. Check	Listed in perceived order of “formality” and price with MI attempt to position similar venues across from one another.		
		Coffee / Snack Bar	Coffee / Snack Bar 25 seats
	Food Court 120 seats, 4 outlets	Food Court 150 seats	Food Court 310 seats, 5 outlets
	Racing Facility Seasonal Concession – apron and gaming levels		Pool Seasonal 50 seats
	Sports Bar/Restaurant 150 seats		Sports Bar/Restaurant 270 seats
	Noodle Bar 20 seats	Asian Bistro 150 seats	Noodle Bar 90 seats
	Sushi Bar 25 seats		
	Asian 80 seats		
			American 180 seats
			Barbecue 130 seats
		Italian Trattoria 150 seats	Italian Bistro 135 seats
	Seafood 125 seats	Seafood Tavern 120	
	Racing Facility Seasonal Terrace Dining 120 seats		
			Asian fine dining 110 seats
	Steakhouse 100 seats / 24 seat private dining area	Steakhouse 120 seats	Steakhouse & Lounge 185 seats
Comments		All outlets branded to reflect area	

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Bars and Lounges – Detail

	HOLLYWOOD (Penn)	PARX	MGM
Note: [E] denotes if also listed under “Entertainment”			
Capacity			
Number of venues	6 venues (does not include 150 seat Sports Bar/ Restaurant listed under “Dining”)	5 venues	4 venues (does not include 270 seat Sports Bar/ Restaurant listed under “Dining”)
Seats	286 seats	220 seats	263 seats
Square Feet	7,600 sq. ft.	9,000 sq. ft.	10,576 sq. ft.
Applicant Financial Forecast: 2016 / 2019			
Beverage Revenue	\$ 7M / \$ 9M	\$ 22M / \$27M	n.a. / n.a.
F&B Revenue	\$ 17M / \$ 21M	\$ 63M / \$78M	\$ 66M / 76M
Profit Margin	F&B: 23% / 23%	F&B: 21% / 19%	F&B: 11% / 17%
Outlet Mix: Seats / Sq. Ft. / Entertainment “Yes” / ”No”			
		Casino Center Bar 80 seats. 3000 sq. ft. Yes. [E]	Casino Bar 38 seats. 3252 sq. ft. Yes.
		Casino High Limit Bar 10 seats. 1000 sq. ft.	“Living Room” ... High limit area lounge area that serves drinks.
	Entertainment Lounge 150 seats. 4200 sq. ft. Yes. [E]		Casino Overlook Bar 150 seats. 4072 sq. ft. Yes
	Sports Bar 30 seats. 600 sq. ft.		
	Restaurant Holding Bar #1 10 seats. 250 sq. ft.	Restaurant Holding Bar 40 seats. 1500 sq. ft.	
	Restaurant Holding Bar #2 36 seats. 900 sq. ft.		
	Hotel Lobby Bar 10 seats. 250 sq. ft.	Hotel Lobby Bar 60 seats. 2500 sq. ft.	Hotel Lobby Bar 75 seats. 3252 sq. ft.
	Showroom/Pre-Function Bar 50 seats 1400 sq. ft.	Showroom/Pre-Function Bar 30 seats 1000 sq. ft.	Pre-function area(s).

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Hotel – Detail

	HOLLYWOOD (Penn)	PARX	MGM
Capacity			
Number of rooms	258 rooms	281 rooms	300 rooms
Number of keys	258 keys	250 keys	300 keys
Applicant Financial Forecast: 2016 / 2019			
Hotel Revenue	\$ 8M / \$ 11M	\$ n.a. / \$ 23M	\$ 25M / \$ 28M
Profit Margin	60% / 60%	n.a. / 23%*	58% / 62%
		* may include other activities	
Room Mix: Number of keys / Square Feet each room			
Standard/sq. ft.	126 keys / 360 sq. ft.	90 keys / 450 sq. ft.	221 keys / 431 sq. ft.
Premium/sq. ft.	114 keys / 360 sq. ft.	135 keys / 450 sq. ft.	n.a. / sq. ft.
Suites/sq. ft.	18 keys / see below	25 keys / see below	79 keys / see below
Suite Mix:= Number of keys / Square Feet each suite			
1 Bedroom	12 keys / 525 sq. ft.	18 keys / 600 sq. ft. to 900 sq. ft.	72 keys / 861 sq. ft. to 1292 sq. ft.
2 Bedroom	6 keys / 780 sq. ft.	4 keys / 1300 sq. ft.	6 keys / 2153 sq. ft.
3 Bedroom	but 1140 sq. ft.	2 keys / 1600 sq. ft.	n.a. / sq. ft.
President/Super Suite	with second bedroom option.	1 key / 3200 sq. ft. President Suite	1 key / >3500 sq. ft. Super Suite Two bedroom suites include 4 Hospitality Suites
Average Daily Rate (opening)	\$100 ADR	\$150 ADR	\$259 ADR
Rate Detail (opening year)			
Casino:			
Full room rate	\$100	Not provided	\$279
Discounted rate	\$100	Not provided	n.a.
Other promotion	\$100	Not provided	n.a.
Property comps	\$100	Not provided	\$279
Group	\$100	Not provided	\$209
FIT	\$100	Not provided	\$303
Other	\$100	Not provided	\$199
Forecast Occupancy (opening year)	95%	70%	94%
Room-night Mix (Opening Year): Percent of Total Room-nights			
Casino	49%	45%	21%
FIT	50%	45%	36%
Group	0%	10%	36%
Other	0%	0%	4%
Other Comp	1%	0%	4%
Total	100%	100%	100%
Comments		Includes Business Center 2000 sq. ft.	

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Entertainment

– Detail

	HOLLYWOOD (Penn)	PARX	MGM
See also “Convention/Meeting (M.I.C.E.)” space for other venues that can be used for entertainment. [B&L] denotes listing also under “Bars and Lounges.”			
Capacity			
Venues	2 venue	3 venues	4 venues
Seats	2,650 seats	2680 seats	1150 - 1350 seats “plus”
Square Feet	unknown	57,000 sq. ft.	24,185 sq. ft. “plus”
Applicant Financial Forecast: 2016 / 2019			
Revenue	Not separated	\$ 10M / \$ 10M	\$ 4M / \$ 5M
Profit margin	Not separated	10% / 10%	-41% / -28%
Outlet Mix: Shown in decreasing order of size. Seats / Sq. Ft.			
	Event Center 2500 seats - flexible	Event Center 2000 seats - flexible. 34,000 sq. ft. 20K FOH, 6K Pre- function, 8K BOH	Theater 1000 to 1200 seats Flexible. 20,113 sq. ft.
	Entertainment Lounge 150 seats. 4200 sq. ft. [B&L]		Fred’s Lounge Seats/sq. ft. unknown
		Casino Center Bar 80 seats. 3000 sq. ft. [B&L]	Casino Overlook Bar 150 seats. 4072 sq. ft. Yes
		Lounge/Bar & Ultra- lounge 600 seats. 20,000 sq. ft.	Ultra Club Seats / space unknown.

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Retail – Detail

	HOLLYWOOD (Penn)	PARX	MGM
Capacity			
Number of stores	1 store	2 stores	12 stores (9 leased)
Square Feet	500 sq. ft.	550 sq. ft.	42,419 sq. ft.
Financial forecast			
Revenue	Not separated	\$ 1 / \$ 3M	\$ 4M / \$ 4M
Profit margin	Not separated	Not separated	45% / 47% includes leased stores
Store Mix: Sq. Ft.			
	Gift Shop 500 sq. ft.	Newsstand / Gift Shop 200 sq. ft.	Sundry 920 sq. ft.
			Logo 1,702 sq. ft.
		“Grab and Go” 350 sq. ft.	
			“Entertainment” Retail 1,042 sq. ft. Features items from shows at this and other MGM properties.
			Leased – 9 stores 38,755 sq. ft. total 1200 to 9500 sq. ft. featuring many top retailers at other MGM properties
Comments		Coffee/snack shop listed under “Dining”	

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Other – Detail

	HOLLYWOOD (Penn)	PARX	MGM
Activity mix:			
Swimming pool	Indoor swimming pool and gym, 6,240 sq. ft.		Outdoor rooftop pool with Whirlpool spas, 7,000 sq. ft.
	Spa and Gym 6,560 sq. ft.	Spa, Salon, Fitness 13,000 sq. ft. Top of hotel.	Spa and Salon 15,170 sq. ft. Fitness / Gym 1,365 sq. ft.
		Box office. 800 sq. ft.	Conservatory 11,547 sq. ft. ... Like Conservatory in Bellagio and Mirage.
			Spectacle Garden 133,556 sq. ft. ... On roof facing Woodrow Wilson Bridge.

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Meeting, Incentive, Convention, and Exhibition – Detail

	HOLLYWOOD (Penn)	PARX	MGM
Capacity:			
Number of venues	4 “spaces” plus pre-function	4 “spaces”	8 “spaces” plus pre-function
Square Feet	69,000 sq. ft. FOH and BOH	10,000 sq. ft. Probably FOH only	Approx.. 68,000 sq. ft. FOH and BOH
M.I.C.E. detail:			
Pre-function & BOH	31,800 sq. ft.		41,746 sq. ft.
Space 1	Main Ballroom, 8175 sq. ft.	1 space, 2500 sq. ft.	Main Ballroom, 15,507 sq. ft.
Space 2	Ballroom #2, 2340 sq. ft.	1 space, 2500 sq. ft.	Ballroom #2, 3,354 sq. ft.
Space 3	Ballroom #3, 2000 sq. ft.	1 space, 2500 sq. ft.	6 Breakout Rooms, total 7,783 sq. ft.
Space 4	Ballroom #4, 2000 sq. ft.	1 space, 2500 sq. ft.	
	Above 4 ballrooms total to 25,100 sq. ft. FOH and BOH.	Each space can be expanded or sub- divided.	Breakout rooms: 3 meeting rooms and 3 board rooms.
Comments	No financials for M.I.C.E. income or profit shown separately.		

Source: Applicant submissions, website, articles, and Macomber International, Inc.

Direct Competition – Detail

GAMING

* denotes information from company website	Maryland Live! Arundel Mills, Maryland	Horseshoe Baltimore, Baltimore, MD	Hollywood Charles Town, West Virginia	Hollywood Perryville, Perryville, MD
GAMING				
VLTs/Slot Machines	Over 4,300*	2,500 to 3,750	3,200*	Over 1,000*
Table Games	122*	Over 100	Over 100* to 159	20
Poker	52*	25	50*	Yes*
Other Gaming			Seasonal live thoroughbred racing plus simulcasting	
Source: Company website, Submissions, and Macomber International, Inc.				



Direct Competition – Detail

NON-GAMING

* denotes information from company website	Maryland Live! Arundel Mills, Maryland	Horseshoe Baltimore, Baltimore, MD	Hollywood Charles Town, West Virginia	Hollywood Perryville, Perryville, MD
NON-GAMING				
Dining	6 outlets: Cheesecake Factory, Phillips Seafood, Bobby Flay Burger Palace, and buffet.	3 outlets: Jack Bunion's Steakhouse, 2 others affiliated with celebrity chefs (to be determined), and 20,000 sq. ft. "Food Hall."	8 outlets but one located in seasonal racing facility: Steakhouse, 9 Dragons (Asian), Zen Noodle, Skybox Sports Bar, deli, Epic Buffet, plus food court.	2 one of which includes a Celebrity Bar & Grill and a "grab-and-go" take away sandwich, salad, pizza outlet.
Bars / Lounges	2 ... Rams Head Center Stage and interactive R Bar.	3 bars and lounges including a "feature bar."	2 ... "H Lounge"/ Skybox Sports Bar (see also "Dining"), and racing facility when open.	1 ... at Celebrity Bar & Grill (also listed under "Dining.")
Clubs	None mentioned.	None mentioned.	None mentioned.	None.
Entertainment	Rams Head Center Stage. Nightly ranging from free to \$45. Mentioned also under "Bars / Lounges."	Large Event Center.	H Lounge/ Skybox Sports Bar. Live entertainment plus DJs. Mentioned under "Bars / Lounges."	Live entertainment Saturday nights, "booked acts" and Karaoke as scheduled. Also mentioned under "Dining" and "Bars/Lounges".
Retail	1 sundry/logo.	20,000 sq. ft.	Winners Gift Shop.	Rodeo Dr. Gifts.
Relaxation	None mentioned.	None mentioned.	None mentioned.	None mentioned.
Recreation	None mentioned.	None mentioned.	None mentioned.	None mentioned.
Hotel	None. But, recent press release by company official says "hotel" in planning stages.	None.	Inn at Charles Town. 153 rooms (18 suites, 135 standard). Adjoins racetrack. Shuttle to casino.	None.
Meeting, Convention, and/ or Banquet	Use of Rams Head Center Stage, Prime Rib restaurant, and Live! Buffet.	None mentioned but presumably the "Large event Center" referenced under "Entertainment."	None mentioned but Property Map refers to "3 rd Floor Ballroom."	Group reservations available for Celebrity Bar & Grill (see also other categories).

Direct Competition – Detail

SUPPORT

* denotes information from company website	Maryland Live! Arundel Mills, Maryland	Horseshoe Baltimore, Baltimore, MD	Hollywood Charles Town, West Virginia	Hollywood Perryville, Perryville, MD
SUPPORT				
Adjacencies	Adjacent to Arundel Mills Mall: more than 200 outlet/value stores, 17 “over the counter” + 6 wait staff dining opportunities, Medieval Times Dinner & Tournament, and Cineplex.	In Downtown Baltimore adjacent to two stadiums: Orioles (baseball) and Ravens (football). Within walking distance of Inner Harbor Baltimore an mixed use dining, bar, entertainment, hotel, and harbor area.		Four hotels located within 8 to 14 miles (e.g., Holiday Inn Express and Hilton Garden Inn). Close to Perryville Outlet Center with over 20 stores.
Other	Website states local area provides access to 5000 hotel rooms.		Shuttle to Eden Center, “Northern Virginia’s premier Asian Center, 120 stores, Falls Church, VA.” \$10 round trip.	
Parking	5000 spaces. Valet \$10 but discounted or free for loyalty club members. Plus Mall parking.	3500 car parking structure “across the street” with walkways into casino building.	2 garages plus surface parking. Capacity unstated.	Unknown.

Source: Company websites, Applicant Submissions (including feasibility/market studies completed by independent ☒)

Marketing Expense Detail

HOLLYWOOD (from Marketing Plan)

	Proposed Budget
Advertising	\$ 6,000,000
Promotional Expenses*	<u>\$ 28,700,000</u>
Total Budget Range	\$ 34,700,000

*Includes expenses like Events, Entertainment, Comps, *SlotPlay*® credits. Marketing spend is determined relative to revenue levels. These marketing estimates are based on the property achieving projected revenue levels.

PARX (from Workbook)

Billboard Advertising	\$ 6,033,737	\$ 8,414,220
Direct Marketing	3,934,236	5,486,406
Entertainment & Promotions	10,964,083	15,289,731
Media - Print, TV, Radio	12,606,238	17,579,763
Online - eMarketing	440,206	613,880
	\$ 33,978,500	\$ 47,384,000

MGM (no detail provided)