



WYOMING GAMING EXPANSION STUDY

Prepared for Wyoming Gaming Commission
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200 Lakeside Drive, Suite 250
Horsham, PA 19044 USA
+1.609.926.5100
spectrumgaming.com

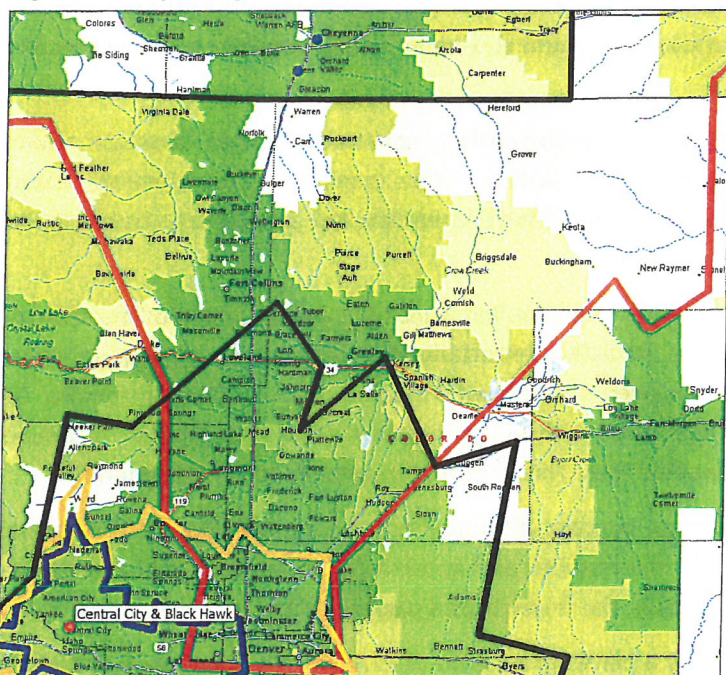
A. Colorado HHR Potential and Addressable Market

We examined Colorado’s gaming industry due to its proximity to Wyoming. Colorado hosts casinos in three historic mining towns, Black Hawk, Central City and Cripple Creek. The casinos of Black Hawk and Central City are in close proximity and essentially are one market. These casinos primarily serve the Denver market. Cripple Creek targets Colorado Springs to the south.

The map below in Figure 11, presents the 90-minute Wyoming HHR catchment area in **red**, as above, but superimposes the drive times from Black Hawk to show the competing market overlap. (**Blue = 45 minutes from Black Hawk, Gold = 60 Minutes, Black = 90 Minutes**)

As can be seen, the casinos in Black Hawk are a shorter drive from the entirety of the Denver market. The northern suburban areas are equidistant between the two, while a large portion of the Wyoming **90-minute** catchment area in Colorado – including Greeley and Fort Collins – has better access to Wyoming HHR locations than to the Black Hawk casinos.

Figure 11: Wyoming HHR 90-minute catchment area and Black Hawk catchment overlap



Sources: US Census Bureau, IRS, Microsoft MapPoint, Spectrum Gaming Group

Travel time is not the only determinant of casino choice, but it is significant. Other factors – including dining and entertainment amenities, casino size and the variety of games including table games, and the ease of the drive rather than simply the time – enter the mind of players when choosing a location. Finally, there is familiarity. People enjoy being in familiar surroundings. There is a comfort that comes from knowing the layout of a building, where the restaurants are, layout of parking and other reassuring familiar features. The table below in Figure 12 presents our estimate of the addressable market from Colorado that can be captured by Wyoming HHR operators.

Figure 12: Estimated 2025 Wyoming HHR addressable market from Colorado

Market Segment	Est. 2025 Casino Potential	% of Potential to Wyoming HHR	Est. GGR To Wyoming HHR
90 min to WY/45 min to Black Hawk	\$121,300,000	5%	\$6,065,000
90 min to WY/60 min to Black Hawk	\$222,800,000	20%	\$44,560,000
90 min to WY/90 min to Black Hawk	\$135,700,000	45%	\$61,065,000
90 min to WY/90 + min to Black Hawk	\$104,400,000	65%	\$67,860,000
Potential GGR	\$584,200,000	31%	\$179,500,000

Sources: IRS, Microsoft MapPoint, Spectrum Gaming Group

There is a similar issue of addressable market when developing estimates of the GGR potential from Utah. While Salt Lake City and the suburban areas are within 90 minutes of the HHR locations in Evanston, WY, the concern in this market segment is not competition from other casinos, but religious beliefs and legal prohibitions against gambling.

Utah has a complete ban on all forms of gambling. The ban dates from the founding of the state by members of the Church of Jesus Christ of Latter-day Saints (“LDS”), or Mormons. While there is a sizable Utah population within a 90-minute drive of Evanston, gaming is not a familiar form of entertainment for this population.

In 2024, the American Gaming Association reported that nationwide 55% of American adults reported participating in some form of gaming, be it lottery, video gaming, sports wagering, casino gaming, or pari-mutuel.²⁶ The same study reported that 28% of Americans had gambled at a casino in the past year.

In the case of Utah, the gaming options for Utah are less accessible than in much of the country. This makes gaming a less familiar and less attractive entertainment alternative, leading to lower participation rates. Gaming participation is higher in areas with more accessible gaming options. As Spectrum has seen across the hundreds of operations with which Spectrum’s team has worked. As people become more familiar with gaming, participation rises. This in turn increases the market potential.

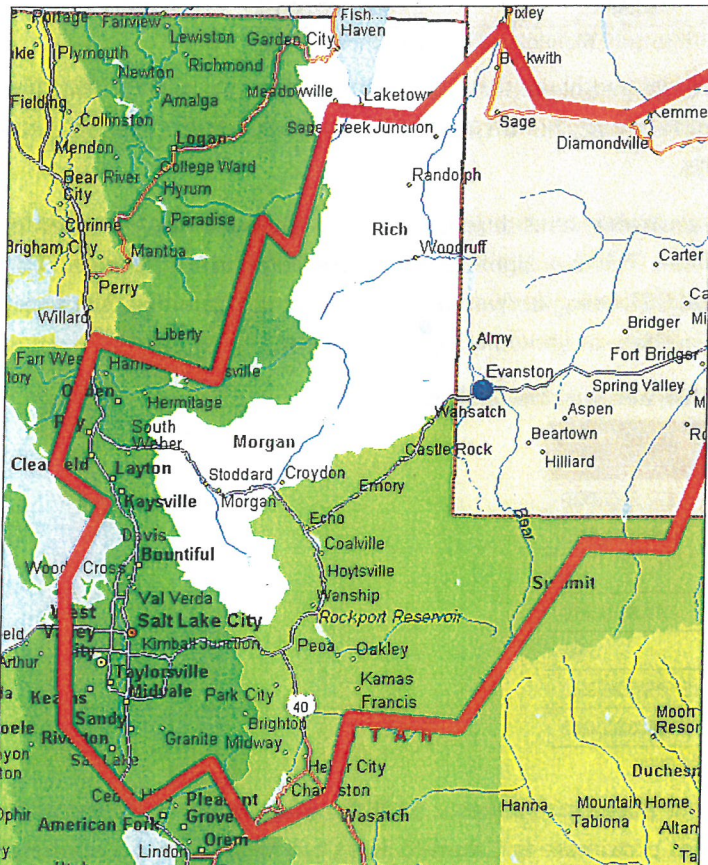
Another important factor is the average number of annual visits an adult will make to a casino. Like participation, frequency is influenced by the number and accessibility of facilities available to the particular market area. The more distant a facility, the fewer trips a player makes.

Spend per visit is the amount spent by a player in a casino visit. A player’s spend at the casino is the casino’s “win.” Spend tends to increase with distance and decrease with frequency. People who live closer to a casino visit more often but spend less on each visit. Relative to the rest of the country, gaming options for Utah residents are remote and unfamiliar. We believe participation, average visitation and average spend per visit will be lower than in other areas where gaming has been longer established and is more convenient.

²⁶ “American Attitudes Toward Gaming 2024,” American Gaming Association, August 28, 2024. <https://www.americangaming.org/wp-content/uploads/2024/08/American-Attitudes-2024-Summary.pdf>

Most of the GGR estimates in this report are based on ZIP Code-level estimates of population and income. Data on religious affiliation is not available on a ZIP Code level. The 2020 US Religion Census, offers tabulated data by county on religious beliefs.²⁷ Spectrum mapped this data and used the same 90-minute catchment area for Wyoming HHR sites to establish a market area. The map in Figure 13 presents the 90-minute catchment area and Spectrum’s estimate of the addressable market by county, with deeper green indicating a more HHR GGR.

Figure 13: Map of estimated Wyoming HHR addressable market from Utah



Sources: US Religion Census, 2020, US Census Bureau, Microsoft MapPoint, Spectrum Gaming Group

Using this data and assumptions on gaming participation Spectrum developed an estimate of the likely Utah addressable market.

²⁷ US Religion Census 2020. <https://www.usreligioncensus.org/>.

Figure 14: Estimated 2025 Wyoming HHR addressable market from Utah

County	Est. Pop 2025	% LDS	Non-LDS	Players 20%	Trips	Spend	Est. HHR Win
Salt Lake	1,249,403	51.4%	640,032	128,006	6	\$100	\$76,800,000
Weber	278,304	49.0%	150,796	30,159	6	\$100	\$18,100,000
Morgan	13,697	86.5%	2,037	407	6	\$100	\$200,000
Rich	2,663	110.1%	(269)	(54)	6	\$100	\$0
Summit	44,556	27.4%	34,192	6,838	6	\$100	\$4,100,000
Total	1,588,623	52.0%	826,789	165,358			\$99,200,000

Sources: US Religion Census 2020, US Census Bureau, Microsoft MapPoint, Spectrum Gaming Group

The US Religion Census shows more LDS people in Rich County than there are people. This may be due to parishioners who attend church in the county but do not live there. The 2010 US Religion Census had the LDS percentage of population at 88%.

With the geographic and religious constraints considered, we believe the addressable market for Wyoming HHR machines exceeds \$400 million. This is a significant increase from current level of \$181 million with most of the anticipated potential GGR being derived from Colorado and Wyoming, but nearly 25% of the potential addressable market is in Utah, as shown in Figure 15 below.

Figure 15: Estimated 2025 Wyoming HHR GGR addressable market

Market within 90 Minutes	Population	HHR GGR Market Potential 2025	Addressable Market
Wyoming	478,721	\$122,300,000	\$122,300,000
Utah	1,585,758	\$488,800,000	\$99,200,000
South Dakota	16,533	\$5,200,000	\$0
Nebraska	42,700	\$7,800,000	\$7,800,000
Montana	2,857	\$300,000	\$0
Colorado	1,895,548	\$584,200,000	\$179,500,000
Total	4,022,117	\$1,208,600,000	\$408,800,000

Sources: IRS, Microsoft MapPoint, Spectrum Gaming Group

It is important to note that while the potential market is \$408.8 million, there will need to be investment and development of HHR facilities proximate to Colorado and Utah to achieve the potential. Site approval, capital investment, property development and customer acquisition will take time.

In our tour of HHR facilities in the state, there was a great variety in sites. The sites visited ranged from converted fast-food restaurants and retail outlets to a re-imagined department store to purpose-built gaming operations easily accessible to highways and commercial activity. Attracting play from more distant areas will require investment in facilities that make the trip worthwhile.

B. Out-of-State Visitation to Wyoming HHR Sites

The spread of casino gaming across America has led to it becoming a commodity in many jurisdictions. Expansion of casino gaming across the country has greatly reduced the market-catchment areas of existing casinos. Where once consumers would have had to fly to Las Vegas for a legal casino