

Dear Honorable Members of the Revenue Stabilization and Tax Policy Committee,

The Pueblo of Pojoaque has compiled the following charts and schedules to illustrate some of the shortcomings of the Martinez Administration's attention to the competitive environment that is transpiring regionally, as well as nationally, in the gaming industry.

As has been reported, the Pueblo of Pojoaque asked to have the "prohibitions" placed on tribal gaming activities through the compacts removed in order to increase New Mexico's competitive position against other regional facilities, as well as nationally. Our product and location makes the Pueblo a highly sought-after resort destination for gamblers, golfers, art enthusiasts, food aficionados, and nature lovers. Over the past year we have focused a great deal of attention to bringing guests into New Mexico from outside the state. They love the culture and landscape; they enjoy the hospitality of New Mexico; they dine and shop in the local communities. In terms of their gaming experience, however, we routinely hear complaints that they wish we offered all the amenities of Las Vegas, Arizona or other surrounding areas.

Business is not getting easier as more and more states offer gaming and this has caused casinos to reduce their workforce. As a tribally-owned and operated casino we believe in putting people to work, and we have a vested interest in the continued profitability of our operations to help us sustain and grow our Pueblo's, and indeed the surrounding, economy.

Our goal is to bring in thousands of new guests to New Mexico through our outside sales and reactivate thousands of guests who have visited and wanted a full casino experience and felt that they should spend their money elsewhere due to the prohibitions of New Mexico.

By eliminating the prohibitions placed on gaming we feel strongly that we will be increasing our workforce by over 100 team members at Pojoaque and there is a residual value to the regions and state for vendors and suppliers.

# Communities benefit most from gaming when they build a diversified economy.

In the wake of several casino closings in Atlantic City, gaming critics are out in force with, “I told you so – gaming can’t save an economy.” Guess what? We agree. Instead of viewing gaming as a panacea to cure all economic ills, policymakers should view gaming as one piece of a multifaceted economic development strategy.

Communities benefit most from gaming when they build a diversified economy and partner with our industry to supplement their entertainment offerings.

Just last month, for example, the Pittsburgh Tribune-Review proclaimed “neighbors, communities big winners” on the five-year anniversary of the opening of Rivers Casino, which has created 1,800 jobs and generated \$745 million in tax revenue over that period.

No one would argue that casino gaming is the centerpiece of Pittsburgh’s economy, yet the city is reaping tremendous economic benefits from casino gaming.

Even in Las Vegas, where gaming is returning to pre-recession levels, political and business leaders consistently focus on diversifying Nevada’s economy.

Not only does Las Vegas lead the nation in the number of business meetings it hosts, but its downtown neighborhood is being transformed and is quickly becoming a hub for high-tech start-ups. And Tesla recently became the latest, largest addition to Nevada’s burgeoning clean-energy sector.

Understanding gaming’s proper role in smart economic development requires a different political approach to gaming and the rules that regulate it. Just like with any other business, basic economics apply to casinos.

With competition among casinos at an all-time high, restrictive regulatory environments pose hurdles to casinos that must reinvest and adapt to today’s changing consumer to continue to add jobs and provide much-needed tax revenue.

Casino gaming is no longer a novelty. We are a highly competitive business uniquely capable of creating thousands of local jobs, supporting small businesses and partnering with communities. Leaders who embrace the next generation of casino gaming are placing the right bet.

Geoff Freeman is president and CEO of the American Gaming Association.

By MATTHEW STURDEVANT, msturdevant@courant.comThe Hartford Courant  
3:35 p.m. EDT, June 30, 2014

**Gaming revenues are down at casinos down across the U.S., including Connecticut, and on Monday the industry received a “negative” outlook in a report released by Moody’s Investors Service.**

Moody’s updated its outlook of the U.S. gaming industry to “negative” from “stable.” The change is a forecast that reflects recent declines in comparable monthly gaming revenue for most states and jurisdictions that allow gambling.

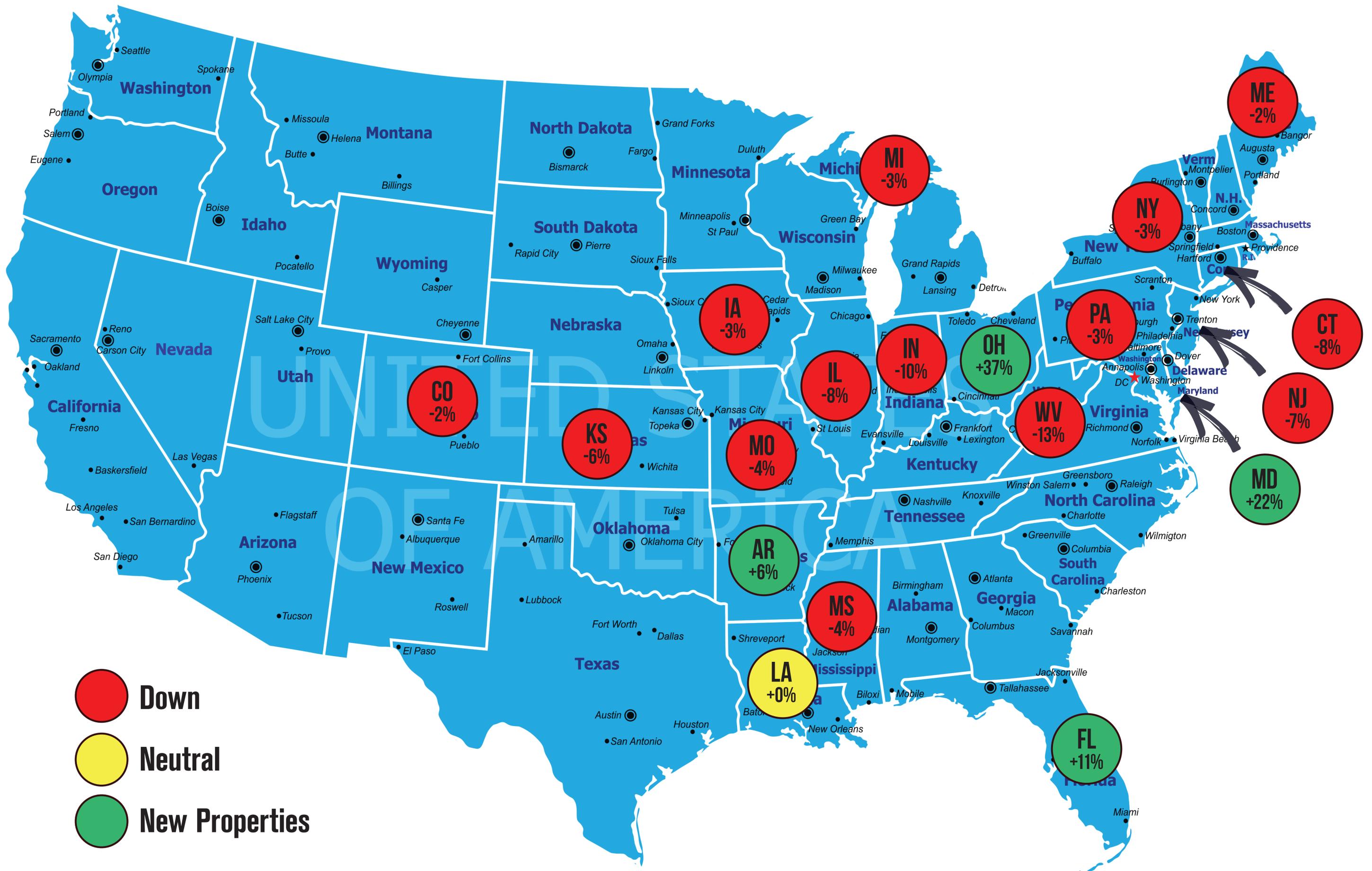
“We now estimate that total US gaming revenues reported by state gaming authorities will decrease between 3.0% and 5.0% during the next 12 to 18 months, causing overall industry [earnings before interest and tax] to decline between 4.5% and 7.5%,” Moody’s analyst and Senior Vice President Keith Foley wrote in the report.

## Topics

- **Casino and Gambling Industry**
- **Consumer Goods Industries**
- **Moody’s Corporation**

Plus, Atlantic City isn’t the only place casinos are in distress. Harrah’s Tunica, the largest casino in Mississippi, shut down in June. Missouri Gov. Jay Nixon earlier this year blamed a budget shortfall on a “steep decline” in gambling revenues. Regulators in Cedar Rapids, Iowa, decided not to permit another casino out of fear of the impact on existing properties. Congress learned in July from Kevin Washburn, Interior Department assistant secretary for Indian Affairs, that tribal revenues have been “pretty flat since 2007. The days of tremendous growth are probably behind us for Indian Gaming”

<http://www.lasvegasweekly.com/as-we-see-it/2014/sep/17/is-gaming-still-sure-bet-growin...> 9/18/2014



- Down
- Neutral
- New Properties

# INDUSTRY TRENDS

Fig 8 Gross Gaming Revenue by State – July 2014 (\$m)

| State                          | Jul-14       | Jul-13       | yoy % chg   | QTD 2014     | QTD 2013     | yoy % chg   | YTD 2014      | YTD 2013      | yoy % chg   |
|--------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|---------------|---------------|-------------|
| <b>Arkansas</b>                | 20           | 18           | 10%         | 20           | 18           | 10%         | 136           | 128           | 6%          |
| <b>Colorado</b>                | 68           | 68           | 1%          | 68           | 68           | 1%          | 436           | 444           | (2%)        |
| <b>Connecticut</b>             | 97           | 103          | (6%)        | 97           | 103          | (6%)        | 622           | 677           | (8%)        |
| <b>Delaware</b>                | --           | --           | --          | --           | --           | --          | --            | --            | --          |
| <i>Delaware Same-Store</i>     | --           | --           | --          | --           | --           | --          | --            | --            | --          |
| <b>Florida</b>                 | 39           | 36           | 9%          | 39           | 36           | 9%          | 302           | 273           | 11%         |
| <i>Florida Same-Store</i>      | 34           | 36           | (7%)        | 34           | 36           | (7%)        | 264           | 273           | (3%)        |
| <b>Iowa</b>                    | 119          | 120          | (1%)        | 119          | 120          | (1%)        | 813           | 842           | (3%)        |
| <i>Iowa Same-Store</i>         | 119          | 120          | (1%)        | 119          | 120          | (1%)        | 813           | 842           | (3%)        |
| <b>Indiana</b>                 | 172          | 199          | (14%)       | 172          | 199          | (14%)       | 1,294         | 1,437         | (10%)       |
| <i>Indiana Same-Store</i>      | 172          | 199          | (14%)       | 172          | 199          | (14%)       | 1,294         | 1,437         | (10%)       |
| <b>Illinois</b>                | 125          | 132          | (5%)        | 125          | 132          | (5%)        | 861           | 932           | (8%)        |
| <i>Illinois Same-Store</i>     | 125          | 132          | (5%)        | 125          | 132          | (5%)        | 861           | 932           | (8%)        |
| <b>Kansas</b>                  | 29           | 31           | (5%)        | 29           | 31           | (5%)        | 207           | 220           | (6%)        |
| <i>Kansas Same-Store</i>       | 29           | 31           | (5%)        | 29           | 31           | (5%)        | 207           | 220           | (6%)        |
| <b>Louisiana</b>               | 213          | 213          | 0%          | 213          | 213          | 0%          | 1,447         | 1,450         | (0%)        |
| <i>Louisiana Same-Store</i>    | 213          | 213          | 0%          | 213          | 213          | 0%          | 1,375         | 1,429         | (4%)        |
| <b>Maine</b>                   | 12           | 12           | (2%)        | 12           | 12           | (2%)        | 73            | 74            | (2%)        |
| <i>Maine Same-Store</i>        | 12           | 12           | (2%)        | 12           | 12           | (2%)        | 73            | 74            | (2%)        |
| <b>Maryland</b>                | 76           | 69           | 10%         | 76           | 69           | 10%         | 505           | 414           | 22%         |
| <i>Maryland Same-Store</i>     | 76           | 69           | 10%         | 76           | 69           | 10%         | 326           | 341           | (4%)        |
| <b>Michigan</b>                | 111          | 112          | (1%)        | 111          | 112          | (1%)        | 779           | 805           | (3%)        |
| <b>Missouri</b>                | 142          | 141          | 0%          | 142          | 141          | 0%          | 976           | 1,020         | (4%)        |
| <i>Missouri Same-Store</i>     | 142          | 141          | 0%          | 142          | 141          | 0%          | 976           | 1,020         | (4%)        |
| <b>Mississippi</b>             | 180          | 191          | (6%)        | 180          | 191          | (6%)        | 1,244         | 1,300         | (4%)        |
| <b>New Jersey</b>              | 264          | 297          | (11%)       | 264          | 297          | (11%)       | 1,554         | 1,675         | (7%)        |
| <i>New Jersey Same-Store</i>   | 264          | 283          | (7%)        | 264          | 283          | (7%)        | 1,550         | 1,591         | (3%)        |
| <b>New York</b>                | 162          | 166          | (2%)        | 162          | 166          | (2%)        | 1,112         | 1,144         | (3%)        |
| <i>New York Same-Store</i>     | 162          | 166          | (2%)        | 162          | 166          | (2%)        | 1,112         | 1,144         | (3%)        |
| <b>Ohio</b>                    | 121          | 95           | 28%         | 121          | 95           | 28%         | 817           | 598           | 37%         |
| <i>Ohio Same-Store</i>         | 91           | 95           | (4%)        | 91           | 95           | (4%)        | 440           | 462           | (5%)        |
| <b>Pennsylvania</b>            | 263          | 265          | (1%)        | 263          | 265          | (1%)        | 1,796         | 1,860         | (3%)        |
| <i>Pennsylvania Same-Store</i> | 263          | 265          | (1%)        | 263          | 265          | (1%)        | 1,778         | 1,857         | (4%)        |
| <b>Rhode Island</b>            | --           | --           | --          | --           | --           | --          | --            | --            | --          |
| <i>Rhode Island Same-Store</i> | --           | --           | --          | --           | --           | --          | --            | --            | --          |
| <b>West Virginia (1)</b>       | 73           | 78           | (7%)        | 73           | 78           | (7%)        | 438           | 506           | (13%)       |
| <b>Nevada (Ex-Strip)</b>       | --           | --           | --          | --           | --           | --          | --            | --            | --          |
| <b>Total</b>                   | <b>2,287</b> | <b>2,347</b> | <b>(3%)</b> | <b>2,287</b> | <b>2,347</b> | <b>(3%)</b> | <b>15,412</b> | <b>15,800</b> | <b>(2%)</b> |
| <i>Total (Same-Store)</i>      | <i>2,250</i> | <i>2,333</i> | <i>(4%)</i> | <i>2,250</i> | <i>2,333</i> | <i>(4%)</i> | <i>14,723</i> | <i>15,485</i> | <i>(5%)</i> |

Source: State Gaming Boards, Macquarie Capital (USA), August 2014.

(1) Based on weekly data ending 8/2/14

# QUARTERLY NEW MEXICO NET WIN

| CASINO             | Jun-13               | Jun-14               | % + Or (-)<br>Same Qtr.<br>Last Year | Variance              |
|--------------------|----------------------|----------------------|--------------------------------------|-----------------------|
| Acoma              | \$5,349,336          | \$5,656,233          | 5.74%                                | \$306,897             |
| Isleta             | \$22,600,042         | \$22,649,171         | 0.22%                                | \$49,129              |
| Jicarilla          | \$1,576,581          | \$1,682,260          | 6.70%                                | \$105,679             |
| Laguna             | \$24,697,628         | \$22,621,147         | -8.41%                               | (\$2,076,481)         |
| Mescalero          | \$17,201,184         | \$16,216,300         | -5.73%                               | (\$984,884)           |
| Navajo Nation      | \$20,849,241         | \$19,450,901         | -6.71%                               | (\$1,398,340)         |
| Sandia             | \$45,675,363         | \$39,614,830         | -13.27%                              | (\$6,060,533)         |
| San Felipe         | \$4,561,901          | \$4,724,795          | 3.57%                                | \$162,894             |
| Pojoaque           | \$15,607,421         | \$15,826,868         | 1.41%                                | \$219,447             |
| Ohkay Owingeh      | \$3,527,249          | \$3,550,642          | 0.66%                                | \$23,393              |
| Santa Ana          | \$18,851,633         | \$18,610,245         | -1.28%                               | (\$241,388)           |
| Santa Clara        | \$6,217,793          | \$5,981,359          | -3.80%                               | (\$236,434)           |
| Taos               | \$2,035,501          | \$2,001,826          | -1.65%                               | (\$33,675)            |
| Tesuque            | \$5,801,861          | \$4,980,517          | -14.16%                              | (\$821,344)           |
|                    |                      |                      |                                      | \$0                   |
| <b>State Total</b> | <b>\$194,552,734</b> | <b>\$183,567,094</b> | <b>-5.65%</b>                        | <b>(\$10,985,640)</b> |

\*INFORMATION PROVIDED BY STATE OF NEW MEXICO CONTROL BOARD NEWS RELEASE.



