



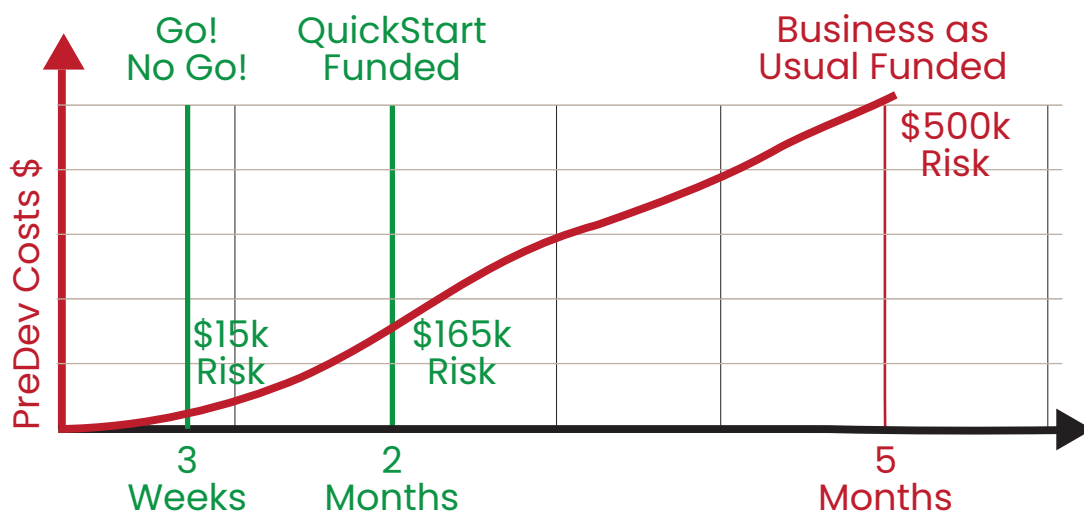
DID YOU KNOW THAT STAND-ALONE CASINOS THAT ADD HOTELS REALIZE A 37% RETURN ON INVESTMENT?

3CD • LLC

3CD, LLC specializes in hotel and casino construction projects. Our new Quick Start program transforms your vision into a financeable project with a price guarantee in less than 90 days!

WHY HIRE 3CD WHEN I CAN DO THIS MYSELF?

- **INCREASE YOUR BANDWIDTH AND COST CONTROL.** Do you have more potential projects than you have time or resources to pursue? We manage everything for a not-to-exceed price.
- **DEFER UP-FRONT COSTS AND EXPEDITE THE FUNDING MILESTONE.** Our program quickly finds any fatal flaws in your project and puts a financeable investment in front of bankers fast - which is when you get paid & recover your pre-development costs.
- **SUPER CHARGE YOUR DUE DILIGENCE.** 3CDs staff has extensive architectural, development & construction expertise in house. It's like having three vendors in one standing behind all the work.
- **SECURE EARLY PRICE AND SCHEDULE GUARANTEES.** No matter how beautiful the design, if it won't pencil the time and money you spend could be wasted. Worse, if you have to re-design to meet the budget you lose even more time and money. 3CD buys in with you every step of the way so we don't ever design what we can't guarantee and build



Check out our website at www.3cdllc.com or contact us today for a case study or presentation.

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Local: 360-485-0363

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GET YOUR PROJECT FUNDED, READY FOR PERMITS & PRE-CONSTRUCTION IN 22 WEEKS OR LESS!

3CD • LLC

Successful development deals require a due diligence program that meets your timing, available cash flow and financing requirements.

3CD has the experience, skills and team to ensure that your project is designed and built quickly for the lowest cost. This affordable and expedited financing package, comes backed up with everything you need to position your project for full design, permitting and construction. We can even arrange to finance, own and manage the project until you are ready to take over.

- **VALIDATED PROGRAMMING INFORMATION.** We help you vet and refine your property, entitlements and construction cost assumptions.
- **SCHEMATIC LAYOUT, RENDERINGS & STUDIES.** We show you the optimized layout and develop the materials you need to communicate the project vision and functional elements to stakeholders and financing partners.
- **COST DRIVERS, ISSUES & ALTERNATIVES.** We identify and help you navigate trade-offs related to design, cost and schedule alternatives.
- **DEVELOPMENT AND CONSTRUCTION BUDGETS.** You get a detailed schedule of work scopes, quantities, estimated costs, allowances and fees to back-up the cost side of your proforma. Our extensive experience and historical cost data ensure that you can count on the budgets and timelines involved.
- **FINANCING PACKAGE.** We assemble all the information you need into a package ready to take to your financing partners – or OURS! We include a development agreement and construction contract to make your project a reality for the lowest cost and in the shortest period of time.



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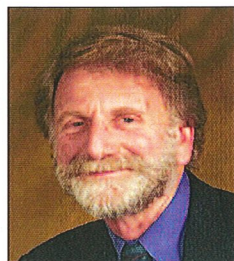
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Indian Gaming

THE NATIONAL MAGAZINE OF THE AMERICAN INDIAN GAMING INDUSTRY



by Barry Thalden

PROJECT PLANNING

Return on Investment Determines Non-Gaming Amenities

A question frequently asked when a new casino or expansion is being considered is, "What amenities are the best choices to add to our casino?" The answer is not always obvious, but is of critical importance. And it has become increasingly important now that financing has become more difficult to obtain and the choices are more crucial for success.

The best answer should be: "Whatever brings the most income to the casino per dollar invested." The chart that follows shows the average results throughout the country of return on investment for a variety of amenities. Some of the results are surprising. For instance, the idea that a parking garage could be one of the best casino investments may be

a surprise to many. The reality is that few people think about a parking structure as an income producing amenity, since the casino doesn't charge for parking. The garage, however, can be built for \$12,000 to \$14,000 per space, yet on average will increase casino floor revenue by over \$10,000 per space per year. Wow! That's a whopping annual return on investment of over 70%.

Building amenities that produce the highest financial return makes a great deal of sense. All amenities added to the casino property will be of some value. Determining which amenity to add will depend on the particular property, its unique market area, and of course the competition. However, building the amenities that will produce the highest financial return makes a great deal of sense.

The following are two examples that show amazing financial results, with some explanation as to why they work better than expected.

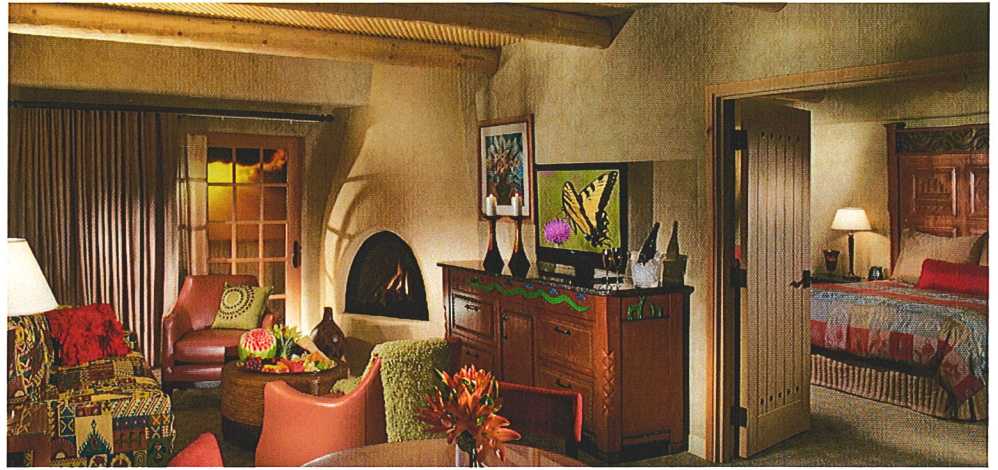
The parking garage is an attraction that can turn the worst casino day into the best casino day. Regardless of location, there are days people don't want to park in a surface lot outside and walk any distance. It may be snowing, raining, too cold or too hot outside. But on that same day, they probably have no better entertainment options than to spend the entire day and night comfortably inside the casino. People also dislike visiting on busy casino days because they anticipate they will either have to keep driving around, like a shopper the day before Christmas looking for a convenient parking space, or park far away and walk. Oh, and about valet parking, many people feel very touchy about their cars; they don't like other people, particularly teenagers, driving them. The garage solves all of that and more. It allows guests to park conveniently close to a casino entry and keeps them and their cars sheltered. A bonus for important customers can be a special VIP floor with key-card access making them feel

Ancillary Facilities - Gaming Return on Investment

Facility Gaming Revenue	Project Cost (Average)	Annual Gaming ROI
Parking Garage \$10,400 per space per year (\$19-\$38/day)	\$14,000/space	74%
RV Park Assume 50% Occupancy (35% to 70% is typical) \$100 per occupied pad/day = \$18,000 per pad/yr	\$25,000/pad	72%
Movie Theaters 200 Guests per seat per year \$8,000 per person = 2,900 per seat/yr	\$6500/seat	45%
Hotel Rooms Assume 75% occupancy (65% to 85% is typical) \$180 per occupied room night = \$49,000 per room/yr	\$130,000/room	37%
Conference/Convention/Banquet Center Assume 37% occupancy (25-45% is typical) =132 attendees per seat/yr at 17 per attendee = \$2,300 per seat/yr	\$6,500/seat	35%
Entertainment (Concert) Center Average use is 1 event per week filled to capacity = 50 people per seat/yr \$10 per person = \$500 per seat/yr	\$7,000/seat	7%
Golf (18 Holes) 27,500 rounds per yr (20,000 to 35,000 rounds typical) \$20 per golfer (\$10 to \$30 is typical) = \$550,000 per course/yr	7.5 million/course	7%

1. No consideration has been given for land cost. Project cost includes construction, FF&E, architects and engineers fees.
2. No income for the facility operations is included. It is assumed that the facility runs at breakeven.
3. Gaming revenues and project costs are averages; obviously, they will vary from case to case.
4. It is assumed here that additional net gaming revenue goes straight to the bottom line. It should be recognized that at some point there would be added costs associated with the additional play.
5. Gaming income has been gathered from a variety of sources, put primarily from Klas Robinson.
6. Project cost estimates have been provided by Thalden-Boyd-Emery Architects and The Cumming Group.

*Hotel Room At Buffalo Thunder Resort & Casino,
Santa Fe, NM*



*Hard Rock Hotel & Casino, Tulsa, OK
(showing Parking Structure and Two Hotel Towers)*

special. The garage encourages increased business and is of benefit every day.

Hotel rooms are another addition that can be extremely profitable. It seems obvious that adding 100 to 300 hotel rooms to an existing property would improve gaming revenue. However, the actual results are far beyond what would be considered probable. There are, however, several reasons that casino income is so surprisingly enhanced. General managers have reported that the hotel adds an impressive image to the property, even if guests are not intending to stay over night. Those that do stay at the property have time to play longer, and since they are often invited guests, they are higher quality players. One general manager in California reported that the property makes more money from a room given away than a room that is sold. The hotel also brings people to the property that might not otherwise visit the casino, and actually a one night stay provides two days to play in the casino.

Which amenities are the most profitable for the casino? The chart shows average additional revenue that has been

experienced at casino properties with the addition of a variety of common non-gaming amenities. It compares that revenue with the cost of building the facility.

Naturally, the results at each casino will vary depending on location, climate, competition and related market factors. While possible variances should be considered for each situation, this chart can provide an excellent guideline for selecting more profitable amenities. In this research, for every casino that had below average results, there was another that actually had above average performance.

When adding amenities, the most important thing to keep in mind is that we are in the casino business. The casino is the "money machine," and if we are not focused on feeding the machine we are likely to be diluting our investment dollars. ♣

Barry Thalden, AIA, NCARB is a partner in Thalden-Boyd-Emery Architects. He can be reached by calling (800) THALDEN or email bthalden@thalden.com.



Project Lifecycle Matrix

3CD LLC
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Battle Ground, WA 98604

PROJECT PHASE	Existing Site, Site Acquisition & Due Diligence		Development	Construction	Project Closeout	Continued Involvement
	Quick Look	Quick Start				
Source Documents Inventory & Checklist	X					
Client Expectations, Program & Drivers Questionnaire	X					
Property Constraints & Features Review	X	Update				
Massing Plan	X	Update				
Architectural Floor Plan(s) Fit-Tests, Zoning Analysis, Code		X	Update			
Architectural Elevations		X	Update			
Revenue Assumptions Table (Unit #, Types, Mix, Quantities)	Preliminary	Update	Update			
Quality Standards & Responsibility Matrix	X	Update	Update			
Site Plan	Preliminary	Update	Update			
Entitlements & Utilities Scoping & Schedule	X	Update	Update			
Overall Schedule: Development & Construction	Preliminary	Update	Update	Update		
Overall Project Budget	Preliminary	Update	Update	Update		
Proposal and Terms (Next Phase)	X	Update	Update			
Jurisdictions Planning, Building Department Requirements: Pre-application Meeting etc.	Preliminary	Update	Update			
Permit Drawings: Architectural, Structural, Design Build MEP			X			
Permit Specifications			X			
Bid Process & Documents			X			
Design Build Scopes			X			
FF&E Spec & Design & Installation			X	X		
Site Plan Permits (Grading Permit & UG Utilities)			X			
Building Permits			X			
Construction Administration				X		
Certificate of Substantial Completion					X	
Commissioning					X	
Warranty Support						X
Training - Anything we can do to help your project be successful for the long term.						X