

CHURCHILL DOWNS
INCORPORATED



PRESQUE ISLE DOWNS
CASINO

PUBLIC INPUT
HEARING

Summit Township Building,
Summit Township, PA
September 25, 2024

- ❑ **License History & Current Ownership**
- ❑ **Commitment to Diversity**
- ❑ **Operating Environment & Competitive Landscape**
- ❑ **Economic Impact**
- ❑ **Community Outreach**

- ❑ **Participants:**
 - Gary Hendricks, Vice President & General Manager – Presque Isle Downs
 - Jill Snyder, Director of Human Resources – Presque Isle Downs
 - Michael Meagher, Vice President of Gaming Operations – Churchill Downs, Inc.
 - Kevin Hayes, Outside Counsel

History of Presque Isle Downs & Casino

July 8, 2010:
Table Games Certificate Approved

January 9, 2019:
Interactive Gaming Certificate Issued

January 11, 2019:
Churchill Downs Incorporated Completes purchase of PID

February 6, 2019:
Sports Wagering Certificate Issued

November 19, 2002:
PID Racing License Issued

October 25, 2006:
Conditional Category 1 Slot Machine License Granted

February 28, 2007:
PID Grand Opening

February 28, 2008:
Category 1 Slot Machine License Fully Approved

Presque Isle Downs & Casino: Gaming & Racing Amenities

Featuring over **60,000** square feet of excitement – including:

- **1,525** slots
- **34** table games
- **15** hybrid table game seats
- Twinspires Sportsbook
- 1 Mile Synthetic Tapeta Surface Racetrack
- Live Thoroughbred Racing & simulcast center



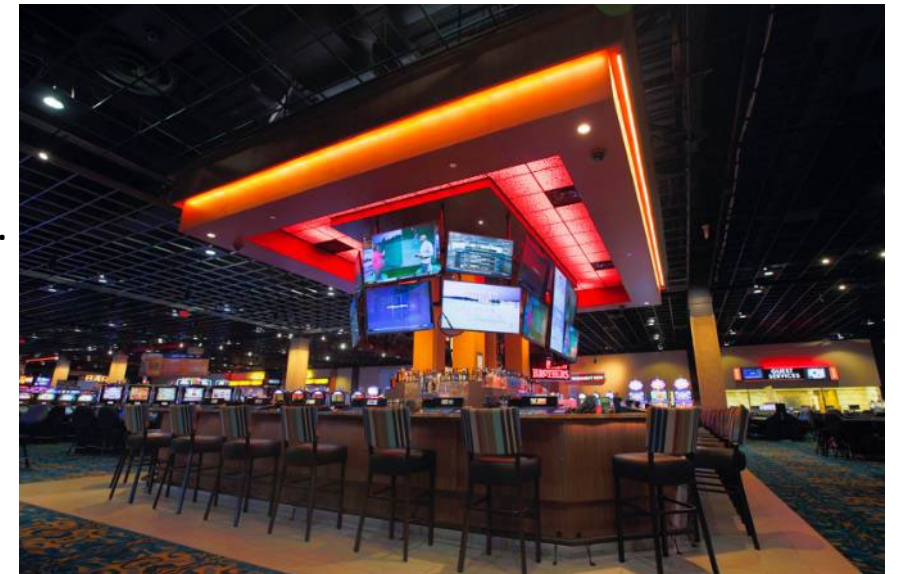
Dining with Presque Isle Downs & Casino

3 restaurant options catering to every taste

La Bonne Vie where patrons can enjoy a high-end steak and seafood menu

Churchill's Bourbon & Brew if you're craving freshly smoked BBQ, burgers, and other offerings.

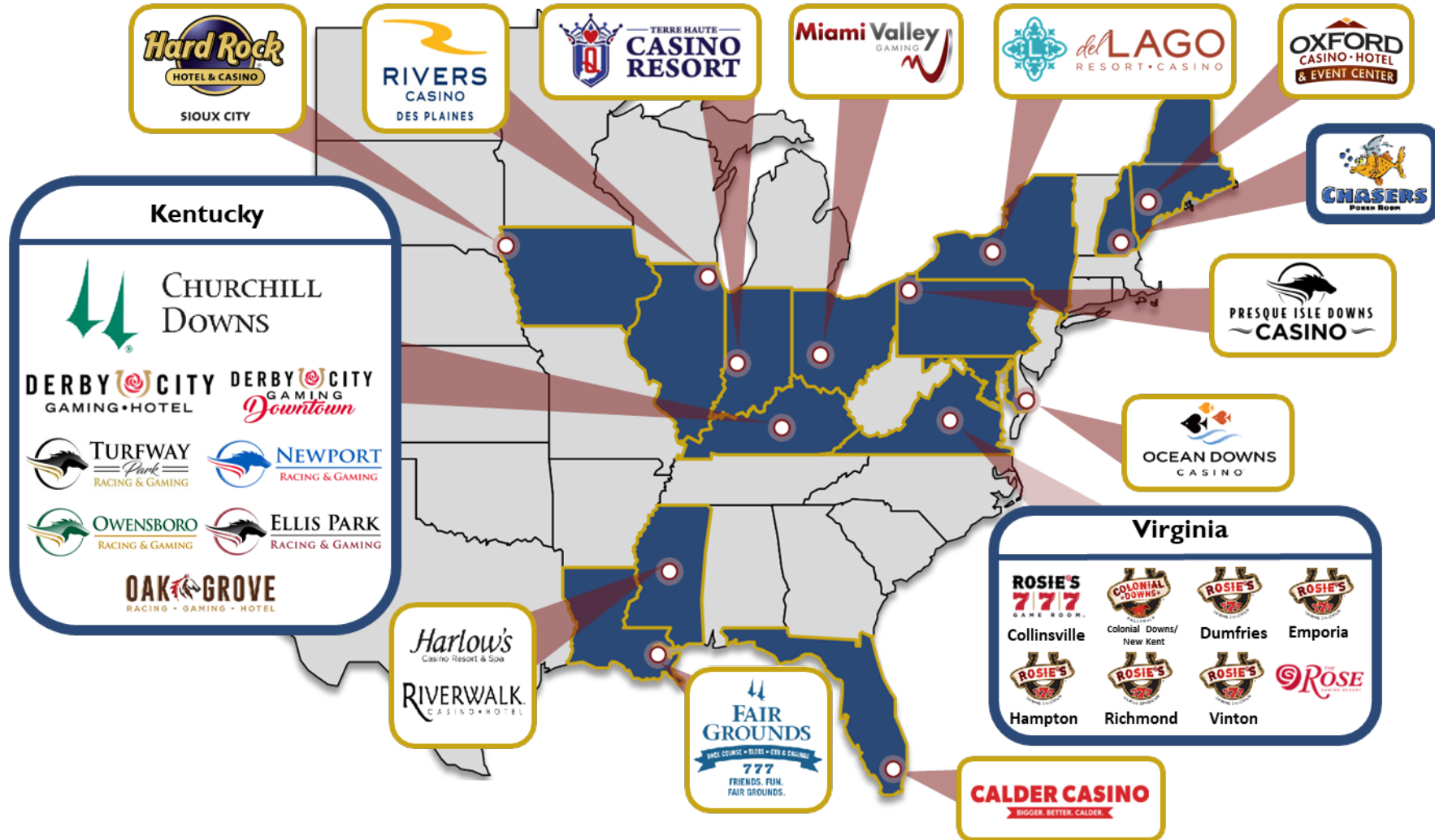
The InCafe featuring quick grab & go options.



Churchill Downs Incorporated ("CDI") Overview

Live and Historical Racing

Gaming



Nearly \$17 million in capital investment since 2019

Safety & Infrastructure

Parking Lot Asphalt

Bridge Repairs

Lighting Replacements

Power Backup System

Gaming & Racing

Over 300 New Slot Machines/Conversions

Tapeta Surfacing

State of the Art Marketing Kiosk Program

Slot Chairs

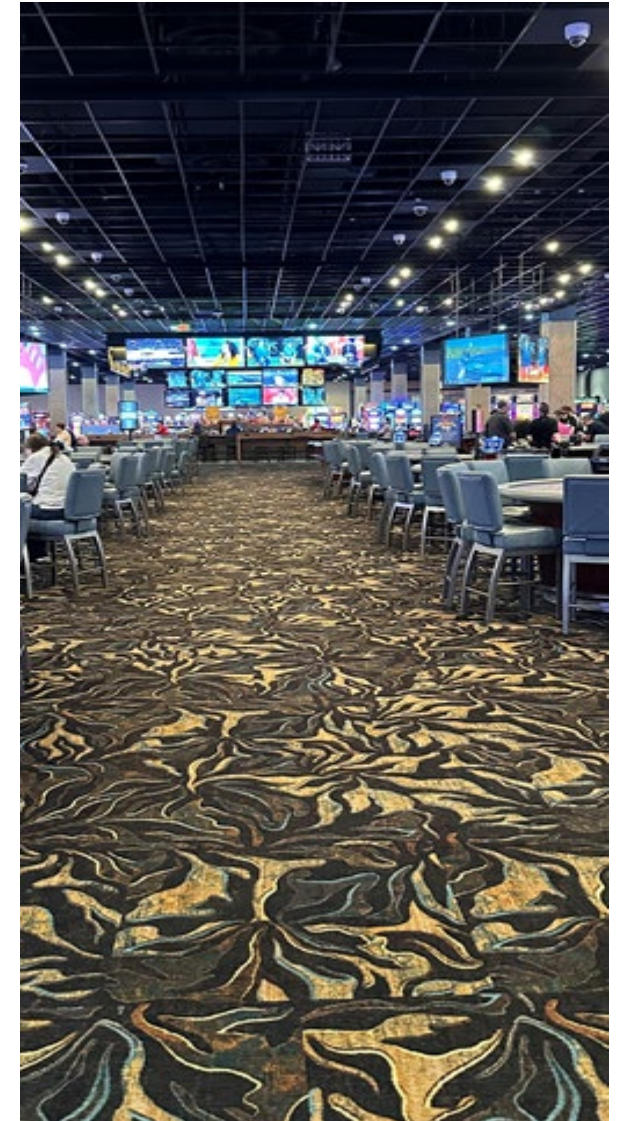
Amenities

New Carpeting

Sportsbook

F&B Outlets

Restroom Remodels



Continuing commitment to minority & women owned businesses

- Late Q1 2024, CDI & Presque Isle partnered with Supplier.io which is a tool that allows PID management to easily find and identify diverse vendors.



Purchasing Benefits

Allows for eligible MBE/WBE vendors to be easily connected with purchasers

Reporting Benefits

Confirmed and vetted third party supplier information leads to more accurate decision making and reporting

3.7%

MBE/WBE spend Q2 2023

6.8%

MBE/WBE spend Q2 2024

PGCB Fiscal Year	MBE/WBE	Total	MBE/WBE % of Total
FY 23/24	\$558,703	\$19,546,336	2.9%
FY 22/23	\$753,459	\$17,198,330	4.4%
FY 21/22	\$358,310	\$17,936,781	2.0%
FY 20/21	\$174,901	\$10,608,743	1.6%
	\$1,845,373	\$65,290,190	2.8%

PID's commitment to hiring AND promoting a diverse pool of talent



- PID conducts and participates in numerous job fairs throughout Erie County to encourage diversity throughout our ranks
- PID works with employees to generate schedules allowing for bus transportation through the Erie Metro Transit Authority
- PID Team Member base is more diverse than the surrounding Erie County area
- PID sends external job postings to a diverse set of local community partners including the Booker T. Washington Center, Veterans Administration, Multicultural Community Resource Center, and the U.S. Committee for Refugees and Immigrants.



Ethnic Group	Total	
	Caucasion	Minority
Full Time	326	94
Part Time	62	14
Total Employees	388	108
Percentage	76.4%	21.3%
Erie County	82.9%	17.1%

Gender	Male	Female
Full Time	274	156
Part Time	58	20
Total Employees	332	176
Percentage	65.4%	34.6%
Erie County	49.7%	50.3%

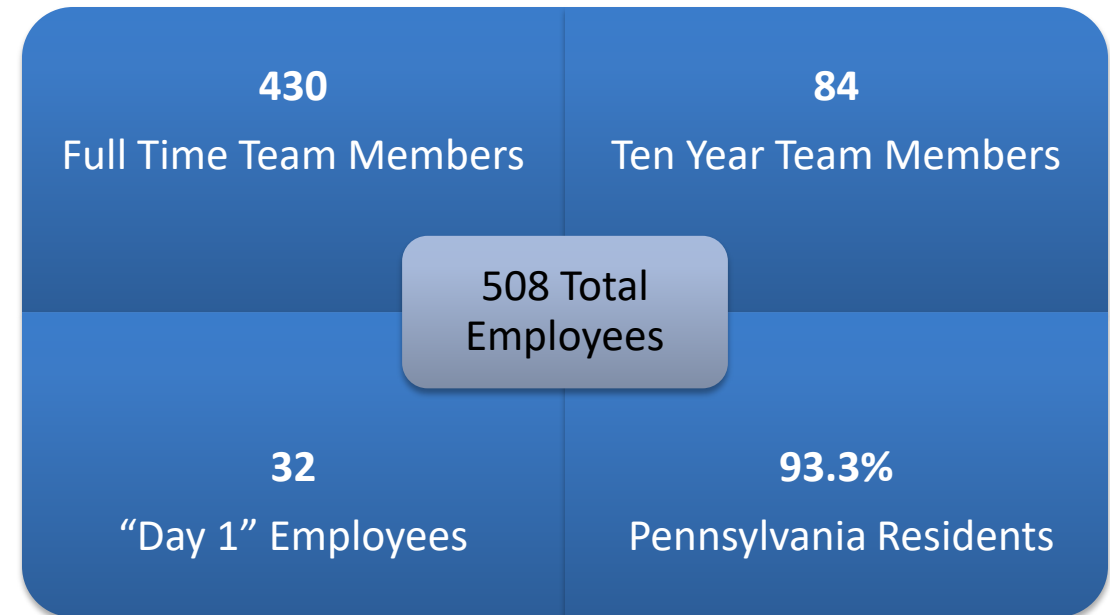
Nearly \$375M Paid in Payroll, Payroll Taxes & Employee Benefits

PID Contribution since Inception PID Contribution 2019 - Current

Benefits Offered to Team Members

- Medical, Dental, Vision Insurance
- Free life & short-term disability insurance
- 401k – 100% vested day 1
- Employee Stock Purchase Plan
- Employee Assistance Plan
- Tuition Reimbursement
- Team Member Referral Plan
- Free Soup & Beverages while on shift
- Complimentary Birthday Meal

Payroll, Taxes, Benefits	\$	374,167,418	\$	102,328,300
Payroll		297,452,921		79,239,296
Payroll Taxes		35,418,221		8,579,150
Employee Benefits		41,296,276		14,509,854





Promoting a Culture of Awareness

Annual Training with CCGP

Responsible Gaming Team Member Events with drawings for gift card prizes, PTO days & team member appreciation meals.

PID RAMP Certified

Training required for 100% of serving staff

Training Paid for by PID

Responsible
Alcohol
Management
Program



PRESQUE ISLE DOWNS
CASINO

GAMBLING PROBLEM? CALL 1-800-GAMBLER.


Responsible Gaming: Engaging Staff

PID engages staff using different interactive and engaging methods to help educate our Team Members about responsible gaming, with a few examples below.



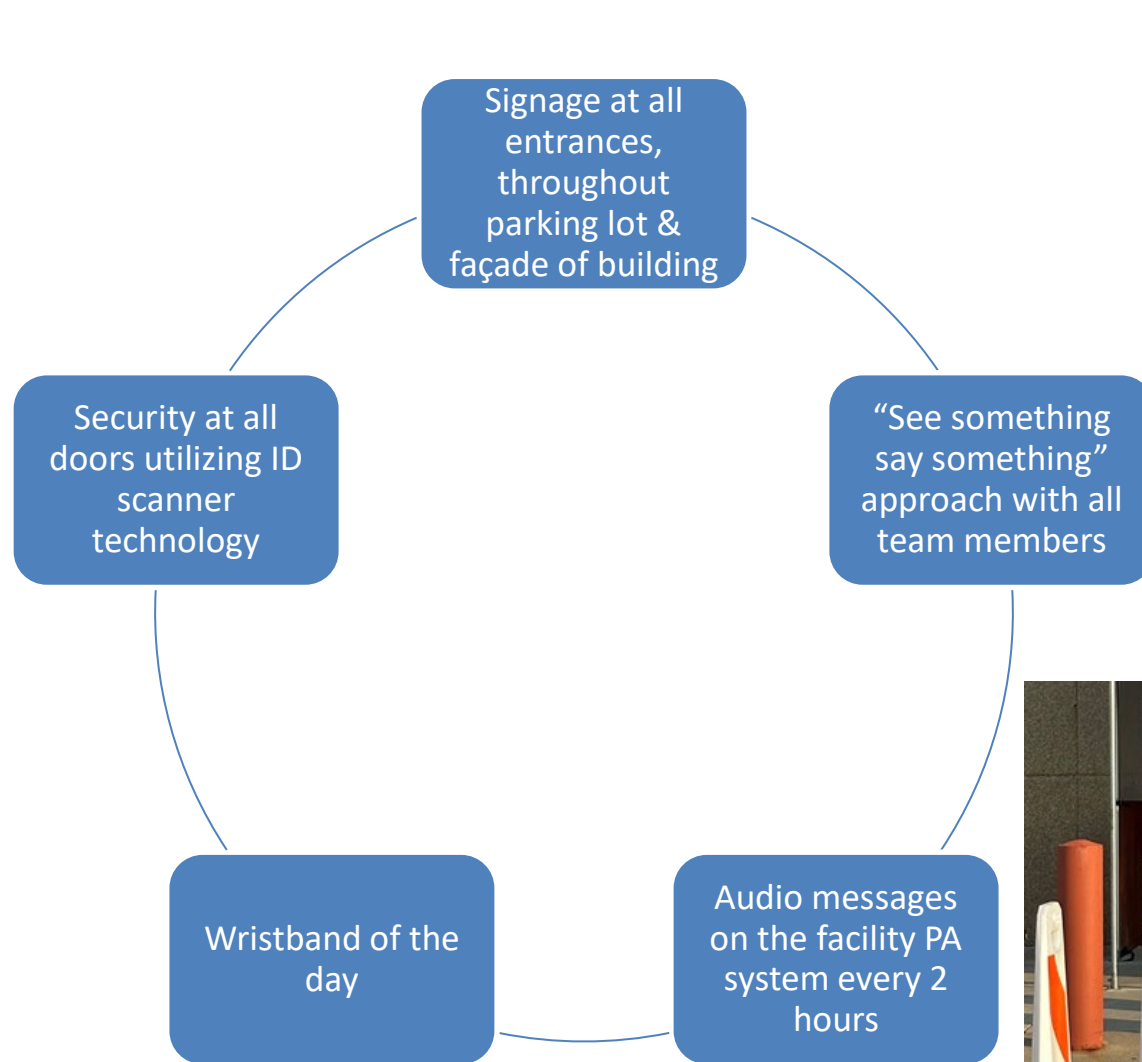
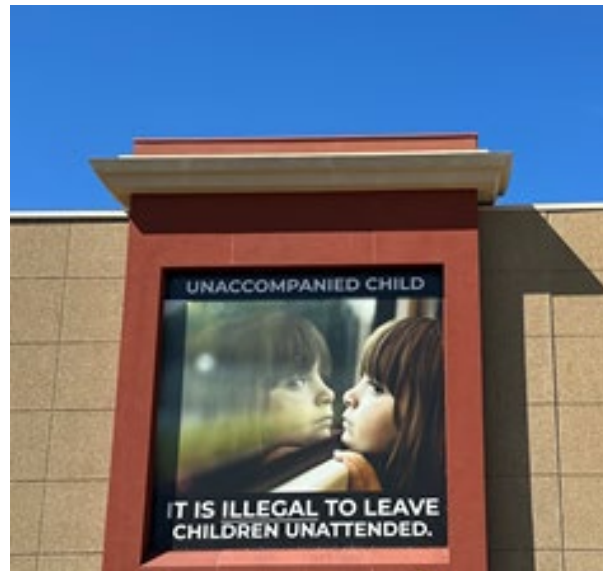
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- PGAM is signified with a _____ ribbon.
- The national helpline for problem gambling: 1-800-_____.
- The National _____ on Problem Gambling leads the annual campaign for PGAM.
- A problem gambler can self-_____ themselves from casinos and gambling sites to deter or prevent them from playing.
- The PGAM theme for this year is *Every _____ Matters*.
- March 12, 2024, will be recognized as Gambling Disorder _____ Day.
- Gambling addiction is recognized as a _____ health diagnosis.
- An estimated two _____ U.S. adults meet the criteria for severe gambling problems in a given year.
- Chasing _____ is something problem gamblers do in an attempt to recover funds they've already wagered.
- The _____ someone gambles is not always indicative of a gambling problem but the way the gambling negatively impacts their life.



- WHAT IS THE PRIMARY GOAL OF PROBLEM GAMBLING AWARENESS MONTH?
 - To promote new gambling technologies
 - To advocate for the legalization of gambling
 - To encourage responsible gambling habits
 - To increase tax revenue from gambling
- APPROXIMATELY WHAT PERCENT OF THE US POPULATION HAS A SEVERE GAMBLING PROBLEM?
 - 3-4%
 - 1-2%
 - 9-10%
 - 5-6%
- WHAT ORGANIZATION LEADS THE ANNUAL CAMPAIGN FOR PROBLEM GAMBLING AWARENESS MONTH?
 - Gambler's Anonymous
 - National Council on Problem Gambling
 - World Health Association
 - Mayo Clinic
- WHICH OF THE FOLLOWING IS **NOT** A SIGN OF PROBLEM GAMBLING?
 - Chasing losses
 - Gambling for entertainment only
 - Constant thoughts of gambling
 - Gambling to escape anxiety, depression, or loneliness
- GAMBLING ADDICTION ONLY IMPACTS LOW-INCOME INDIVIDUALS.
 - True
 - False
- WHICH OF THE FOLLOWING IS A POTENTIAL CONSEQUENCE OF PROBLEM GAMBLING?
 - Financial problems
 - Relationship strain
 - Legal issues
 - All of the above
- WHICH OF THE FOLLOWING IS A RESPONSIBLE GAMING PRACTICE?
 - Gambling until the next big win
 - Missing work or family events to gamble
 - Setting spending limits and sticking to them
 - Asking friends or family for money to gamble
- WHAT IS THE STANDARD HELPLINE FOR SOMEONE EXPERIENCING PROBLEMS TO CONNECT TO AN EXPERT?
 - 1-800-RESOLVE
 - 1-888-GETHelp
 - 1-800-867-5309
 - 1-800-GAMBLER
- THOSE WHO EXPERIENCE GAMBLING ADDICTION TYPICALLY HAVE OTHER MENTAL HEALTH OR ADDICTION ISSUES.
 - True
 - False
- PROBLEM GAMBLING AWARENESS MONTH IS RECOGNIZED ANNUALLY IN WHAT MONTH?
 - March
 - August
 - December
 - September

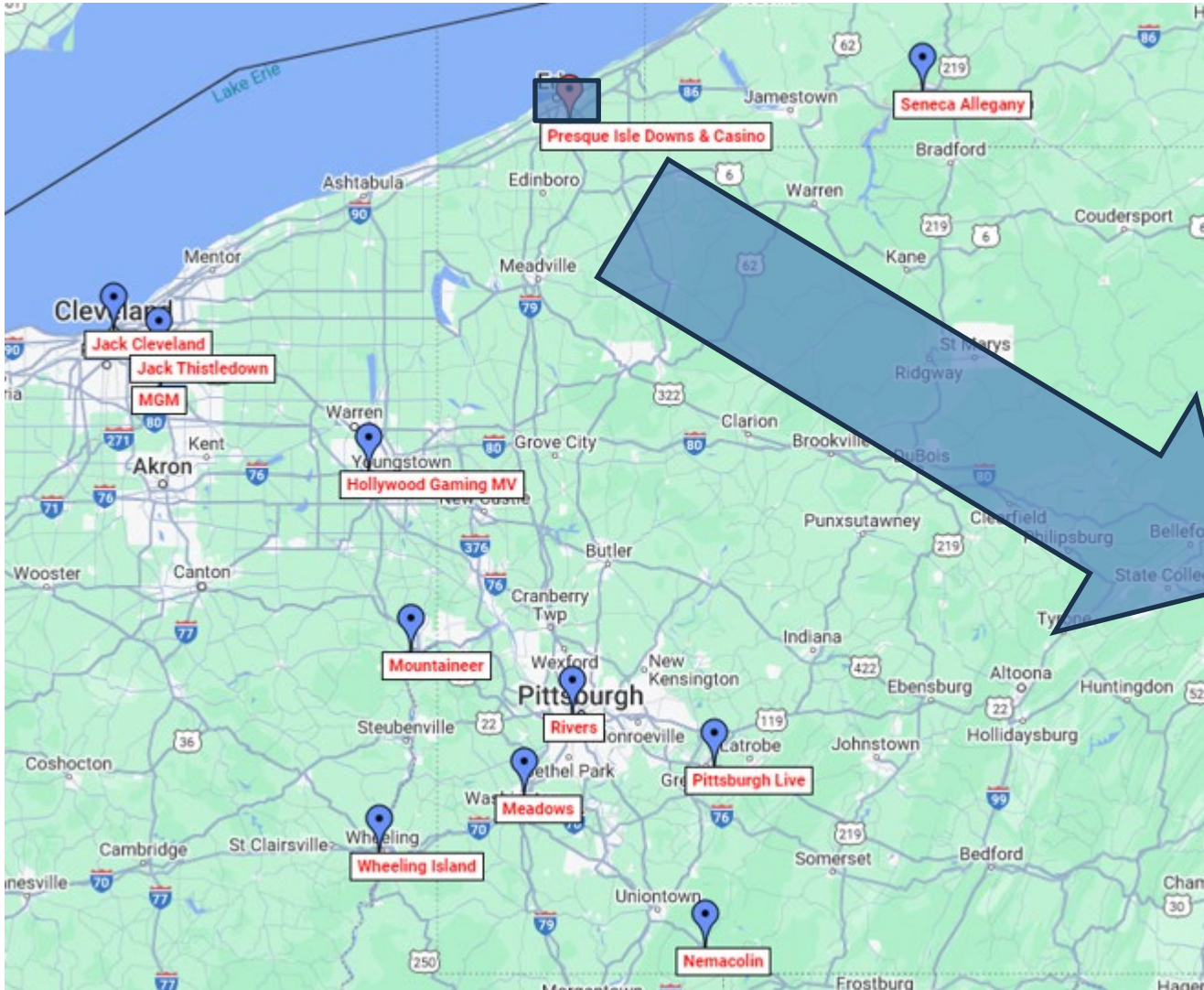
Minor Prevention/Unattended Minors



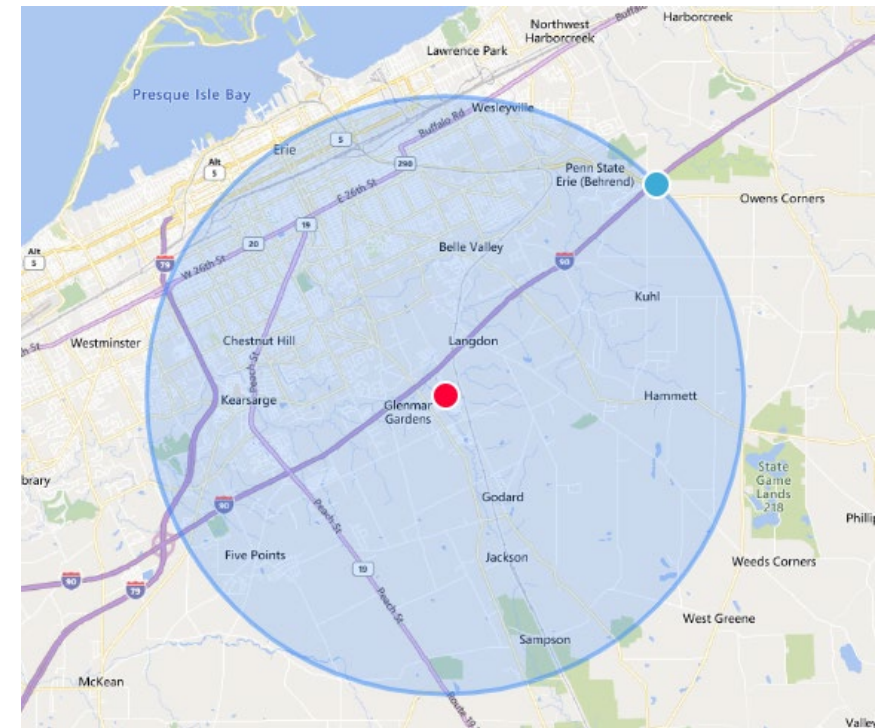
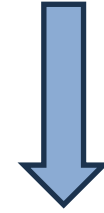
Nearly \$1.5 BILLION generated to support property tax relief, horse racing, Erie County and Summit Township

	PID Contribution since Inception	PID Contribution 2019 - Current
Gaming Taxes and Fees	\$ 1,496,102,492	\$ 335,006,650
State Gaming Tax	768,191,239	180,915,978
Race Horse Development Fund	235,099,214	47,953,743
Local Share Assessment - County	76,087,187	11,498,291
Local Share Assessment - Municipality	175,000,000	55,000,000
Economic Development & Tourism Fund	112,584,934	27,801,222
Slot Licensing Fee	50,000,000	-
Table Games Certificate Fee	16,500,000	-
Sports Wagering Certificate Fee	10,000,000	-
Interactive Gaming Certificate Fee	8,000,000	-
Administrative Fees	44,639,918	11,837,416

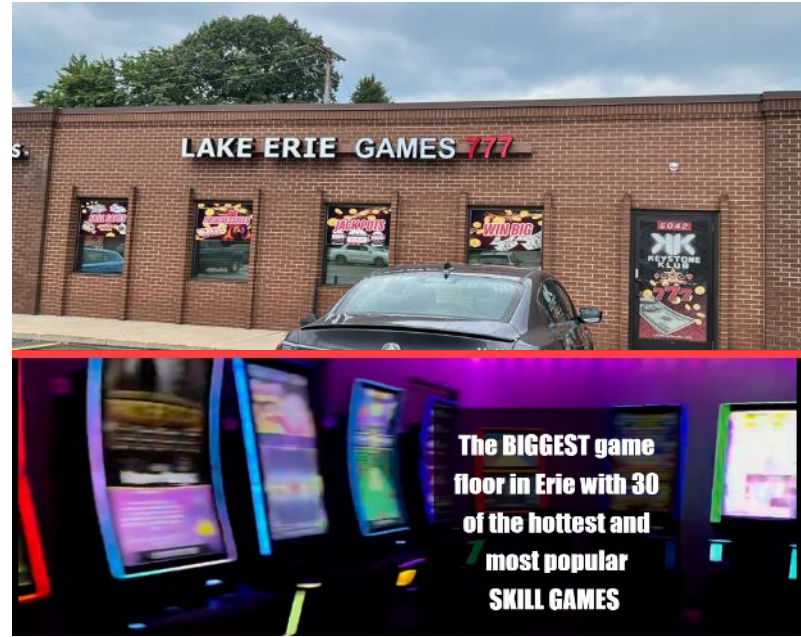
Competitive Landscape



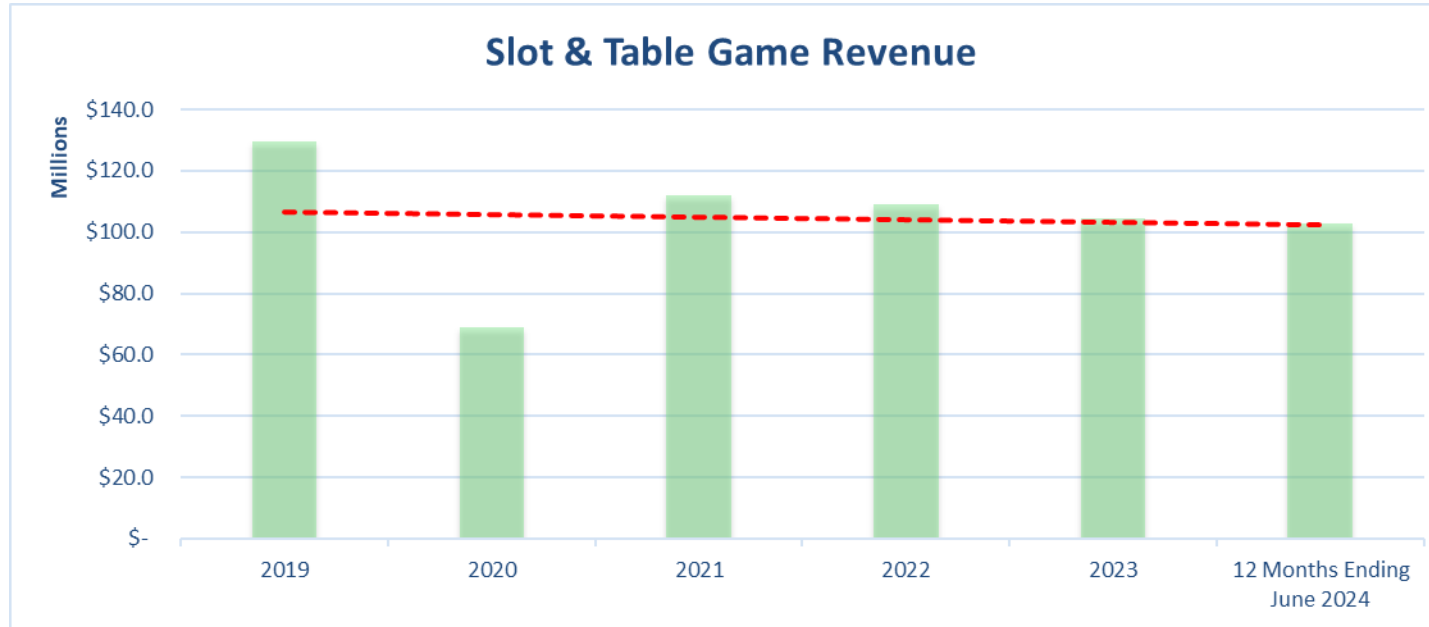
PID estimates a minimum of 150 skill-based machines within a 5-mile radius of the facility



Competitive Landscape: Pennsylvania skill-based games



Slot & Table Revenue



2018 - PA operators begin to accept retail sports wagers

2019 - PA operators begin to accept online sports wagers, interactive wagers

- July - Presque Isle Downs begins to accept retail sports wagers
- Dec - Presque Isle Downs begins to accept online sports wagers
- Jan (2020) Presque Isle Downs begins to accept interactive wagers

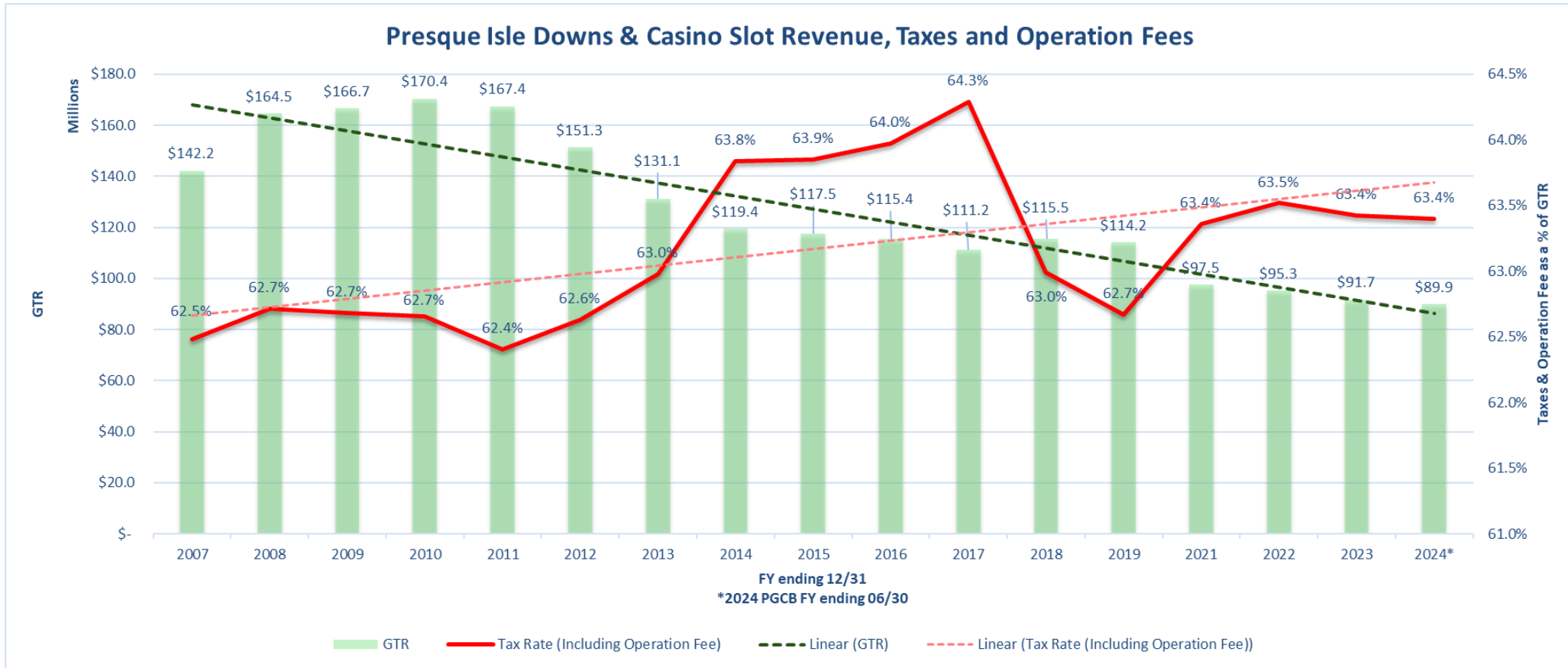
2022 - New York operators begin to accept retail & online sports wagers

2023 - Ohio operators begin to accept retail & online sports wagers

2023 - Expansive growth of skill-based games in Pennsylvania

2024 - Continued growth of skill-based games in Pennsylvania

Effective Tax Rate outpacing Revenue trends



Effective tax rate continues to climb, currently at 63.4%, as revenue trends continue to decline.

Presque Isle Downs & Casino: Commitment to Horse Racing

\$38.9M

Original construction

\$2.8M

Four barn expansion to accommodate additional horse population

\$4.7M

Incremental backside improvement

Calendar Year	Purses Paid (Thousands)	Live Race Days	Average Purse per Race Day
2023	\$14,371	79	\$182
2022	\$17,760	88	\$202
2021	\$10,463	60	\$174
2020	\$9,206	50	\$184
2019	\$16,947	100	\$169
	\$68,747	377	\$182

Community Outreach

- PID works with the Charter School of Excellence in attending mock interviews to help prepare high school students for future employment
- PID employees participate on multiple local non-profit organizations Board of Directors
- The entire PID community participates in our Give \$5 Get \$10 promotion
- Combined donations from 2019 to present total nearly \$1.1M



Community Outreach



Presque Isle Downs & Casino
Published by Jennifer See
June 26

Your back-to-back reigning pig kissing champion of the Kiss a Pig Contest, 🐷 Gary Hendricks 🐷, helped raise enough money to kiss Pery the Pig for the 2nd year in a row. The real winners? The Boys & Girls Club of Erie.

Thanks to everyone who donated during our fundraiser. \$122,612.09 was raised by our players, community and our team members to support this local organization.

GAMBLING PROBLEM? CALL 1-800-GAMBLER.



Questions?

