



THE INNOVATION GROUP

Part II Technical Reply (ITN# 859)

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Part II Technical Reply (ITN# 859)

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March 19, 2013

The Florida Legislature
c/o Ms. Jeannie Evans
111 West Madison Street, Room 874
Tallahassee, Florida 32399-1400

RE: Transmittal Letter Technical Reply (ITN #859) - Part II

Dear Ms. Evans and State Legislators,

The Innovation Group Project Team ("Project Team") is pleased to submit the attached response to the Florida State Legislature's Invitation to Negotiate (ITN) #859 Two-Part Gaming Study. Our team is honored to have the opportunity to potentially work with the Florida State Legislature as it begins to research and fully understand the statewide impact of gambling.

The Project Team is confident that this proposal addresses the research goals of the state of Florida related to understanding the current and potential future impacts and direction of gambling and related activities. The team itself has been strategically assembled to offer the state the best possible combination of statistical, geospatial, academic, economic, and government disciplines to achieve the required research goals of the second part of the two part study. The group will be lead by The Innovation Group providing cohesive and effective leadership. To adequately complete the tasks at hand a balance of national and local expertise are provided with an industry perspective that acknowledges the state's governmental obligations while balancing public and private goals and objectives.

As President of The Innovation Group, Michael Soll, the signee on all documents included in this package, is authorized to represent the Respondent and binds the Respondent relative to all matters contained within this reply. The Project Team including the lead Respondent, The Innovation Group, has read, understands, complies, and agrees with all of the provisions laid out in this ITN (ITN #859).

The Respondent, The Innovation Group, is authorized to conduct business in Florida and is up to date with its filing with the Division of Corporations. The Innovation Group's most recent filing on January 17, 2013 can be found under the corporation name: Urban Systems/The Innovation Group, Inc., and under filing number F10000001052. The federal tax identification number of The Innovation Group is 721449171.

Sincerely,

Michael Soll, President
The Innovation Group

6.2.2.1 EXECUTIVE SUMMARY

The Respondent shall include a summary, no longer than two single-sided pages in length, that demonstrates the Respondent's overall understanding of the requirements of Part II of the Two-Part Study described in this ITN. The Summary shall adequately convey the Respondent's approach to delivering the product and services according to the specifications of this ITN.

The Innovation Group Project Team ("Project Team") proposal for Part II of the Two-Part Gaming Study comprises the technical requirements laid out by the Florida Legislature, including responses to Sections 1-8 of the ITN document and commensurate attachments and forms. The key substantive components include an introduction to the Project Team and its qualifications and experience, a sample project deliverable, the proposed scope of work, and a summary of the project timeline adhering to the required completion dates. The required project cost proposal is included under separate cover.

Based on our review of the Invitation to Negotiate (ITN) documents and our familiarity with the state's current gaming landscape, we have valuable insight regarding the project's needs and goals which include: (1) evaluating the statistical relationships between the gaming and economic interests in a community (2) determining the impacts of communities when gaming and casinos are introduced, and (3) creating geospatial presentations of the impact of gaming in communities.

The Project Team's comprehensive approach to addressing the state's research requirements is reflected both through the selection of Project Team participants, and the methodological design which drives the scope of work.

6.2.2.1.a Specialists Who Excel at Their Disciplines

The Project Team has been strategically assembled to offer the state the best possible combination of resources to achieve the required research goals, cohesively and efficiently, under the leadership of The Innovation Group. To adequately complete the tasks at hand in Part II a team combination of gaming industry, national and state econometrics, statistical analysis and mapping GIS proficiency is required. Proposed team members include The Innovation Group ("TIG"); UNLV's International Gaming Institute ("UNLV"); Arduin, Laffer & Moore Econometrics (ALME); and Critical Infrastructure Mapping ("CIM").

The chart below shows the main areas of responsibility and expertise for each group associated with the team:

	TIG	UNLV	ALME	CIM
Project Management	x			
National Industry Research	x	x		
General Econometrics	x			
Florida Econometrics/Tourism	x		x	
Spatial Analysis				x

6.2.2.1.b Approach & Methodology

The project approach and methodology have been carefully developed by the Project Team with the aim of comprehensively assessing the statistical and geospatial impacts of gaming across the state while providing a benchmark using national data. The composition of our team members will best allow us to assess the potential future gaming development scenarios and their economic and business impacts. The Project Team's approach and methodology can be summarized in the following manner:

- Ultimate goal of providing the state with a statistical and graphic framework for an assessment of the impacts of multiple gaming development scenarios, which maximize economic benefits to the state while minimizing costs;
- National impact assessment calibrated to state level impacts from gaming development in the long term, taking current statewide gaming activity into account;
- Wide ranging impacts on businesses and the regional economic environment as a result of gaming activity over a long period of time; and
- Variable mapping and other graphic geospatial tools to assist in the development of gaming policy taking long term impacts and potential economic shifts into account.

6.2.2.2 ORGANIZATIONAL BACKGROUND

6.2.2.2.a Synopsis of Qualifications & Abilities

The Respondent shall include evidence of its qualifications and capability to provide the services in the Scope of Work for Part II of the Two-Part Study described in this ITN by describing its organizational background and experience.

The description shall include:

(a) A synopsis of its qualifications and abilities to perform the services described in this ITN

6.2.2.2.a (1) - Florida-Based Leadership & Primary Contact

Official Registered Name: Urban Systems/The Innovation Group, Inc.
Federal Tax Identification: 72-1449171
Document Filing Number: F10000001052

Team Lead: Michael Soll, President, The Innovation Group
222 W. Comstock Avenue, Suite 115
Winter Park, Florida 32789
407.702.6648 (p)
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www.theinnovationgroup.com

Mr. Soll is the primary contact for any ITN questions.

6.2.2.2.a (2) - Firm Overviews

The Project Team has been strategically assembled to offer the state the best possible combination of resources to achieve the required research goals, cohesively and efficiently, under the leadership of The Innovation Group. To adequately complete the tasks at hand in Part II a team combination of gaming industry, national and state econometrics, statistical analysis and mapping GIS proficiency is required. Proposed team members include The Innovation Group ("TIG"); UNLV's International Gaming Institute ("UNLV"); Arduin, Laffer & Moore Econometrics (ALME); and Critical Infrastructure Mapping ("CIM").

The chart below shows the main areas of responsibility and expertise for each group associated with the team:

	TIG	UNLV	ALME	CIM
Project Management	x			
National Industry Research	x	x		
General Econometrics	x			
Florida Econometrics/Tourism	x		x	
Spatial Analysis				x

Notwithstanding the diversity reflected in the Project Team, as the Lead Project Manager, The Innovation Group will take responsibility as it has in this submittal for organizing the Project

Team's efforts and coordinating inputs and outputs that will intersect throughout the process. The Innovation Group projects team is set apart by its depth of experience, both by client/project type and volume of scope. We have experience working with government entities/agencies, banking institutions, industry operators, tribal governments, and other industry players, and have managed country-wide, statewide and regional assessments, as well as stand-alone property developments as large as \$20 billion.

THE INNOVATION GROUP (TIG)

The Innovation Group is the premier provider of consulting and management services for the gaming, hospitality, leisure and entertainment industries. Our inventive, forward-looking staff of professionals is known throughout the industry for the accuracy of our market forecasts and our timely response to client's needs. Among our core services, we provide feasibility studies, economic impact studies, market assessments, strategic and financial planning, operations and marketing advisory services, and traffic impact analysis of the highest quality. Expanded capabilities are offered through the Innovation affiliates.

As new gaming markets have emerged and as developed markets have faced new challenges, The Innovation Group has been engaged to provide our services throughout the globe. The Innovation Group and its affiliates have worked directly with governmental agencies, providing strategic planning and studies to aid in structuring new gaming jurisdictions, establishing regulations and privatizing state-run operations. We have also worked behind the scenes of many of the world's largest gaming, entertainment and hospitality developments, and our client list includes the most successful operators in the industry. Public and private owners, government agencies, more than 100 Native American Tribes, developers, financial institutions, professional associations and private equity investors have all benefitted from our expertise.

In addition, as emerging markets throughout the country have looked to gaming to enhance the economic benefits to both states and the properties that operate within them, The Innovation Group has been at the forefront of market analysis and research. Our diverse capabilities and gaming specialization have allowed us to contribute to a wide range of considerations regarding gaming expansion and development - from revenue projections and project sizing to amenity mix and economic/social impact.

As a result of these diverse capabilities and industry expertise, we have collectively worked in more than 100 major gaming jurisdictions, conducted research on all relevant gambling industry segments (casino resorts, slot parlors, racinos, racetracks, VLTs, Class II vs Class III, bingo, lottery, internet gaming, and even emerging ambient devices including internet kiosks, mobile raffles, etc.), provided our services in nearly 80 countries throughout the globe, and been associated with nearly \$75 billion in investment decisions specific to our target industries.

UNIVERSITY OF NEVADA LAS VEGAS INTERNATIONAL GAMING INSTITUTE (UNLV)

The UNLV International Gaming Institute (IGI) was founded in 1993 to serve as the intellectual hub for the global gaming industry – and indeed, twenty years later - the IGI boasts program graduates who lead gaming businesses and governmental agencies in more than 50 different

jurisdictions. What is more, the IGI's global reach is growing in scope every year. This coming May, for instance, the IGI will co-host the world's most prestigious gaming research conference: the 15th International Conference on Gambling & Risk Taking (an event that dates back to 1974, and that will include over 400 attendees from six continents).

UNLV International Gaming Institute faculty have provided research-based expertise and testimony in front of many governmental entities, including the U.S. Senate, the Nevada State Legislature, the Nevada Gaming Control Board, the Nevada Gaming Commission, the Nevada Governor's Office, the Clark County Commission, the Las Vegas City Council, and government officials and/or cabinet-level officials in Canberra, Australia; Kaoshiung, Taiwan; Athens, Greece; Cape Town, South Africa; Alberta, Canada; Sydney, Australia; Moscow, Russia; Singapore; and Seoul, South Korea. Meanwhile, its grant-funded research has yielded more than \$2.5 million in sponsored projects, on projects covering everything from internet gaming policy to responsible gaming technologies. Overall, UNLV boasts the largest and most productive gaming research faculty in the academic world, as its professors frequently publish in the top journals in both the business sciences and the social sciences, while also editing the leading peer-reviewed gaming business journal, *UNLV Gaming Research and Review*.

On a day-to-day basis, the IGI often takes to the road to offer major educational programs to government leaders in Asia, Australia, Africa, Europe, North America, and Latin America. These "global tours" have included some highly interesting stops, all of which demonstrate the reach and quality of the institute's educational mission. To cite just one example, the IGI recently hosted The Pan-African Regulator Summit, a symposium for gaming regulators from ten countries from all over the African continent. The weeklong program, presented in Johannesburg, South Africa, included extended day-long presentations by IGI Executive Director Dr. Bo Bernhard as well as the Chairman of the Nevada Gaming Control Board, A.G. Burnett. These kinds of partnerships reveal the degree to which the IGI's expertise is in demand all over the world, even as the gaming industry evolves into new and dynamic jurisdictions.

Finally, the IGI's elite international reputation is perhaps best reflected by its invitations to deliver over 200 keynote addresses at virtually every major academic and professional conference in this field including the International Association of Gaming Regulators, the Global Gaming Expo (at both the Asia and US events), the Canadian Gaming Summit, the National Conference of Legislators from Gaming States, the Canadian Responsible Gaming Horizons, the European Association for Gambling Studies, the National Association for Gambling Studies (Australia), the Asian Problem Gambling Conference, the South Korean National Problem Gambling Conference, the U.S. National Council on Problem Gambling, and the U.S. National Center for Responsible Gaming – and at many more regional gatherings all over the world.

The team members from UNLV will work alongside The Innovation Group and other Team Members to focus on research, social impact, regulatory and tax considerations of the scope of work, including special focus on responsible gaming issues.

ARDUIN, LAFFER & MOORE ECONOMETRICS

(ALME)

Arduin, Laffer & Moore's (ALME's) supply-side approach to the most pressing policy matters of our time promotes the preservation of free enterprise. However, the true value of ALME's distinctive research lies in the innovative methods and accurate designs that they employ to solve these problems, derived from over four combined decades of experience among its leadership in advising governments and private entities on long-term economic decisions. It is through the application of this expertise in economic and budget research at the government, private, and academic levels that Arduin, Laffer & Moore is able to provide industry-leading proprietary analysis, investment models, and unique supply-side perspectives on global macroeconomic workings, including in-depth analysis of specific industry sectors, states, countries, companies and projects on subjects as varied as federal stimulus spending, national health care, pensions, tax policy, economic development policy, outsourcing, energy policy, and regulatory issues.

The team members from ALME will work alongside The Innovation Group and other Team Members to focus on econometric, research and social impact considerations specific to the state of Florida.

CRITICAL INFRASTRUCTURE MAPPING

(CIM)

Critical Infrastructure Mapping (CIM) was formed by Jay Clark in 2010. Prior to 2010 Jay had a 20 year career working for TomTom, Tele Atlas, and GDT. His roles have included Content Management for the Western Hemisphere, as well as 10 years of GIS product design and fulfillment. CIM is a consulting and Services Company dedicated to designing and fulfilling high quality GIS databases for government and industry.

Projects that CIM has worked on over the last three years include:

- Quality control testing and taxonomy development for the NTIA Broadband mapping project.
- Quality Assurance consulting for Delorme Data Services, Yarmouth ME.
- Big Data Analysis of POIs in the USA and Conflation and Production of a 22 Million POI data set for Where Inc. in Boston MA (PayPal acquired them half way through the project). Several complex analysis tasks were undertaken for PayPal.
- Analysis and conflation of an updated roads database for the state of Louisiana Department of Transportation and Development.
- Design of a GIS for areas of high consequence in oil and gas exploration and pipeline development.

The team members from CIM will work alongside The Innovation Group and other Team Members to focus on the geospatial inner workings including GIS and all other mapping functions.

6.2.2.2.a (3) - Distinguishing Strengths & Qualifications

VOLUME & DIVERSITY OF INDUSTRY EXPERIENCE

The Innovation Group's national gaming and tourism industry knowledge is second to none. Our staff has authored the vast majority of casino and resort studies done domestically over the past 15 years, and we are the "go to" firm for the *Who's Who* of leading gaming operators. From the guidance we provide to other state legislative bodies to the research we have compiled for the largest of international gaming developments, The Innovation Group is the undisputed leader in gaming industry observation and forecasting.

APPROACH & RESOURCES

We hire industry superstars that bring a breadth of experience and owner perspective for all aspects of gaming and hospitality operations. From finance and management to marketing and facility build-out, our assessments and reports address the entire array of considerations most important to our clients. Our aim with every project is to provide value-added services that are only made possible by the diverse structure and capabilities of our organization. While there are many firms who can generate demographic research and market analysis, The Innovation Group is unique in that it takes its solutions a step further to cohesively and accurately incorporate such complex factors as existing competition, brand value, appropriate amenity mix and the outcome/impact of developing multiple facilities.

The Innovation Group invests more than any industry consulting entity to ensure we are utilizing the most current and reliable data sources available. Such resources include public agencies, Smith Travel Research, Claritas, GIS software tailored to the leisure industry, on-line databases, and other local primary research tools to evaluate markets and project feasibility.

ITERATIVE METHOD/PROCESS

The complexities of the assignment (due to the multiple locations under consideration, competitive market factors and various market scenarios being assessed) will require numerous interpretations of the gravity model. The Innovation Group will apply its iterative process to optimize the financial and econometric analysis so as to accurately consider all of the potential influences on the financial forecasts. We refer to this step as iterative in that we apply a wide range of techniques to "revisit" and analyze the data - successive, repeating and/or overlapping approximations - to obtain more accurate solutions and to cohesively pinpoint outcomes based on the maximum consideration of variables, scenarios and data. The result is findings that consider all factors holistically.

6.2.2.2.a (4) - Clarification of Areas of Specialization & Responsibility

The RFP issued by the Florida State Legislature outlined critical tasks for Part II that we believe can be summarized by the following primary categories.

- Nation, Regional and State-Specific Research
- General Econometrics
- Florida-Specific Econometrics & Tourism
- Spatial Analysis



Within these parameters, our Project Team has provided the matrix below to help convey the areas of expertise and distribution of responsibilities for our key team members in Part II:

	TIG	UNLV	ALME	CIM
Project Management & Primary Point of Contact to the Legislature	X			
National Industry Research	X	X		
General Econometrics	X			
Florida Econometrics/Tourism	X		X	
Spatial Analysis				X

TIG = The Innovation Group
UNLV = The University of Nevada Las Vegas, International Gaming Institute
ALME = Adruin, Laffer & Morre Econometrics
CIM = Critical Infrastructure Mapping

6.2.2.2.b Summary of Similar Projects

The Respondent shall include evidence of its qualifications and capability to provide the services in the Scope of Work for Part II of Two-Part Study described in this ITN by describing its organizational background and experience.

6.2.2.2.a – Synopsis of Qualifications & Ability to Perform the Services

The Innovation Group and the Project Team have been engaged to provide comparable services throughout the globe, completing hundreds of gaming related assessments a year. We have worked directly with such U.S. states as New Hampshire, Nevada, Michigan, Massachusetts, Nevada, and Pennsylvania, providing them with strategic planning and studies to aid in structuring new gaming jurisdictions, establishing regulations and privatizing state-run operations. Outside of the United State, we have worked with a number of governmental agencies, including the Governments of China, Jamaica, Costa Rica, Bermuda, Panama, Canada and its provincial entities such as OLG and the Manitoba Lottery Commission.

The list of projects examples represents a sample of The Innovation Group's government and legislative work to date. A more comprehensive list of government and legislative projects is located in Appendix "F". The projects are listed in chronological order from most recent to date.

The Innovation Group brings an extensive volume of experience to this assignment, with our firm and staff having conducted analysis relative to the following jurisdictions:

Algeria	Latvia
Antigua	Lebanon
Argentina	Macau
Aruba	Mexico
Australia	Micronesia
Bahamas	Monaco
Barbados	Mongolia
Belize	Morocco
Bermuda	Nicaragua
Cambodia	Nigeria
Canada	N. Mariana Islands
Chile	Panama
China	Peru
Colombia	Philippines
Costa Rica	Poland
Croatia	Puerto Rico
Cyprus	Russia
Czech Republic	Scotland
Egypt	Singapore
El Salvador	Slovak Republic
Estonia	South Africa
France	Spain
Germany	Sri Lanka
Greece	St. Croix
Guam	St. Lucia
Guatemala	Switzerland
Hungary	Taiwan
India	Tanzania
Ireland	Trinidad
Isle of Man	Tunisia
Israel	Turkey
Italy	Turks and Caicos
Jamaica	Ukraine
Japan	United Kingdom
Jordan	United States
Kazakhstan	Uruguay
Korea	Venezuela
Kurdistan	Vietnam
Laos	

6.2.2.2.b – Representative Projects Featuring Summary, Outcomes & Unique Complications Overcome

The description shall include:

- (b) *A summary of projects administered by the Respondent similar to the one outlined in Part II of the Two-Part Study. The summary shall include the outcomes of each project, including barriers/complications and how they were resolved.*

City of Philadelphia, Philadelphia Gaming Advisory Task Force Advisory Services

Summary: The Innovation Group was engaged to complete comprehensive analysis of the proposed new slot operations in the city and to make recommendations as to the city's oversight of these facilities. The input we provided aided officials in understanding a range of issues related to the operations so that they could more proactively take part in the development of the new industry. Our work included performing site analyses for 11 sites, developing market assessments and revenue projections for 14 scenarios, developing 28 pro formas, estimating local and overnight modal splits, estimating the fiscal impacts of problem gambling and impacts of crime and providing secondary research on trends in gaming. As primary consultants, we also oversaw the work of other consultants including input into the design and analysis of surveys and focus groups, and input into traffic impact assessments. The Innovation Group won this coveted contract through an open bid process.

Outcome: The city used our recommendations in the report to assign two locations for potential casino development. One of the locations is currently developed and operating as one of the state's highest revenue generating casinos.

Complications: There two main complications with this project, (1) the management of the all of the subcontractors and (2) addressing the needs of the various stakeholders on the city's development and oversight committee. In order to manage the many sub contractors on this project, The Innovation Group utilized a comprehensive timeline and communication strategy that allowed all of the subcontractors to be able to complete their tasks in a timely manner. In order to address all of the stakeholders, The Innovation Group created a communication protocol that allowed the committee members to voice their opinions and concerns and the results were addressed and included in the reports outcome and recommendations. The committee members felt their concerns addressed based on the outcome of the report.

Pennsylvania Statewide Market Assessment, Senate Democratic Appropriations Committee

Summary: In support of a bill that became the basis for subsequent gaming legislation and a state goal to generate \$1 billion in revenue, The Innovation Group conducted a gaming market analysis (using a gravity model at the statewide level) to determine the number, size and location of gaming licenses for 12 proposed facilities. Multiple scenarios were addressed in order to determine the distribution which would maximize state tax revenues and ensure viable developments. The report also included a financial analysis of the break-even point for development given a proposed \$50 million license fee and construction and financing costs. The recommendations of the report were eventually accepted by the state and incorporated into legislation. Following the passage

of the bill, The Innovation Group also took a lead role on Philadelphia's Gaming Advisory Task Force to recommend optimum locations for gaming facilities in the city.

Outcome: Legislation was drafted and passed through the state legislature based on the outcome and recommendation from The Innovation Group Report. The report identified the proximate sizing and location of casinos in the state that would generate over \$1 billion in gaming tax revenue. Subsequent to the development of the casinos the state has received over \$1 billion in total tax revenue.

Complications: It was not feasible to create a single model to project revenues and outcomes for the entire state due to the competition from surrounding states, the number of potential sites and venues and the dichotomy of the population in the state that was split between the eastern and western portions of the state. In order to overcome this issue, The Innovation Group created two separate gravity models that bifurcated the state and worked in tandem to generate the results and outcomes.

GDM International Services – Street Data Analysis for State of Louisiana

Summary: CIM created the data analysis for 5 different street data sets for the State of LA. The purpose of the project was to identify all unique features in the 5 data sets, create a common record layout and format, and provide conflation activities to create a new roads layer.

The Analysis includes several iterations of statistical reporting and delivery of sample data.

Outcome: The analysis has been accepted by the State and the project to build the street layer is scheduled to begin April 1, 2013.

Complications: CIM faced several complications in the development of this GIS data set.

1. Legal use to include some of the inputs was not provided, sources were contacted and permission was obtained.
2. The State was concerned about the lack of control on the spatial accuracy of the data. It was decided to use high resolution aerial imagery and GPS "breadcrumbs" to independently control the vectors. This was acceptable.
3. Spatial selection process was not accurate on the first run. We ran several iterative attempts until we were able to select only new features which were not included in the State Base Map data.
4. The State had no database feature modeling guidelines (DBFM) available to set rules for how the features were to be built. CIM developed DBFM sections which were accepted by the State.
5. Linear referencing system (LRS) attributes were not populated for both directions of travel. CIM developed a schema and method for assuring that LRS attributes could be stored for the direction of control in both directions of travel.

*Where Inc/PayPal – Audience Reach for BigY Stores**

Summary: CIM conducted analyses of audience reach by store location in CT, MA, and MD for a nationwide retailer, Big Y Stores. The purpose of the analysis was to determine

how many customers lived in areas within a fixed distance of various retail stores. During the time we worked for Where we did several other projects on nationwide and state levels.

Outcome: The data was used to target one of the earliest PayPal mobile geo-fencing "Pay with PayPal" campaigns.

Complications: Data provided by the client was not complete. In one instance the store locations were not complete. We solved the problem by finding the stores on aerial imagery and correcting the locations and addresses. In another instance the customer lists were not consistently coded and formatted, so we communicated with the client, corrected the information, and re-ran the map generation.

** Note, this project is featured in greater detail in the following section as the sample work product*

6.2.2.2.c Sample of Respondent's Work Product

The Respondent shall include evidence of its qualifications and capability to provide the services in the Scope of Work for Part I of Two-Part Study described in this ITN by describing its organizational background and experience.

The description shall include:

(c) A sample of the Respondent's work-product on a project similar in nature, size and scope.

The following project sample is a section of larger report that CIM worked on to determine the reach of BIG Y Stores in the Connecticut, Massachusetts and Maryland Region. The mapping portion of this report was used to guide the recommendations for placement of the stores in the defined regional area. We have provided this example to show the GIS and geospatial capabilities of our Project Team.

6.2.2.2.c (1) – Sample Deliverable

AUDIENCE REACH OF CUSTOMERS FOR STORES IN CT, MA, AND MD

An analysis of customer density vs population was requested using the following data elements.

1. List of 61 Big Y stores in CT and MA with street addresses.
2. List of 2 ShopRite stores in MD
3. "Geography" file containing counts for Business, Active, and Inactive customers, listed by "city"

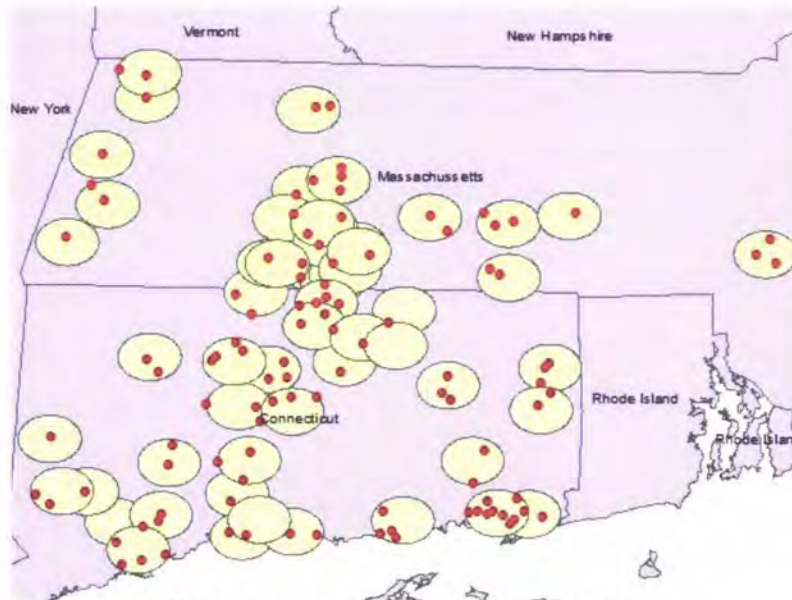
The target of the analysis was to determine the percentage of population that can be reached using client services in areas surrounding the store locations. For the MA and CT stores a fixed buffer of 5 miles was used and for the MD stores a fixed buffer of 8 miles was used.

In order to provide a spatial location for the cities in the Geography file, it was joined to a point data set of cities from the US Census.

Procedure

The analysis was accomplished in 4 stages:

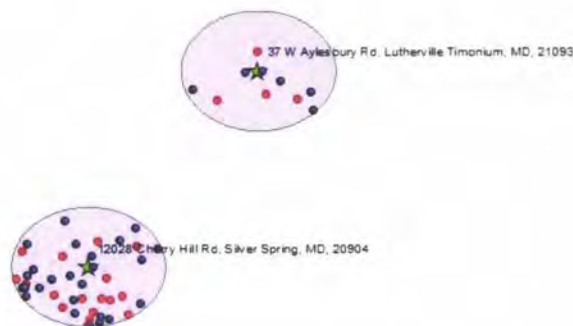
1. Geocode store addresses using ESRI on-line address matcher.
2. Create the appropriately sized spatial buffer around each store address location.
3. Select all US Census cities located inside all the store buffers.
4. Where possible, join the Geography file using the name value to the Census file of selected cities to achieve customer counts for each store geography.



City Points are Red inside Blue Buffers

Once the US Census Cities were located as above, the Client Cities were joined to these points by name where there was a match. Unfortunately the Client Cities were not as complete as the US census file so the total population from the analysis is somewhat inflated due to lack of completeness in the Client cities file.

This was noticeably true in Maryland.



Blue dots are not listed locations in the Client Geography file but are present in the US Census. Total population is calculated by adding all cities captured in buffers.

Customer Types

Client Customers are shown in 3 categories; Business, Active (non-business) and Inactive.

For the determination of audience reach Inactive customers were not counted.

Results – CT, MA

		Households	Population
	CT	1070264	3653833
	MA	692050	1620539
Customers	Total	1762314	5274372
CT	187817		
MA	118201		
Total	306018	17%	6%

The household percentage is quite good. Almost 20% of all households can be reached via the Client relationship.

MD

	MD		
Client Customers	Households	MD Population	for Cities in Geofile
122,581	192558	476963	
	64%	26%	
	All MD	All MD	
	Households	Population	including all Cities in Buffer
	353651	893271	
	35%	14%	

Client has customer reach into 35% of the households within the buffered store areas.

6.2.2.2.d References

The Respondent shall include evidence of its qualifications and capability to provide the services in the Scope of Work for Part II of Two-Part Study described in this ITN by describing its organizational background and experience.

The description shall include:

- (d) A minimum of three references (and a maximum of five references) for which the Respondent has performed work similar in nature, size and scope to that described in this ITN. The Respondent shall also include contact information for each reference using Attachment D.*

Please see Attachment “D” as requested by the ITN.

6.2.2.3 PROJECT PLAN

6.2.2.3.a Approach, Methodology & Implementation Plan by Task

The Respondent shall include a Project Plan that explains the proposed approach and methodology to be used to perform Part II of the Two-Part Study. The Project Plan must include a preliminary implementation plan for the entire project that, at a minimum, includes a timeline for accomplishing significant interim steps in Part II of the Two-Part Study. The Project Plan must also identify and describe the relevant background of the staff and any contractors that Respondent proposes to use in connection with its work on the contract.

Please note that the modified numbering system below is based upon the outline for Section 7 – Scope of Services beginning on Page 11 of the ITN.

(7.A) Part II, Deliverable 1 – Statistical Relationship Between Gaming and Economic Variables for Communities

The report shall include a statistical analysis of relationships among economic outcomes with the unit of observation being counties nationwide where new gaming facilities have opened and operated.

- a. *The estimated parameters shall include standard measures such as employment, wages, and tax revenue and other measures, and their association with the presence and economic scale of gaming.*
- b. *The analysis will be county-specific in nature, using data for the 3000⁺ counties in the U.S., and it will control for their economic and demographic characteristics when performing statistical estimation of the effects of opening and operating gaming facilities.*
- c. *A panel dataset shall be constructed that incorporates different opening dates of gaming facilities and can be used to estimate impacts of gaming activity on performance of the economy.*
- d. *The output from this statistical modeling process will be the basis for presenting likely incremental economic impact to the State of the opening and operation of gaming facilities in the scenario described above.*

7.1.a – 7.1.d - STATISTICAL ANALYSIS OF RELATIONSHIPS AMONG ECONOMIC OUTCOMES IN COUNTIES NATIONWIDE WHERE NEW GAMING FACILITIES HAVE OPENED AND OPERATED

To address the issue of jurisdictions' differing market structures, the Project Team will complete an econometric analysis of county-specific data for the 3,141 counties and county equivalents in the US. The econometric approach involves constructing a system of equations for measuring the return on casino projects on economic impact variables, such as employment, wages (payroll), tax revenue, and economic output. This involves considerations for many of the idiosyncratic elements of casino economics, such as the population catchment area, the extent of competing facilities, the size/scope of non-gaming amenities, and the choice of tax structure.

There are many confounding variables in estimating casinos' macroeconomic impacts – for example, tax rates are often selected simultaneously with the number of casino licenses, which creates an “endogeneity” issue in accurately estimating their impacts. Therefore, in order to have meaningful results, it is important that the study's econometricians have specific experience in understanding and modeling these types of issues. The proposed study team, led by Dr. Bernhard and Dr. Philander, has extensive experience in this very type of econometric modeling. Dr. Bernhard and Dr. Philander recently completed a funded research grant involving detailed panel dataset analysis of how gaming tax revenue affects domestic employment and wages.

Data

The study will focus on the period from 1998 to 2011.¹ This choice of timeframe is desirable for several reasons. First, this period avoids any overlap in North American Industry Classification System (NAICS) reporting by the Standard Industrial Classification (SIC) system, which was replaced in 1997. Second, this period marks the beginning of production of the American Gaming Association's State of the States report, which is an exclusive source for many gaming figures. Third, the period is sufficiently long to capture the opening of many facilities, but is adequately recent to provide meaningful results for the type of casino properties that are currently being built.

Data on the opening dates of casino properties will be acquired from the UNLV Architecture Studies Library, State gaming control board records, and the National Indian Gaming Commission; where necessary, individual properties may be contacted to confirm opening dates. Other gaming data will be acquired from the UNLV Center for Gaming Research, State gaming control agencies, State legislative budgets, and the Tax Foundation. This data will be used to create variables of interest: the presence of in-county gaming, the presence of nearby-county gaming, the number of gaming facilities, and where feasible, the size of gaming facilities.

Personal income and employment will both be used as proxy variables to describe economic development. Employment is commonly used as the variable of measure in economic impact studies and personal income is high correlated with economic output, therefore observing the effects of casino adoption on both the variables should lead to an effective understanding of impact. County level income and labor market data will be obtained from the Bureau of Economic Analysis, while population and demographic data will be obtained from the U.S. Census Bureau. If meaningful results are not obtained for all study objectives from county level data estimation, state level analysis will also be carried out, which will allow for analysis using variables that are typically not available at the county level, such as state taxes and real GDP.

Method: Fixed Effect Model Design

The Project Team proposes a fixed-effect model design to estimate the effect of gaming taxes on economic development.² Fixed-effect models are commonly used in panel data sets when there is

¹ If data availability allows at the time of award, 2012 values will also be added to the dataset.

² A random effects model will also be estimated using the model specification outlined below. A random effects model is similar in design to the fixed-effects model, but produces more efficient results when the unobserved (county) effect is uncorrelated with the other explanatory variables (StataCorp LP, 2009). In practice, it is common to compute both models then test for statistically significant differences between the two (Wooldridge, 2006). A Hausman test will be used to test this difference (Hausman, 1978).

an immeasurable unobserved effect in each section. In this case, the presence of different gaming policy restrictions, different gaming market structures, and other economic infrastructure in each state would create biased measurement issues if a less robust model was used. In particular, if an ordinary least squares (OLS) regression model was used that failed to account for those unobserved terms, an inaccurate (biased) estimate would be made. Some variables, such as the presence of a heavy religious presence in the country, may be relatively stable but difficult to measure directly. Fixed effect modeling allows the econometrician to account for these variables indirectly. To illustrate the intuition behind the fixed effect model, consider the following (simplified) example.

In the chart below on the left, variation occurs only between states. In the chart on the right, temporal variation is shown within each state. If an OLS regression is conducted on the left data, or if it was conducted on pooled data from the right table, the estimate would show higher numbers of casinos leading to higher employment, since it would fail to account for market differences among states (such as in-state casino size restrictions). However, by looking across time, within each state, the Project Team could reveal the true and unbiased estimate, where higher volume of casinos leads to higher employment.³ As is the case with most empirical estimations, there are many other factors that also need to be controlled for, but this simple example illustrates how unobserved variables could lead to incorrect policy decisions if careful consideration is not given to model design.

Location	Year	In-State Casinos	Employment	Location	Year	In-State Casinos	Employment
State A	2003	10	44,000	State A	2003	10	38,000
State B	2003	15	26,000	State A	2004	12	44,000
State C	2003	20	10,000	State B	2003	15	22,000
				State B	2004	18	26,000
				State C	2003	20	8,000
				State C	2004	24	10,000

Other control variables that will be adapted as part of this analysis include: 1) state-wide economic growth, 2) presence of casinos in neighboring counties or states, 3) nearby population size, 4) average return to player, 5) number of licensed gaming devices, 6) other gaming competition, 7) tourism industry size (room capacity/hospitality employees), 8) non-gaming growth, and 9) tax rates.

The final model specification may vary somewhat from the design described in this section, depending on the final model fit and data restrictions. The purpose of the model design is to obtain an equation that allows for an unbiased estimate of the casino variables' coefficients. Interactions between the variables will also be tested, for example, to view the effects of casinos in densely populated and sparsely populated counties. All results will undergo several robustness checks to ensure the results are reliable.

³ Even in the case where both regressions provided the correct direction of impact, the estimate of how large that relationship may be would be biased without fixed-effect regression in the presence of unobserved state variables.

Two-Stage Least Squares

Although the fixed-effect modeling should capture much of the unexplained variance in the model, there may be non-fixed variables that remain omitted. In order to account for this other potential error, this study will also model the county level data using a two-stage least squares instrumental variable approach.

Two-stage least squares estimators consistently estimate the effects of our variable of interest (casino adoption) by using another variable (named an instrument) to purge out the correlation between the explanatory variable and the model error term. In instrumental variable estimation, two conditions need to be satisfied by that instrument. The first condition is a no correlation of between the instrument and the dependent variable (in this case, employment/personal income). Second, it must be the case that the instrument and the variable of interest be correlated. As potential instruments, this study will use a variable that denotes the presence of similar gaming in bordering states, which has been shown in prior research to be a strong determinant of adoption.

Other Notes

The output from this statistical modeling process will be structured in a manner that allows for calculation of the incremental economic impact to the State from the opening and operation of gaming facilities.

(7.A) Part II, Deliverable 1 – Second Spatial Analysis

A second statistical analysis shall be undertaken if data allow. This second analysis will be geospatial in nature, and will examine changes in local business structure associated with the opening and operation of gaming facilities.

- a. Geospatial data such as the NETS database or similar datasets that incorporate business location will be used to assess the composition of businesses that operate in geographical proximity to gaming facilities.*
- b. The study will assess how that composition differs from the overall business composition of a county and its peer counties and how that structure changes upon introduction and operation of gaming facilities.*
- c. The geospatial analysis will use various North American Industry Classification (NAICS) codes and suitable levels of aggregation to assess differences in business structure among geographically proximate businesses before and after opening and operation of gaming facilities.*
- d. Variables to be presented in the analysis shall include employment and wage change in the vicinity of the casino and in the host county.*

7.2.a – 7.2.d - SECOND STATISTICAL ANALYSIS (GEOSPATIAL)

The project is to build a nationwide analysis of several demographic data sets regarding different forms of gaming and show how the introduction of gaming facilities into a community changes the stipulated variables over time. Subsequent to the nationwide analysis, a larger scale analysis of the State of Florida will add business location and demographic data to form a macro level understanding of the changes in local businesses in areas where gaming is introduced compared to areas where it is not.

The GIS will consist of:

1. A 1:250,000 scale GIS of CONUS with county boundaries and tribal lands. Attributes of the polygons will be consistent with the requirements of the analysis in sections Part I, 1-A2 and 1-B1; 2-a; 4-b & d as well as Part II 1-b through d.
2. A 1:50,000 GIS of Florida and the Gulf Coast using the information above plus POI data for businesses in these counties. This data will include a set of analysis that tracks key variables in the relationship of business to the location of gaming facilities.

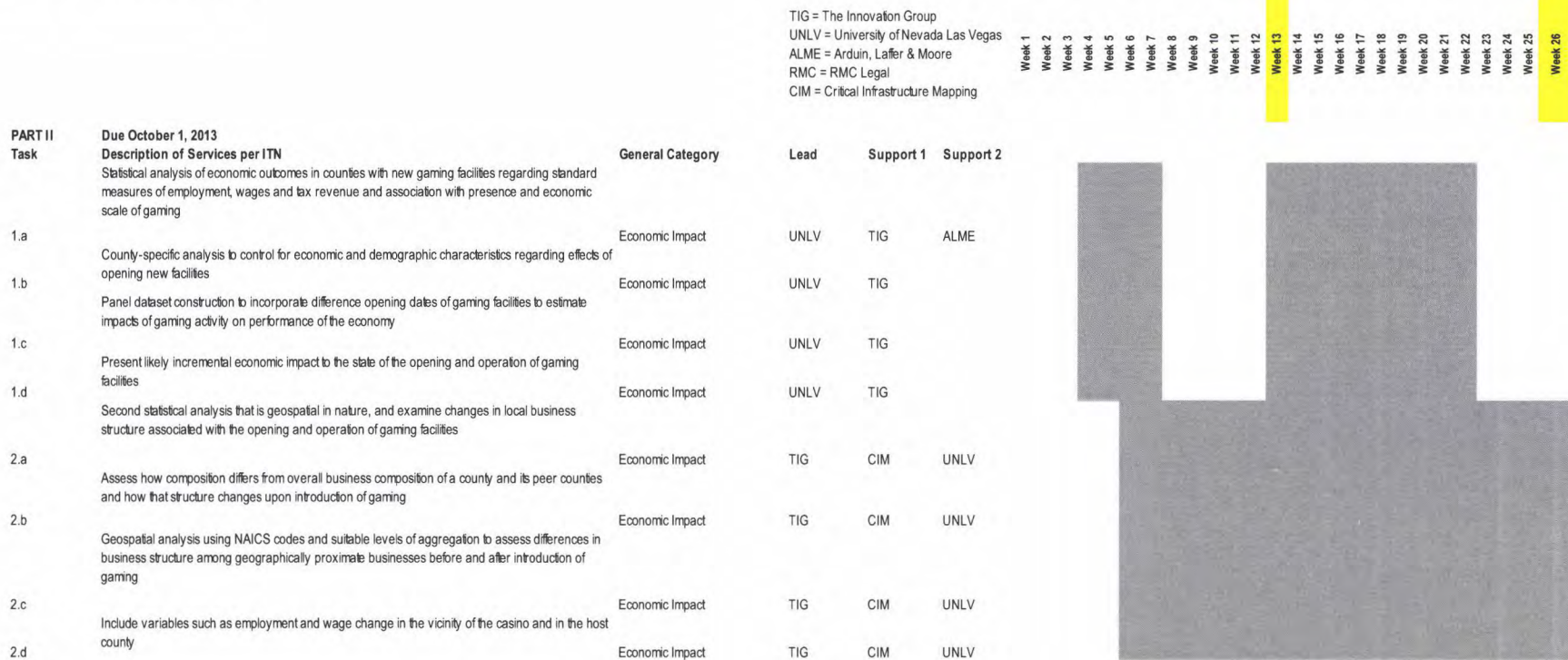
Temporal analysis for variables in section 2 will be at 1 and 3 year intervals for the periods before and after the introduction of each gaming facility identified in the analysis. NEDS or comparable data will be used. Due to the fact that the temporal analysis of each facility will begin and end at different time intervals across the geography, they can be symbolized as animated or vertical (3D) surfaces.

The GIS will be delivered as PDF documents and data will be delivered as specified by the State of Florida the project will be undertaken in ArcInfo. The Geodatabase and MXD file are the preferred form of data delivery. The Project Team can also provide PPT slides as an output if needed.

6.2.2.3.b Timeline

Part II

Florida Statewide Timeline by Task



6.2.2.3.c Project Team

Organization Chart



Relevant Background of Core Project Team

As previously mentioned, the Project Team has been strategically assembled to offer the state the best possible combination of resources to achieve the required research goals, cohesively and efficiently, under the leadership of The Innovation Group. The backgrounds shown below provide a comprehensive summary of the individuals who will be working on the team. We have broken out the team members by company.

THE INNOVATION GROUP (TIG)

Michael Soll – President, TIG

Project Role: Principal-in-Charge

Michael Soll's range of skills and experience makes him especially valuable to The Innovation Group team. As an analyst and development specialist he can identify and evaluate the pertinent financial and site data on which clients can base sound business decisions. As an asset manager, he has experience in capital planning, refinancing, negotiating and evaluating the viability of ventures. As a brand specialist, he understands the power and value of customer relationships and third party associations. In combination, this set of talents and abilities enables Mr. Soll to provide a high level of advisory oversight.

Mr. Soll actually began his career with The Innovation Group and has come full circle, bringing back ten years' hands-on experience in the gaming, lodging and financial industries. In his first career position as The Innovation Group's Vice President, Gaming & Hospitality Research, Mr. Soll conducted gaming and lodging demand, financial feasibility, and economic impact studies, and prepared development proposals for hospitality operators, investment firms and public sector clients.

Before rejoining The Innovation Group, Mr. Soll was most recently Vice President Casinos for Hard Rock Café International, Inc. In this capacity, he led the worldwide development and asset management activities for Hard Rock Casinos and their related hotel, condo and resort amenities. He was responsible for the identification of potential US and international opportunities and their execution. He also oversaw the structuring and negotiating of joint venture, management and license agreements, econometric modeling, feasibility analysis and lobby efforts in emerging jurisdictions. In this capacity, Mr. Soll directed expansion projects for Hard Rock in the US, Asia, Europe, South America and the Caribbean.

Prior to his position at Hard Rock, Mr. Soll was Vice President Planning & Development for Caesars Entertainment in Las Vegas. There, he managed Caesars' development efforts in existing and emerging US, international and Tribal gaming jurisdictions. His primary responsibilities included identifying partners, jurisdictions and sites suitable for deployment of the Caesars brand, and subsequent analysis, structuring and negotiations.

At Starwood Hotels & Resorts, Mr. Soll was Director Asset Management, overseeing Starwood managed and joint venture hotel portfolios under the Sheraton, Westin, W and external Starwood brands. Here he was responsible for capital planning, forecasting, contract maintenance, owner dispute resolution and refinancing initiatives.

Prior to that position, Mr. Soll served as Vice President, Leisure Equity Research for Bear Stearns & Co., New York. There, Mr. Soll researched mid and large-cap gaming and lodging companies for institutional investors and the internal equity sales team, developed company models, valuations, earnings forecasts and market research.

A University of Wisconsin graduate, Mr. Soll received his M.S. in Urban and Regional Planning from The College of Urban and Public Affairs in New Orleans.

S. Paul Girvan - Managing Director, TIG

Project Role: Senior Executive of Research & Analysis

As a British-trained demographer, geographer and economist, Paul Girvan's depth of study in these interconnected disciplines enables him to recognize key trends and patterns that are often overlooked by traditional research alone. Since joining The Innovation Group in 1992, Mr. Girvan has conducted an extraordinary array of gaming, leisure and hospitality industry research projects, often pioneering new techniques and combining existing research tools to provide more insightful, reliable analysis. His wide range of experience and visionary approach ensures Innovation Group clients of a well-conceived and comprehensively-managed project from the outset. The insight and accuracy of Mr. Girvan's reports have assisted clients in obtaining government approvals, management contracts, financing for facilities and the acquisition of strategic properties.

Mr. Girvan's studies have covered every major U.S. gaming and hospitality market and several international markets as well. For the Government of Panama, he directed the analysis of state-run hotel-based casinos that ultimately led to their privatization and upgrading. In El Salvador, he conducted an in-depth analysis of national lottery operations, which lead directly to our client's obtaining a nationwide operating contract.

Mr. Girvan is in the unique and highly trusted position, of being entrusted with player database summaries from a number of casino properties across the U.S. and Canada. Using GIS software, these have been mapped and competitive advantages identified. In this he has gained a unique perspective into the geographic distribution of casino gamers that few, if any, in the industry can match.

In one of his most in-depth and high-profile roles, Mr. Girvan served as a consultant to the Philadelphia Gaming Advisory Task Force, during which time he completed a very comprehensive study of the proposed slot operations in the city which included analyses for 11 sites, developing market assessments and revenue projections for 14 scenarios, developing 28 pro formas, estimating local and overnight modal splits, estimating the fiscal impacts of problem gambling and impacts of crime and providing secondary research on trends in gaming. As primary consultant, he also oversaw the work of other consultants involved in the design and analysis.

Functioning as the lead Canadian gaming specialist for The Innovation Group throughout the past decade, Mr. Girvan's longest running client is OLG, including a province-wide strategic planning process designed to determine the optimal future development of provincial wide

gaming properties, numerous project-specific assessments, and recent research that led to the privatization effort throughout Ontario.

Mr. Girvan's depth of experience in research techniques extends to his development of tailored customer surveys and intricate statistical analyses. His interpretations often lead directly to operational changes to improve customer service, to new promotional programs, to modification in physical facilities and ultimately to increased market share and revenues. He has also innovated a number of analytical techniques using GIS software, developing a proprietary technique utilizing player-tracking data to map market penetration by zip code. By segmenting the player database and assigning lifestyle cluster codes to the segments, Mr. Girvan has been able to target not only geographic areas, but also to target customers likely to be similar to those in a specific segment of the existing database. Building on this approach, he has been able to aid clients in the development of customized marketing and media programs.

With his breadth of training and experience, Mr. Girvan is a published author and sought-after speaker at gaming industry conferences and events. He has recently contributed articles and white papers on such relevant subjects as the Canadian gaming market, the impact of smoking bans on gaming jurisdictions, iGaming, and the value and trends of amenities at destination resorts.

Mr. Girvan has a Master's in Urban and Regional Planning with a specialization in Economics. He also holds an associate's degree in Economics and a Bachelor of Science with Honors in Geography and Geology.

Cameron Steinagel - Vice President, TIG

Project Role: Research & Analysis, Florida Specialist

Cameron Steinagel's past experience makes him a valuable asset and resource for The Innovation Group and their clients. Mr. Steinagel came to The Innovation Group with over 10 years of experience in the gaming industry, where he held many positions and responsibilities.

Mr. Steinagel began his career as an Internal Auditor with MGM Resorts International in Las Vegas where he was able to gain knowledge and experience in gaming policies and procedures. Shortly thereafter, he graduated to a newly formed department tasked with initiating, implementing, and managing strategic initiatives under the Chief Financial Officer. These strategic initiatives included, but were not limited to; the integration of the Mandalay Bay acquisition, the restructuring of the company's aviation department, and the research and due diligence efforts for the potential of adding wireless gaming devices to the casino offerings and their effect on in-house gaming.

Following his experience in Las Vegas, Mr. Steinagel diverged from the gaming industry for a year and worked for Payless Shoesource where he maintained the corporate long-range financial plan and analyzed departmental profitability and cost margins. Additionally, he played an integral role in the integration efforts of the newly acquired Stride Rite brand and pushed the company's balanced scorecard efforts to the merchandising, logistics, and corporate buying teams.

Subsequent to his experience at MGM Resorts International and Payless Shoesource, Mr. Steinagel was part of the development team at Boyd Gaming tasked with many important duties for the \$4.8B mixed-use Echelon project on the Las Vegas Strip. His duties included feasibility studies to determine size, scope, and viability of project components and earnings potential, project management over the site's "featured" restaurants inclusive of hiring and managing consultants and identifying partners, and the initial planning and early development of the retail promenade.

As the Echelon project wound down due to poor economic factors, Mr. Steinagel worked at the Boyd corporate office where he performed due diligence efforts for all potential mergers, acquisitions, and expansions along with performing analysis for other strategic initiatives.

Mr. Steinagel graduated from Utah Valley University with a B.S. in Accounting.

Renese Rhoden - Manager of Finance & Leisure Development, TIG

Project Role: Research & Analysis, Florida Specialist

Renese Rhoden joined The Innovation Group as a Manager of Finance and Leisure Development and brings a wide array of financial experience in gaming operations, hotels and investment banking. Ms. Rhoden works with clients to conduct feasibility analysis, market assessments, operation analysis and financial projects for proposed and existing gaming and leisure enterprises.

During her time at The Innovation Group, Ms. Rhoden has worked on a number of multi-faceted developments that encompass gaming, hotels, entertainment, convention and meetings and/or other leisure-driven amenities. Her projects have spanned numerous locales throughout the U.S. and include financial forecasting, feasibility studies, market assessments and ROI analysis. Ms. Rhoden has worked on international projects in Asia, Europe and has been especially active in Latin America and the Caribbean. Her skills and experience have been utilized by a diverse array of clients and include companies such as Las Vegas Sands, Hard Rock Café International, Penn National and CODERE as well as government organizations from Puerto Rico, Costa Rica and Jamaica.

Prior to joining The Innovation Group, Ms. Rhoden has had extensive experience in the state of Florida having worked for multiple companies throughout the years in the gaming and leisure industries. Her roles included financial analyst at the gaming administrative offices for the Seminole Tribe of Florida, a real estate analyst at the boutique investment banking firm in Miami, Florida and hotel management at the Four Seasons in Palm Beach, Florida.

Ms. Rhoden holds a Bachelors degree with a concentration in Finance from Cornell University's School of Hotel Administration as well as a MBA from Nova Southeastern University. She returned to Nova in 2008 to obtain a Graduate Certificate in Real Estate Development.

Max Remer - Senior Analyst, TIG**Project Role: Research & Analysis, Florida Specialist**

Since joining The Innovation Group, Max Remer has conducted feasibility analysis, financial forecasting, and market research on a wide variety of projects, including casinos, convention centers, entertainment venues, hotels, cultural attractions and retail and food and beverage offerings. His work has also included studying the impacts of gaming on lotteries for the state of Massachusetts and examining the market saturation of gaming in states such as Florida and Maryland. His experience with project scope has ranged from small locally focused gaming establishments to large “game changing” destination gaming resorts. While Mr. Remer has conducted extensive analysis in well developed markets throughout the US, he has recently been focused on newly developing markets, both domestically and internationally.

Outside of his work at The Innovation Group, Mr. Remer is an attentive member of his local community where he sits on the Economic Development Advisory Board for the City of Winter Park, Florida. In addition, he is a founding member of the Emerging Leaders in Gaming young professionals group.

Mr. Remer attended Rollins College where he graduated Cum Laude with a Bachelor’s Degree in Political Science and also received his MBA with concentrations in Finance and Management.

David Rittvo - Director of Business Development, TIG**Project Role: Research & Analysis, Florida Specialist**

David Rittvo is Director of Business Development and Director of Food & Beverage at The Innovation Group of Companies. He joined The Innovation Group in 2009 to help formalize a specialty advisory discipline within the organization that provides F&B-specific consulting, marketing, development, financial, operational and management advisory services to the firm’s gaming, entertainment and hospitality clients.

David received his undergraduate degree in Hotel, Restaurant and Tourism Management from the University of Denver, as well as an MBA with a concentration in Hospitality Finance and Investments.

Steven M. Rittvo - Chairman/CEO, TIG**Project Role: Executive Advisor, Florida & Government Specialist**

Steve Rittvo is a veteran of over 2000 planning studies – and the individual recently recognized among the *Top 10 Most Influential People in the Gaming Industry* - uses the sophisticated resources of The Innovation Group of Companies to perform a variety of market studies and financial analyses to form conclusions so accurate you can literally take them to the bank.

Mr. Rittvo and his partners founded The Innovation Group in the 1990s and have built the firm into the nation's premier provider of consulting services for the gaming, leisure and hospitality industries. As Chairman, Mr. Rittvo is principal-in-charge for many of the firm’s most challenging assignments, providing overall policy direction, technical oversight and manpower allocations for the company.

Over the past few years, Mr. Rittvo and partners have formed four more affiliates which can take the recommendations and analysis of The Innovation Group full circle. The five affiliates are united under the banner of The Innovation Group of Companies, and include Innovation Capital, LLC, an investment bank with a practice focused on the gaming industry; Innovation Marketing, a full service marketing, advertising and public relations firm; Innovation Project Development, an owner's representation, multi-disciplined project management services company capable of providing consulting advice or total development oversight; and Innovation Management Services, a turn-key operational and management advisor specializing in short-term, distress situations and turnaround implementation. Innovation Food & Beverage, Innovation Sports & Entertainment and Innovation Interactive are also under his oversight.

Mr. Rittvo's expertise in gaming-related projects and his extensive knowledge of the industry has made him a valued consultant to gaming companies throughout the world. He has completed a wide range of management and planning projects during his thirty-two years as a professional, but his primary focus during the last thirteen years has been on gaming-related projects throughout the United States, Central America, Europe, and the Middle East, with a concentration on financial analysis.

Government bodies around the world have asked for his analysis, as have Wall Street and the investment banking community. Mr. Rittvo has served as a consultant to JP Morgan Bear Stearns; Salomon Smith Barney; Oppenheimer; Jefferies and Company; Wasserstein Perella and Company; First Boston; Miller Schroder; Dain Bosworth; Deutsche Bank; Bank of America/Merrill Lynch; Sunitomo, Morgan Stanley, and Wells Fargo to name a few.

Many of Mr. Rittvo's gaming clients have also come from the public sector. He has completed major consulting projects for the states of Illinois, New Hampshire and Pennsylvania; City of Bridgeport; Connecticut; Port of New Orleans; Republic of Panama; Governments of Israel and Bermuda, and the Province of Ontario to name just a few.

Mr. Rittvo's experience and depth of understanding of the industry have made him a sought-after resource for his opinions and insights. He's been a featured speaker at over 30 gaming conferences. He co-authored a book on the gaming industry published by University of Nevada, Las Vegas. In addition, he is often called in as a qualified expert witness in gaming project feasibility and financial analysis. The U. S. Department of the Interior recently engaged Mr. Rittvo as an expert witness to testify before a NAFTA tribunal, an adjunct of the World Court, in an international dispute involving a financial valuation of a casino operation. He also recently testified regarding an un-related casino valuation situation at the World Court at The Hague, as well as at the Pennsylvania State Legislature regarding critical table games issues.

As a current member of the Casino Advisory Committee of the Casino Resort Advisory Council of Tulane University, Mr. Rittvo is involved in cultivating educational programs to support the region's growing gaming markets. He is also on the Advisory Committee of the School of Hotel, Restaurant and Tourism Management at the University of Denver.

Mr. Rittvo holds a bachelor's degree in Systems Engineering and a master's in Transportation Planning and Engineering from the Polytechnic Institute of Brooklyn. He has completed

coursework toward his doctoral degree at the University of New Orleans, College of Urban and Public Affairs.

Stephen J. Szapor, Jr. - Managing Partner, TIG

Project Role: Executive Advisor, Florida & Government Specialist

Stephen Szapor, Jr. has a solid track record helping casinos and hotels operate at peak efficiency. When he joined The Innovation Group in 2001, Mr. Szapor already had over sixteen years of operations experience in the gaming industry, having steered a number of complex restructurings and turnarounds. As a senior partner for The Innovation Group, Mr. Szapor works with a variety of clients on high-level strategic and financial planning, primary market research, operational and marketing consulting, and feasibility and market analysis. In addition, he heads up The Innovation Group's practice that supplies due diligence services to clients looking at acquisitions of new businesses or properties.

Prior to joining The Innovation Group, Mr. Szapor was President, CEO and a member of the Board of Directors of publicly traded Colorado Gaming & Entertainment Company and its predecessor company, Hemmetter Enterprises, Inc. In these positions, Mr. Szapor took the company through a complex reorganization that led to emergence from bankruptcy as a public company in 1996, reaching record revenues and profits. He was instrumental in facilitating the sale of the company to the Ladbroke Group, PLC in 1998.

As Chief Operating Officer/Chief Financial Officer and a member of the Board of Directors of the publicly-held Sahara Gaming Corporation, Mr. Szapor had responsibility for six casinos and more than 3,000 employees. During this time, he raised over \$300 million in new debt and equity capital for the company, opening several new riverboat operations and completing a major renovation of the company's Santa Fe Hotel & Casino.

At Hollywood Casino Corporation, he supervised the departments of direct marketing, advertising, market research and public relations for the company's Sands Hotel & Casino in Atlantic City, a facility generating over \$250 million in annual revenues. In addition, as Vice President of Strategic Planning, he played an integral role in the development and pre-opening plans for the company's Aurora, Illinois riverboats.

Mr. Szapor began his career with Arthur Andersen & Co. where he completed numerous auditing and consulting engagements for the firm's gaming and banking clients. Prior to this, he worked for Merrill Lynch & Co. as a Senior Investment Analyst.

Mr. Szapor holds a Bachelor of Science degree from Villanova University and has completed graduate studies at New York University. He is a Certified Public Accountant and has received a key Gaming License/Finding of Suitability from the states of New Jersey, Nevada, Mississippi, and Colorado. He is the recent past Chairman of the Board-Colorado Tourism Office, and has taught Resort and Tourism Marketing at the University of Denver's School of Hotel Restaurant & Tourism Management.

UNIVERSITY OF NEVADA, LAS VEGAS INTERNATIONAL GAMING INSTITUTE (UNLV)

Bo Bernhard, Ph.D. – Executive Director, UNLV

Project Role: Executive Industry Advisor, Gaming Industry Academic, Responsible Gaming Expert

Dr. Bo Bernhard is the Executive Director of the UNLV International Gaming Institute and Executive Editor of the peer-reviewed *UNLV Gaming Research and Review Journal*. He has presented his research work on gambling and society on six continents, and has published in some of the most prestigious journals in both the business sciences (including *Cornell Quarterly*) and the social sciences (including *American Behavioral Scientist*).

An honors graduate of Harvard University, Dr. Bernhard has directed or served as a principal investigator on over \$2 million in research grants examining the impacts of the global gaming industry. While at UNLV, Dr. Bernhard has won university-wide teaching awards as well as the Barrick Scholar Award, given annually to the outstanding young research professors on campus.

Khalil Philander – Economist/Lead Researcher, UNLV

Project Role: Executive Industry Advisor, Gaming Industry Economist, Responsible Gaming Expert

Dr. Kahlil Philander is a gaming economist and researcher at the UNLV International Gaming Institute (IGI), who has previously been involved with economic impact and econometric studies for clients in the U.S., Canada, Puerto Rico, Panama, Switzerland, Australia, and New Zealand. His research on the economics of gaming has been accepted into journals such as *Tourism Economics*, *Gaming Law Review and Economics*, and the *UNLV Gaming Research and Review Journal*.

In addition to his research through the UNLV IGI, Dr. Philander is the Senior Policy Researcher at the Responsible Gambling Council Center for Best Practices. He received his Doctoral degree in Hospitality Administration from the University of Nevada, Las Vegas, where his research focused on the economic impacts of casino taxation, and he holds a Master of Arts degree in Economics from the University of Toronto.

ARDUIN, LAFFER & MOORE ECONOMETRICS (ALME)

Donna Arduin – President, ALME

Project Role: Executive Florida Economist & Government Specialist

Ms. Arduin is President of ALME Inc. She served as California Governor Arnold Schwarzenegger's Director of Finance from November 2003 until October 2004, where she was the Governor's chief fiscal advisor and was a member of over 70 boards and authorities. Prior to her appointment as Director, Schwarzenegger asked Arduin to undertake an outside, independent audit of California government and state finances.

Prior to working for Governor Schwarzenegger, Arduin served governors from three additional states, including Florida, New York, and Michigan. Donna was Governor Jeb Bush's Director of

the Florida Office of Policy and Budget for five years, where she managed the formulation of the governor's policy and fiscal recommendations, created the nation's first interactive "e-budget," and implemented performance-based budgeting and long-range planning. Additionally, Donna served Governor George Pataki throughout his first term as First Deputy Budget Director and led his successful efforts to reduce and simplify property taxes in New York and reduce the size of state government. Donna also served Governor John Engler for three years during his first term, as Chief Deputy Director of the Michigan Department of Management and Budget, as well as the executive director of his reinventing government commission and his appointee to the Michigan Municipal Bond Board of Trustees.

Arduin offers extensive experience in bringing government spending under control through long-term policy planning and fiscally conservative budgeting. Her Governors have consistently received high marks on the Cato Institute's fiscal report cards during her tenure with their administrations. Ms. Arduin also sat on Governor Bush's Council of Economic Advisors and Property Tax Reform Committee, and recently directed Florida Governor Scott's budget transition team. She is a member of Governor Scott's Economic Advisory Council, is a Senior Fellow at the Texas Public Policy Foundation and the Illinois Policy Institute. Arduin is on the Executive Committee and Board of Trustees for Our Kids of Miami-Dade/Monroe, Inc, which is the community-based organization that coordinates child protection programs for the Miami area.

A graduate of Duke University, Arduin graduated magna cum laude with honors in economics and public policy. She worked as an analyst in New York and Tokyo in the private financial markets for Morgan Stanley and Long-Term Credit Bank of Japan.

Wayne Winegarden, Ph.D. – Chief Economist, ALME

Project Role: Executive Florida Economist & Government Specialist

Dr. Winegarden manages Arduin, Laffer & Moore Econometric Inc.'s Market Strategy and Analyses division and serves as the Chief Economist. Based on ALME's proprietary models and analyses, the Market Strategy and Analyses division provides strategic advice to public sector clients that have included Governor Rick Scott of Florida, California Gubernatorial Candidate Meg Whitman, and policy groups such as the Texas Public Policy Foundation. These analyses typically relate the impact from national or state economic policies on economic and business performance and, based on these assessments, provide economic policy recommendations.

Additionally, the team led by Dr. Winegarden provides clients with quantitative market research that is designed to help clients overcome current or future market obstacles or leverage potential market opportunities for large public corporations – such as Wal-Mart and American Express – as well as smaller private entities.

Prior to his current position, Dr. Winegarden worked as an economist for Philip Morris International in Hong Kong where he analyzed the East- and Southeast-Asian economies, assessed the impact from the macroeconomic environment on the company's operations, and integrated these insights into the company's strategic planning process. Additionally, Dr.

Winegarden examined the impact of tax and regulatory policies on the company's operations and supported its government affairs objectives for the domestic U.S. firm in New York City.

Dr. Winegarden also has experience analyzing federal and state budget, regulatory and financial sectors for policy and trade associations in Washington D.C. Dr. Winegarden has testified before the U.S. Senate Environment and Public Works Committee; and has served as economics faculty at Marymount University and a columnist for Townhall.com. Dr. Winegarden has been interviewed and quoted in such media as Bloomberg Radio and CNN, and is asked to present his analyses and insights at policy conferences and meetings. He is currently a Scholar for the Pacific Research Institute and a columnist for Forbes.com.

Dr. Winegarden received his B.A., M.A. and Ph.D. in Economics from George Mason University.

Critical Infrastructure Mapping (CIM)

Jay Clark, Ph. D, Managing Partner, CIM

Project Role: Geospatial Data and NETS Database Specialist

Jay Clark is founder and managing partner of Critical Infrastructure Mapping. Jay is responsible for the production of high quality map data and related data driven projects for CIM. Prior to working at CIM, Jay worked at Tele Atlas for 15 years and ascended to become a director and partner of the firm. Jay was responsible for global partnerships where large procurements of imagery and data were paramount to the company's success. The company provided services on a global scale and had clients in China, India and Poland.

Jay has been on the forefront of GIS mapping and has developed a crucial patent to create a method for generating geocodic reference databases. The method comprises acquiring mobile mapping data captured by means of digital cameras, range sensors and position/orientation determination means mounted to a vehicle driving across the earth surface, the mobile mapping data comprising simultaneously captured image data, range data and associated position/orientation data in a geographic coordinate system.

In 2008, Jay received a Ph.D. in Geographic Information systems from Ashwood University. Jay's prior education included Master of Science in Engineering from Ashwood in 1994 and Bachelor of Arts in Psychology from California State University – San Bernardino.

Mike Griffin, Principal Cartographer, CIM

Project Role: Geospatial Data and NETS Database Specialist

Michael Griffin is the mapping analyst for CIM and is responsible for generating the maps and data presentations for the company. Michael brings a wealth of GIS and mapping experience including full use of the ARC GIS software suite and spatial analyst software. Michael's previous work experience includes GIS analyst positions at various regional planning commissions, GIS cartographer at Tele Atlas North America and Geographic Data Technology and the contract cartographer for Maine State Planning office.

Michael received a MS in Resource Management and Conservation from Antioch University in New England and BA in Liberal Arts with a concentration in Geography from the University of Maine at Farmington.

Sam Strohl, Database Architect, CIM

Project Role: Senior Analyst for GIS, Cartography and Spatial Analysis

Sam Strohl is the database architect and design consultant at Critical Infrastructure Mapping. Sam is responsible for working with clients to design, implement and manage regional and national databases involving both non spatial and spatial data integration. Prior to working at CIM, Sam worked at Tele Atlas and Tom Tom for 14 years and ascended to become the project manager and senior software engineer. Sam was responsible for leading successful projects responsible data and modeling using a wide variety of mapping and informational system software. Sam also developed the concept of Distributed Database Maintenance, which allowed his customers the ability to integrate data on a simplistic user level.

Sam received a bachelor of science from Kutztown University of Pennsylvania.

End of Proposal

ATTACHMENT "A"

THE FLORIDA LEGISLATURE
PART 2
DISCLOSURE INFORMATION

PARTNERSHIP OR INDIVIDUAL

I hereby certify that I, if an individual, or each of us, if a partnership, doing business as _____
(Name of Individual or Partnership)
is not now involved in nor have I ever engaged in any private business venture or enterprise, directly or indirectly,
with the Florida Senate, the Florida House of Representatives, or any Member of employee of either the Florida
Senate or the Florida House of Representatives.

I further certify that neither I, nor any partner, if a partnership, nor anyone acting in my or our behalf has requested
that any of the above designated persons or any other employee of the Florida Legislature exert any influence to
secure the appointment of _____ under this proposed agreement.
(Name of Individual or Partnership)

If partnership, each partner must sign and execute.

Signature: _____ Title: _____

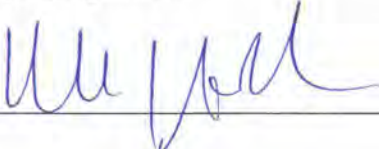
Signature: _____ Title: _____

Signature: _____ Title: _____

COMPANY OR CORPORATION

I hereby certify that neither I, nor any owner, officer, director, or shareholder of _____ The Innovation Group _____
(Name of Corporation/Company)
are presently engaged in or have ever been engaged in any private business venture or enterprise, directly or
indirectly, with the Florida Senate, the Florida House of Representatives, or any Member of employee of either the
Florida Senate or the Florida House of Representatives.

I further certify that neither I, nor any owner, officer, director, or shareholder of this company/corporation, nor
anyone acting on its behalf, has requested that any of the above designated persons or any other employee of the
Florida Legislature exert any influence to secure the appointment of _____ The Innovation Group _____
under this proposed agreement. (Name of Corporation/Company)

Signature:  _____ Title: PRESIDENT


ATTACHMENT "B"

THE FLORIDA LEGISLATURE
Part 2
NON-COLLUSION STATEMENT

I certify that this ITN Reply is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a reply for the same ITN and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this ITN and certify that I am authorized to sign this ITN for the represented Vendor and that the Vendor is in compliance with all requirements of the Invitation to Negotiate including, but not limited to, certification requirements. In submitting a Reply to the Florida Legislature, the Vendor offers and agrees that, upon the ITN's acceptance, the Vendor is deemed to have sold, assigned, and transferred to the Florida Legislature all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of Florida relating to the particular commodities or services purchased or acquired by the State of Florida or its political subdivisions.

Vendor Name: _____ The Innovation Group _____

Certified by: _____ Michael Soll, President _____
(Print or type name of owner, officer, or authorized agent)

Signature:  _____ Title: PRESIDENT _____

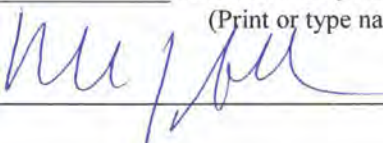
ATTACHMENT "C"

THE FLORIDA LEGISLATURE
Part 2
WARRANTIES

The Respondent represents that it is professionally qualified and possesses the requisite skills, knowledge, qualifications and experience to provide the required services specified. The following are warranty certification requirements that must be certified in writing using Attachment C. If the Respondent cannot so certify to any of the following, the Respondent must submit with its Response a written explanation of why it cannot do so within the Administrative Documents Required.

1. The Respondent or any other organization associated with the ITN is not currently under suspension or debarment by the State or any other governmental authority.
2. To the best knowledge of the person signing the Response, the Respondent, its affiliates, subsidiaries, directors, officers, employees of any other organization associated with this ITN are not currently under investigation by any governmental authority and have not in the last ten years been convicted or found liable for any act prohibited by law in any jurisdiction involving conspiracy or collusion with respect to bidding on any public contract.
3. To the best knowledge of the person signing the Response, the Respondent, its affiliates, subsidiaries, directors, officers or any other organization associated with this ITN have no delinquent obligations to the State, including a claim by the State for liquidated damages under any other contract.
4. To the best knowledge of the person signing the Response, the Respondent, its affiliates, subsidiaries, directors, officers or any other organization associated with this ITN have not within the preceding three years been convicted of or had a civil judgment rendered against them or is presently under indictment for or otherwise criminally or civilly charged for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a federal, state, or local government transaction or public contract; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
5. To the best knowledge of the person signing the Response, the Respondent, its affiliates, subsidiaries, directors, officers or any other organization associated with this ITN have not within a three-year period preceding this certification had one or more federal, state, or local government public transactions terminated for cause or default.

Certified by: _____ Michael Soll, President
(Print or type name of owner, officer, or authorized agent)

Signature:  Title: PRESIDENT

ATTACHMENT “D”

THE FLORIDA LEGISLATURE PART 2

REFERENCES for The Innovation Group Project Team (Name of Respondent)

Provide the following reference information for a minimum of three businesses
where services of similar size and scope have been completed.
Make additional copies as necessary to provide a maximum of five business references.

Business Name	GDM International Services
Address	178 Abby Lane Strasburg, VA 22657
Contact Person	Sean Deinert – Director of Technical Operations
Phone Number	(540) 333 - 2845
Fax Number	
Email Address	sdeinert@gdmis.com
Date and Description of Services	<p>April 2012 – November 2012</p> <p>Data analysis of 5 different street data sets for the State of LA. The purpose was to identify all unique features in the 5 data sets, create a common record layout and format, and provide conflation activities to create a new roads layer.</p> <p>Analysis includes several iterations of statistical reporting and delivery of sample data. The analysis has been accepted by the State and the project to build the street layer is scheduled to begin April 1.</p>

Business Name	Where Inc. c/o Doug Hurd
Address	101 Main St Cambridge MA
Contact Person	Doug Hurd – Director of Business Development
Phone Number	617 767 6864
Fax Number	
Email Address	doug@clypd
Date and Description of Services	<p>December 2011 – April 2012</p> <p>Analyses of audience reach by store location in CT, MA, and MD. The purpose of the analysis was to determine how many customers lived in areas within a fixed distance of various retail stores. During the time we worked for Where we did several other projects on nationwide and state levels.</p>

Business Name	Canadian Gaming Association
Address	131 Bloor Street West, Suite 503, Toronto, Ontario M5S 1P7
Contact Person	Paul Burns, Vice President
Phone Number	416.304.7800
Fax Number	416.304.7805
Email Address	pburns@canadiangaming.ca
Date and Description of Services	July-December 2012; summary and critical review of all of the academic literature published to date on introducing new casinos into communities, with particular focus on social impacts and economic effects.

ATTACHMENT "E"

THE FLORIDA LEGISLATURE
Part 2
TWO-PART GAMING STUDY
RESPONDENT'S PRICE REPLY
(Separate Sealed Envelope)

Per the ITN, this financial information is submitted and sealed in a separate envelope

End of Proposal