

---

# Mardi Gras Casino and Resort

## Smoking Area Proposal

*February 2025*

# Overall Objective

- **Mardi Gras Casino and Resort is requesting approval to allow smoking in a segregated area of the casino containing about 10 percent of gaming floor.**

## Key Information:

- West Virginia has the highest percent of smokers in the United States at 25.2% according to the American Lung Association.
- 21% of Mardi Gras patrons surveyed said they would utilize the smoking area.
- Kanawha County has surrounding counties that allow segregated indoor smoking. These counties have over 1,500 Limited Video Lottery machines.
- Neighboring states allow segregated indoor smoking.
- New casino competitor, Sandy's Racing & Gaming in Ashland, KY, has approximately 25 percent (150 machines) in a designated smoking area.

## Key Risks:

- Estimated reduction of slot tax to Kanawha County would be \$66k annually.
- Reduction of labor due to loss of business impacting local economy; where roughly 70% of our team members resides.
- Declining business due to the availability of on-line gaming at home impacting revenues, taxes and jobs in Kanawha County.
- Declining business with customers going to surrounding counties and states. Thus, negatively impacting Kanawha County's tax revenues.

# Financial Impact

- **Mardi Gras Casino projects that offering a segregated smoking area would help minimize the migration of customers that will offset the losses and potentially add growth.**

## Key Information:

- Mardi Gras Casino market share is currently 32.8% versus prior year ending at 41.2%.
- Sandy's in Ashland KY market share is currently at 20.6% in its first months of operation.
- Putnam County is holding steady at 8% year over year.
- Mardi Gras Casino will continue to see a steady decline unless change is made to stop the erosion.
- Mardi Gras Casino can drive tourism in WV and more specifically Kanawha County but in order to do so we must be able to compete in the market with other casinos.

## Key Metrics:

- Without change we are forecasting a decline of 6% in slot revenue or \$3.275M.
- Estimated reduction of slot tax to Kanawha County would be \$66k annually.
- Reduced slot tax to WV Lottery due to decrease would be \$1.8M.
- Potential increase of taxable slot revenue of \$1.6M using industry comparisons with segregated smoking area.
- Potential increase in slot tax to Kanawha County with approved smoking area \$33K, resulting in a \$99K positive swing for Kanawha County.
- Reduction of labor due to loss of business impacting local economy; impacting team members that reside in Kanawha County of approximately 22K hours, roughly impacting 10 team members. *(potential growth may result to +11K work hours, or 5 additional team members.)*

# County and State Information; Comparisons

---

- Direct competition and comparisons:
  - Limited Video Lottery in surrounding counties that allow smoking are contributing to the decline of business at Mardi Gras Casino. *(Kanawha County has 9 bordering counties which have a total of 890 LVL units; 6 bordering counties that allows smoking account for 805 LVL units (90%); and the other 3 counties have a total of 85 units (10%))*
  - Currently 14 counties that are included in the Mardi Gras Casino regional market area allow smoking.
  - Mardi Gras Casino currently has 700 Slot Machines versus Limited Video Lottery machines in surrounding counties that allow smoking has over 1,500 units.
  - The new Casino in Ashland, KY, Sandy's Racing & Gaming, offers a segregated smoking area and is able to draw and attract customers directly from the WV market.
- Fair competition and fair playing field:
  - Mardi Gras Casino is the only public casino in WV that does not have an indoor smoking area.
    - Within WV where smoking cigarette tobacco is allowed indoors include Wheeling Island, Mountaineer Park, and Charlestown.
    - Surrounding states include KY, OH, IN, and VA.
  - Mardi Gras Casino is not the first casino in WV to request this type of re-evaluation:
    - Hancock County voted to amend its smoking ban in October 2018, at the request of Mountaineer Casino, Racetrack & Resort.

# Communication and Staffing

---

**Mardi Gras Casino and Resort recognizes the importance of communication and ensuring that existing team members, new potential team members and customers are aware of second-hand smoke.**

## **Customers/New applicants:**

- Notification will be posted by each entrance of this designated room/area; exposure to second-hand smoke.
- Property's recruiting material and job posting will include second-hand smoke notification.
- Property will post property-wide communication informing all team members of new smoking area and second-hand smoke exposure.

## **Existing team members:**

- Working this designated smoking section will be on "voluntary basis."
- Team members will be provided "signup sheets" and not made mandatory or mandated assignment.
- Pregnant women will not be allowed to work in the designated smoking section.

# Clean Air Initiative

**Mardi Gras Casino and Resort recognizes the importance of providing clean air and minimizing secondhand smoke and is committed to providing technology that will allow us to have a segregated smoking area that will minimize smoke exposure. (see attached PDF for technical drawings)**

## Clean Air Goal:

- This segregated gaming area (~5,000 SF) will have an independent HVAC unit and distribution system designed to provide 100% fresh air and exhaust directly to the atmosphere.
- Our efforts in this segregated area will provide an airflow 60% higher than that of a typical non-smoking area (4.0CFM/SF vs. 2.5CFM/SF). This is regarded as the “gold-standard” in smoking casino HVAC design.
- Advanced system controls and monitoring will be utilized to maintain circulation and temperature based upon the guest load and air quality.
- Mardi Gras Casino will segregate the area from the casino floor in a well-ventilated area to contain the spread of secondhand smoke.
- Physical Barriers will be used to ensure separation of the smoking area from the rest of the casino. (*floor-to-ceiling partitions and doors will be used to ensure separation of existing non-smoking area from proposed smoking section*)
- The smoking area will be under slight negative pressure to mitigate contamination to adjacent non-smoking locations.

# G2 Consulting Engineers Inc. – Project Consultant

---

**Engineering firm with offices in Nevada and Colorado has extensive experience working with architects and construction contractors in designing and completing air-quality projects in casinos across the United States:**

- **Pocola Casino, Oklahoma** — Indoor air quality improvement project, including initial assessment, replacement of HVAC units to provide 100% outside air and exhaust system improvements to remove smoking contaminants.
- **Ameristar Casino Kansas City** — Indoor air quality improvement project, including assessment and addition of 100% outside air units and additional exhaust units to remove smoking contaminants and prevent migration to non-smoking areas.
- **Fantasy Springs Casino, California** — Indoor air quality improvement project, including assessment, replacement of HVAC units with modern 100% outdoor air units and new exhaust units to remove smoking contaminants and prevent migration to non-smoking areas.

# Pictures and Layout

