

## **Exhibit IX.A.2.a Cost to Host Municipalities and State:**

*Submit as Exhibit IX.A.2.a. studies completed by independent experts showing the proposed Gaming Facility's cost to each Host Municipality, nearby municipalities and the State for the proposed Gaming Facility including, without limitation, the incremental effect on local government services (police, fire, EMS, health and building inspection, schools, public health and addiction services and general government services).*

Please see the attached Impact Study - Cost to Municipalities by Custom Gaming Consulting / Maxim Strategy Group dated June 22, 2014.

# **Impact Study – Cost to Municipalities**

**Hudson Valley Casino & Resort**

**Town of Newburgh, New York**

**June 22, 2014**

**Prepared for:**

Hudson Valley Casino & Resort

Completed by:

Custom Gaming Consulting /

Maxim Strategy Group

## Table of Contents

Introduction.....	4
Police.....	4
Town of Newburgh PD .....	4
<i>Current Structure and Capabilities</i> .....	5
<i>Crime Stats (2010)</i> .....	6
City of Newburgh PD .....	7
<i>Current Structure and Capabilities</i> .....	8
<i>Crime Stats (2012)</i> .....	8
Incident Rates at Existing Casinos .....	11
<i>Rivers Casino – Des Plaines, Illinois</i> .....	11
<i>Rivers Casino – Pittsburgh, Pennsylvania</i> .....	12
<i>Harrah’s Maryland Heights – Maryland Heights, Missouri</i> .....	12
<i>Saratoga Casino and Raceway – Saratoga Springs, New York</i> .....	12
Conclusion.....	13
Fire.....	14
Orange County Battalion 3 .....	14
<i>Orange Lake District - Current Structure and Capabilities</i> .....	16
<i>Winona Lake District - Current Structure and Capabilities</i> .....	17
Fire Incident Rates at Existing Casinos .....	17
<i>Rivers Casino – Des Plaines, Illinois</i> .....	17
<i>Rivers Casino – Pittsburgh, Pennsylvania</i> .....	18
<i>Saratoga Casino and Raceway – Saratoga Spring, NY</i> .....	18
Conclusion.....	18
Emergency Medical Services (EMS).....	19
Current Structure and Capabilities .....	19
<i>Mobile Life</i> .....	19
Incident Rates at Existing Casinos .....	20
<i>Rivers Casino – Des Plaines, Illinois</i> .....	20
<i>Rivers Casino – Pittsburgh, Pennsylvania</i> .....	20
<i>Argosy Riverside – Riverside, Missouri</i> .....	20
<i>Saratoga Casino and Raceway – Saratoga Spring, NY</i> .....	21
Conclusion.....	21
Heath Services .....	22
Infrastructure.....	23

<i>Hospitals</i> .....	23
<i>Community Health</i> .....	23
<i>Department of Health Assessment</i> .....	24
Conclusion.....	25
Addictive Services.....	26
Infrastructure .....	27
<i>Prevention</i> .....	27
<i>Treatment</i> .....	27
<i>Recovery</i> .....	28
<i>Specialized Services</i> .....	28
<i>New York State Gaming Commission Problem Gambling Forum</i> .....	28
Mitigation .....	29
Conclusion.....	30
Health and Building Inspection .....	31
Code Compliance Department - Current Structure and Capabilities .....	31
Conclusion.....	31
Disclaimer.....	33

## Introduction

Custom Gaming Consulting (“CGC”) was retained by Saratoga Casino and Raceway (“Applicant”) to conduct an Impact Study (“Study”) related to a proposed Gaming Facility development in the Town of Newburgh, New York. The goal of this report is to comply with “Section IX.A.2.a” of the RFA, which requires the applicant to submit a study showing the incremental effect of the proposed Gaming Facility on local government services. The local government services addressed in this report are as follows:

1. Police
2. Fire
3. EMS
4. Public Health
5. Addiction Services
6. Health and Building Inspection

For each service category (outline above), the first objective was to assess the existing structure and capabilities in terms of manpower, facilities, and equipment for the relevant municipalities. Next, historical evidence was compiled of impacts on public service in existing gaming jurisdictions. Lastly, these impacts were extrapolated against the size and scope of the proposed Gaming Facility in order to estimate its impact on local government services.

## Police

This section evaluates the current capabilities of the police force in the Host Municipality (Town of Newburgh) and key neighboring municipalities, mainly the City of Newburgh. In total, there are 3 police stations within 3 miles of the subject property. Again, the analysis focused on the adequacy of manpower, facilities, and equipment, with the goal of identifying any immediate needs. Using case studies from various cities, we analyzed the real-world impact of existing gaming facilities on the relevant local police jurisdictions. Lastly, based on existing incident rates in these jurisdictions, an estimate was made as to the expected incident count at the proposed Gaming Facility in the Town of Newburgh, for the purpose of gauging materiality.

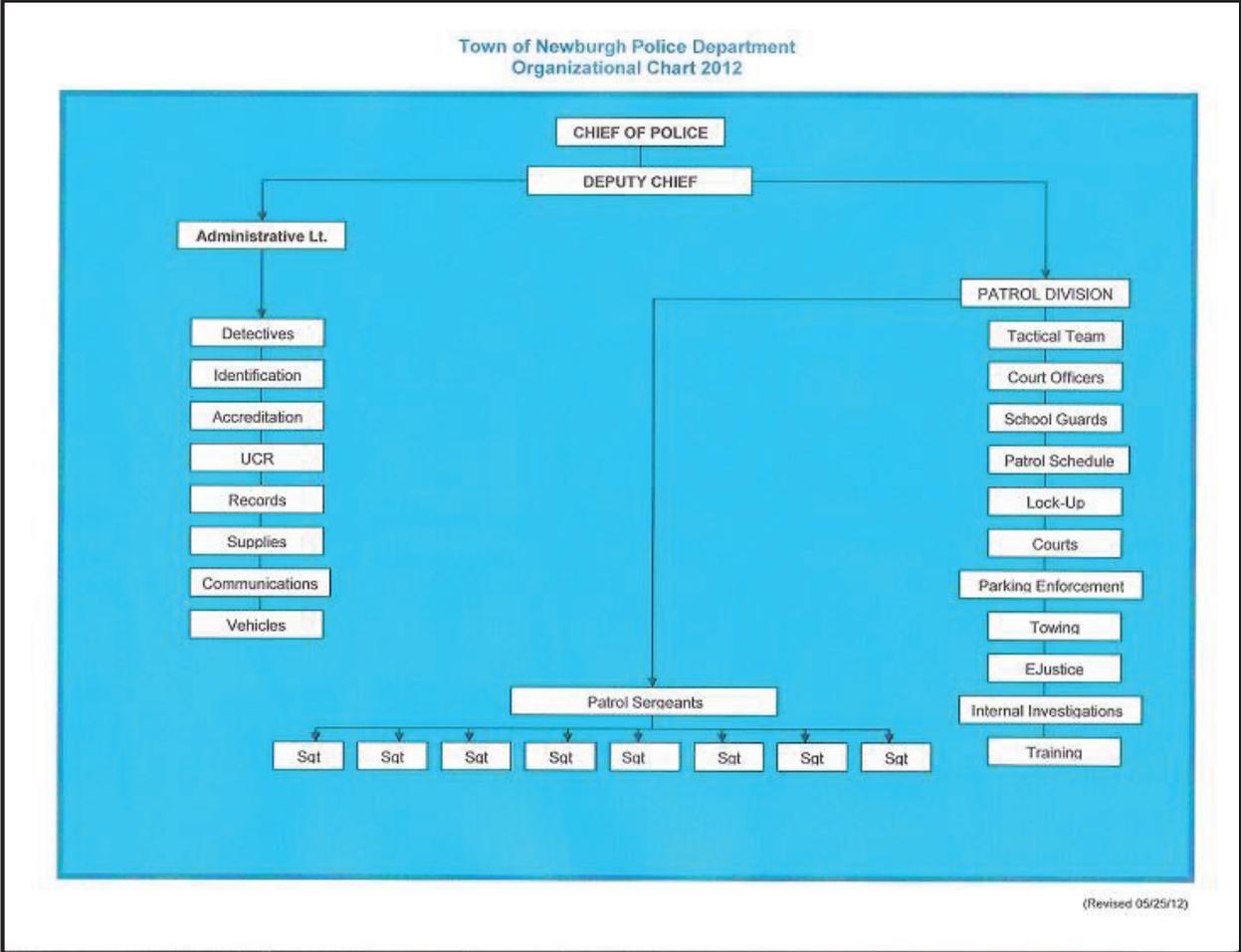
### *Town of Newburgh PD*

The Town of Newburgh Police Department (“TONPD”) has jurisdiction over 45 square miles, containing about 29,800 people (32,000 people). As is typical, the police department is a division of Public Safety. The Mission Statement of the TONPD is as follows:

The mission of the Town of Newburgh Police Department, in partnership with its citizenry, is to protect life and property, to understand and serve the needs of the community, to provide professional police service while assuring fair and equal treatment to all.

**Current Structure and Capabilities**

The department currently has about 60 sworn officers and 32 non-sworn staff, headed by Police Chief Michael P. Clancy. There are three (3) major divisions including Patrol, Detective, and Communications. The organizational structure is shown in the graphic below.



The Detective Bureau consists of 5 detectives and 1 crime scene detective, and handles all major cases and crimes that occur within the jurisdiction. The Town of Newburgh Police Department also has a Tactical Unit headed by a Tactical Operations Commander. It was established to provide a highly trained, tactical response to be utilized in support of traditional law enforcement operations. They maintain a constant state of readiness through regular training, equipment upgrades, and dedication of the officers assigned to the team. The Tactical Unit provides several unique skill sets, including crisis negotiating and expert marksmanship (sniper capabilities).

**Crime Stats (2010)**

The crime stats were compiled and analyzed using information obtained from City Rating a website that provides a variety of information on cities throughout the country.

**Part One Crime**

The Town of Newburgh reported a total of 1,290 crimes in 2010, comprising 31 violent crimes (2% of the total) and 1,259 property crimes (98% of the total). The overwhelming majority of the crimes related to Larceny, accounting for 87% of the total. The second most perpetrated crime was residential burglary at 101 incidents or 8% of the total.

<b>Town of Newburgh - Part One Crimes</b>		
<b>Crime Category</b>	<b>2010</b>	<b>% of Total</b>
Murder	2	0.2%
Rape	0	0%
Robbery	11	1%
Agg. Assault	18	1%
Res. Burglary	101	8%
Comm. Burglary	0	0%
Larceny	1,126	87%
Auto theft	32	2%
<b>Total</b>	<b>1,290</b>	<b>100%</b>
<b>Subtotals:</b>		
Violent Crime	31	2%
Property Crime	1,259	98%
<b>Total</b>	<b>1,290</b>	<b>100%</b>

The Town of Newburgh reported a crime rate of 43 crimes per 1,000 residents, with only one violent crime per 1,000 residents, compared to 42 property crimes. This crime rate profile makes the Town of Newburgh a very safe place.

<b>Town of Newburgh Crime Rate (2010)</b>			
	<b>Violent</b>	<b>Property</b>	<b>Total</b>
Crimes / 1000 Adults	1	42	43

## *City of Newburgh PD*

The City of Newburgh Police Department has jurisdiction over the City of Newburgh, which comprises an area of about 3.8 square miles, with approximately 28,900 people. Compared to the Town of Newburgh, the population is slightly less, but much denser in terms of persons per square mile. The following map shows the boundaries of the City.

### **City Map**



The police department is a division of Public Safety. The Mission Statement of the department is as follows:

It shall be the mission of the City of Newburgh Police Department to provide the highest level of professional service to those who live, visit, work in, or travel through our community.

We will zealously protect life and property and promote individual responsibility and community commitment, while scrupulously safeguarding the rights of citizens and our police officers.

## ***Current Structure and Capabilities***

The force works in close cooperation with neighboring departments, such as the Town of Newburgh Police Department, New Windsor Police Department, Orange County Sheriff's Office, and New York State Police.

The department currently has about 75 sworn officers and 11 non-sworn staff, headed by Police Chief Michael D. Ferrara. There are three (3) major divisions including Operations, Investigations, and Administration, each of which is headed by a lieutenant. Some of the departments within these divisions include Patrol, Investigative Services, Narcotics, Professional Standards, and Crime Analysis, among others. The Detective Division is headed by a Lieutenant and a Sergeant, with 13 detectives, while the Patrol Division contains a Lieutenant and 9 Sergeants, and more than 50 sworn officers.

Newburgh PD's equipment roster includes 21 marked patrol cruisers, 7 special use vehicles, 11 detective vehicles, 6 administrative vehicles, and 2 crime scene unit vehicles. The department relies heavily on technology to maintain law and order.

## ***Crime Stats (2012)***

The crime stats and Calls for Service were compiled and analyzed based on the department's 2012 Annual Report. The City of Newburgh Police Department reports Part One crimes monthly to the New York State Department of Criminal Justice Services. They also track Calls for Service.

### **Part One Crime**

Part One crimes, per designation by the Federal Bureau of Investigations, include murder, rape, robbery, aggravated assault, burglary, larceny and auto theft. Murder, rape, robbery and aggravated assault form the "violent" crimes category, while burglary, larceny and motor vehicle theft constitute the "property" crime category. Total crimes in the City of Newburgh summed to 1,761 in 2012, relative flat when compared to the prior year, with a modest increase in violent crimes offsetting a decrease in property crime. Within the violent crimes category, robbery and aggravated assault comprised 98% of the crimes, while larceny accounted for the vast majority of the crimes in the property category.

<b>City of Newburgh - Part One Crimes</b>				
<b>Crime Category</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>% Change</b>
Murder	4	5	1	25%
Rape	11	19	8	73%
Robbery	248	214	-34	-14%
Agg. Assault	258	306	48	19%
Res. Burglary	350	304	-46	-13%
Comm. Burglary	51	37	-14	-27%
Larceny	782	815	33	4%
Auto theft	60	61	1	2%
<b>Total</b>	<b>1,764</b>	<b>1,761</b>	<b>-3</b>	<b>0%</b>
<b>Subtotals:</b>				
Violent Crime	521	544	23	4%
Property Crime	1,243	1,217	-26	-2%
<b>Total</b>	<b>1,764</b>	<b>1,761</b>	<b>-3</b>	<b>0%</b>

The crime rate in 2012 was approximately 60 crimes per 1,000 residents, making it a very high crime area. According to Neighborhood Scout (an informational website presenting crime stats), the City of Newburgh is only safer than 5% of the cities in the country.

<b>Crime Rate</b>			
	<b>Violent</b>	<b>Property</b>	<b>Total</b>
Crime Rates / 1000 Adults	19	42	61

### **Calls for Service**

Calls for Service topped 23,200 in 2012, an increase of about 3% or 650 calls compared to the prior year. A significant portion of the increase was recorded in February and March, offset in part by fewer calls in October and November.

<b>Calls for Service</b>				
	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>% Change</b>
Jan	1,717	1,738	21	1%
Feb	1,457	1,741	284	19%
Mar	1,513	1,978	465	31%
Apr	1,836	1,917	81	4%
May	2,220	2,205	-15	-1%
Jun	2,089	2,105	16	1%
Jul	2,227	2,274	47	2%
Aug	2,044	2,192	148	7%
Sep	1,939	1,872	-67	-3%
Oct	2,106	1,972	-134	-6%
Nov	1,723	1,574	-149	-9%
Dec	1,705	1,658	-47	-3%
<b>Totals</b>	<b>22,576</b>	<b>23,226</b>	<b>650</b>	<b>3%</b>

## ***Incident Rates at Existing Casinos***

This section compiles police incident data at several existing gaming facilities around the nation including, Rivers Casino in Des Plaines, Illinois; Rivers Casino in Pittsburgh; Harrah’s Maryland Heights (MO); and Saratoga in Saratoga Springs, New York. These locations were chosen primarily due to the availability of data via the Applicant. We believe this real-world data is the best indicator of the potential impact of a gaming facility on the local police departments.

### ***Rivers Casino – Des Plaines, Illinois***

As reported by the Des Plaines Police Department, the police force responded to a total of 567 incidents at the Rivers Casino over an 18 month period from January 2012 through July 2013. This rate converts to about 378 incidents annually. This figure equates to about 0.10 incidents per 1,000 visitors, based on the annual attendance of approximately 3.7 million visitors. Roughly 69% of the reported crimes are for criminal trespassing or attempting to enter the casinos as a minor or when on the self-exclusion list.

Upon further investigation, many of the crimes were found to be false reports. Thus, the department states that besides criminal trespassing, they have virtually no crime at the casino. We noted that despite many of these reported crimes being false reports, they still require time and effort by the police force.

<b>Incident Counts - The Rivers Des Plaines</b>		
Crime Category	Count	% of Total
Criminal Sexual Assault	2	0%
Robbery	1	0%
Aggravated Assault	1	0%
Theft	45	8%
Criminal Damage of Property	7	1%
Possession of Cannabis	19	3%
Possession of Controlled Substance	5	1%
Battery	79	14%
Fraud	5	1%
Domestic Battery	11	2%
Identity Theft	1	0%
Theft of Services	3	1%
Criminal Trespass	388	68%
<b>Total</b>	<b>567</b>	<b>100%</b>
For the Period Jan. 1, 2012 through Jul. 18, 2013 (about 18 months).		

<b>Incident Rate - Rivers Casino</b>	
Annual Incidents	378
Attendance Count	3,717,000
<b>Incident Rate</b>	<b>0.10</b>

### **Rivers Casino – Pittsburgh, Pennsylvania**

For Rivers Casino in Pittsburgh, the local police handle all incidents off the casino floor, while the state police handle all reportable (as defined) incidents on the gaming floor. In 2013, a total of just over 300 incidents were reported by these police departments, representing an incident rate of 0.06 per 1,000 visitors (or 6 incidents per 100,000 visitors). Roughly 23% were addressed by the local police.

<b>Incident Rate - Rivers Casino Pittsburgh</b>	
Pittsburgh Police *	70
PA State Police **	232
<b>Total Incidents (2013)</b>	<b>302</b>
Attendance Count	4,881,000
<b>Incident Rate</b>	<b>0.06</b>
* Responses that require an incident report for criminal matters outside the gaming floor.	
* Reportable incidents that occur on the gaming floor.	

### **Harrah’s Maryland Heights – Maryland Heights, Missouri**

During testimony in front of the Missouri Gaming Commission regarding a re-licensure hearing of Harrah’s Maryland Heights, Police Chief, Tom O’Connor cited that “there has been no significant increase in crime because of gaming in Maryland Heights.” He noted that the police department responds to about 2 incidents per day, He concluded by saying:

*“the number of calls to service was well within the range we would anticipate from this many people and the number of crimes reported compared to the number of visitors makes this one of the safest locations in the region.”*

The incident count noted above equates to approximately 730 incident per year or 0.24 incidents per 1,000 visitors, based on an annual attendance count of about 3.1 million visitors (2012).

<b>Incident Rate - Harrah's Maryland Hieghts</b>	
Annual Incidents	730
Attendance Count	3,084,056
<b>Incident Rate</b>	<b>0.24</b>

### **Saratoga Casino and Raceway – Saratoga Springs, New York**

Saratoga Casino and Raceway (“Saratoga”) reported 288 police calls in 2013, an increase 18% over the prior year. This count represents an incident rate of 0.16 per 1,000 visitors (or 16 incidents per 100,000 visitors). The incident counts displayed in the table below include calls for Found Property and Lost Property.

<b>Incident Rate - Saratoga</b>	
Annual Incidents	288
Est. Attendance Count	1,834,400
<b>Incident Rate</b>	<b>0.16</b>

### **Conclusion**

The average police incident rate calculated to 0.14 incidents per 1,000 patrons, as displayed in the table below. Based on a Gaming Market Assessment (“GMA”) completed under a separate cover, the proposed Hudson Valley Casino & Resort (“Resort”) is expected to generate roughly 5.2 million patron visits in Year 3. After applying the average incident rate to patron volume, the Town of Newburgh Police Department can expect approximately 720 additional “calls for service” each year.

At this level, we contend that the additional burden on the local police is minimal, and thus can be managed by the existing resources.

<b>Police Incident Rate Analysis</b>	
<b>Comparable Properties</b>	<b>Estimated Incident Rate *</b>
Rivers Casino (Pittsburgh, PA)	0.06
Rivers Casino (Des Plaines, IL)	0.10
Saratoga (Saratoga Springs, NY)	0.16
Harrah's (Maryland Heights, MO)	0.24
<b>Simple Average</b>	<b>0.14</b>
Projected Resort Patrons	5,180,718
<b>Projected Resort Incidents</b>	<b>722</b>
* Incidents per 1,000 patrons	

In addition, our research found that in contrast to the Town of Newburgh, crime in the City of Newburgh is a problem. This makes the revenue sharing agreement between the Town of Newburgh and the City of Newburgh very important as the City of Newburgh will be receiving significant funding (equal to 15% of gaming taxes to the Town of Newburgh) via tax revenue from the Gaming Facility that must be used for public safety. In addition, the Applicant has agreed to match this distribution with money of their own. Based on the *Gaming Market Assessment* completed under a separate cover, the City of Newburgh is expected receive approximately \$2.5 million (Year 3).

Further, we believe the new jobs created by the Gaming Facility, many of which could potentially go to the residents of the City of Newburgh, will also have a positive impact on crime in the City of Newburgh.

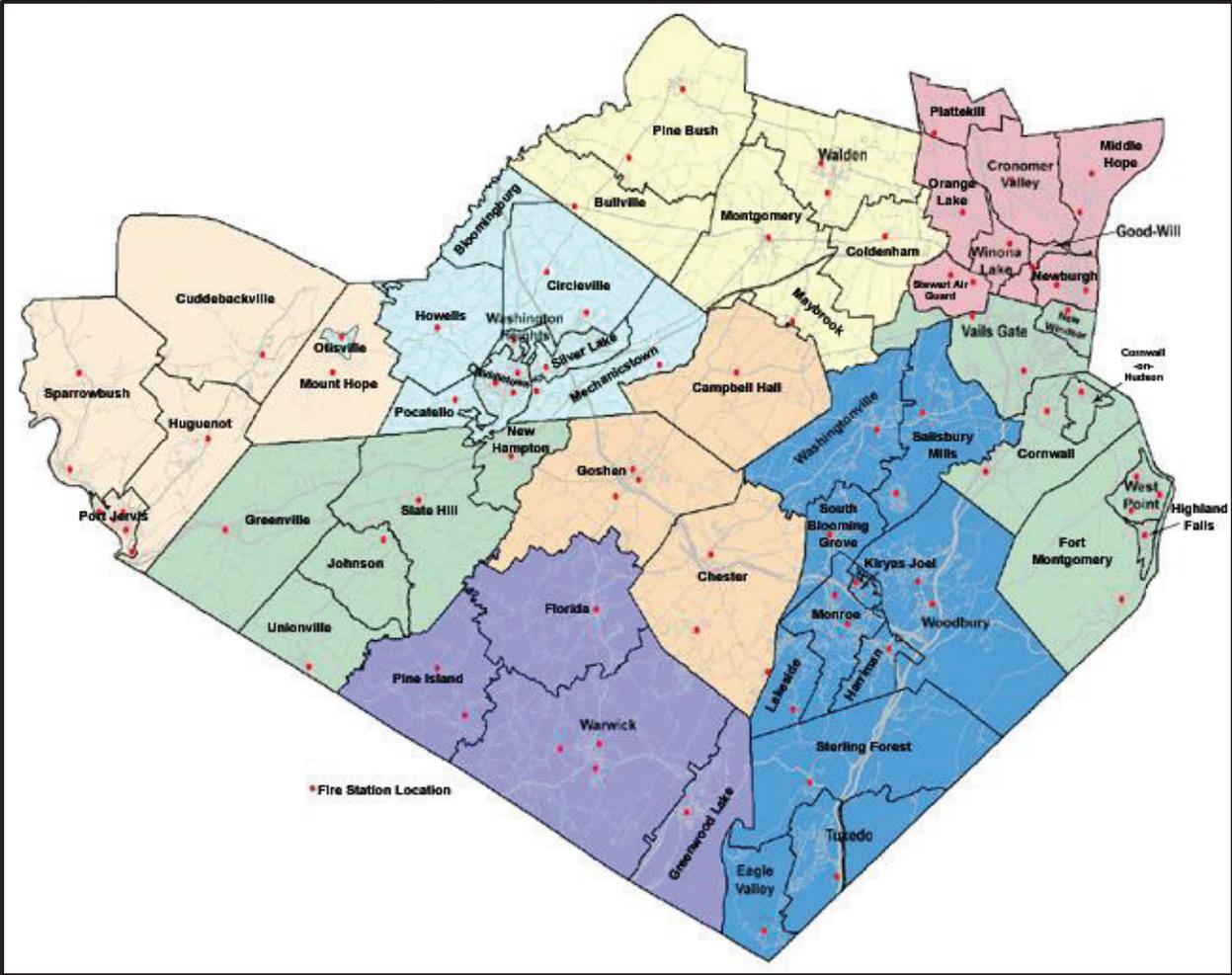
# Fire

This section evaluates the current firefighting capabilities of the Host Municipality (Town of Newburgh) and key neighboring municipalities. The analysis focuses on the adequacy of manpower, facilities, and equipment, with the goal of identifying any immediate needs. Research was conducted into fire incidents at existing gaming facilities. Lastly, we gauge the impact of the proposed gaming facility on the regional fire departments.

## Orange County Battalion 3

For the purpose of providing Fire Services, Orange County is segregated into nine firefighting battalions (see color coding on the map below). The Town of Newburgh is located in Battalion 3, comprising the far northeast corner of the county (light purple shade).

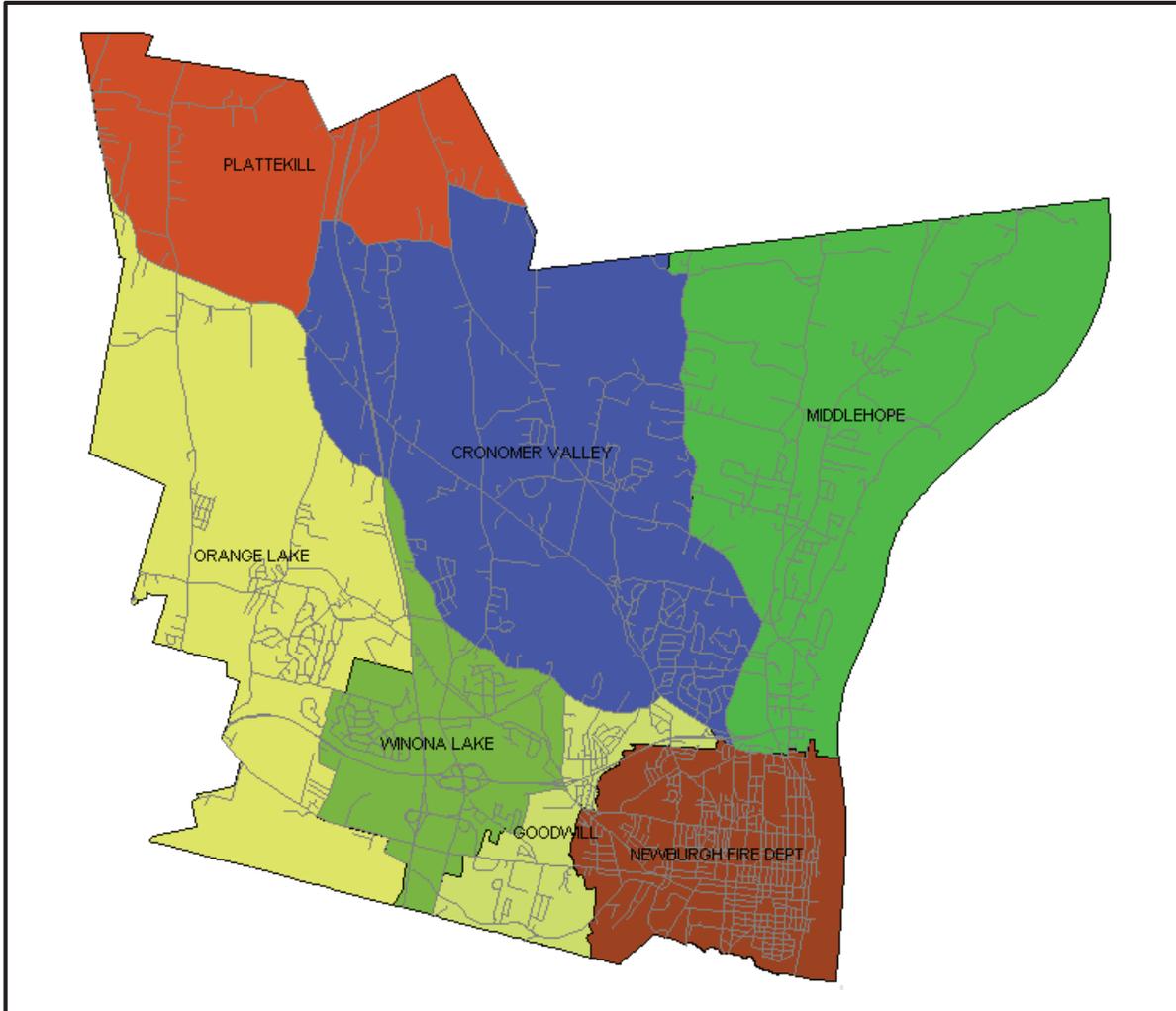
### Orange County Fire District Map



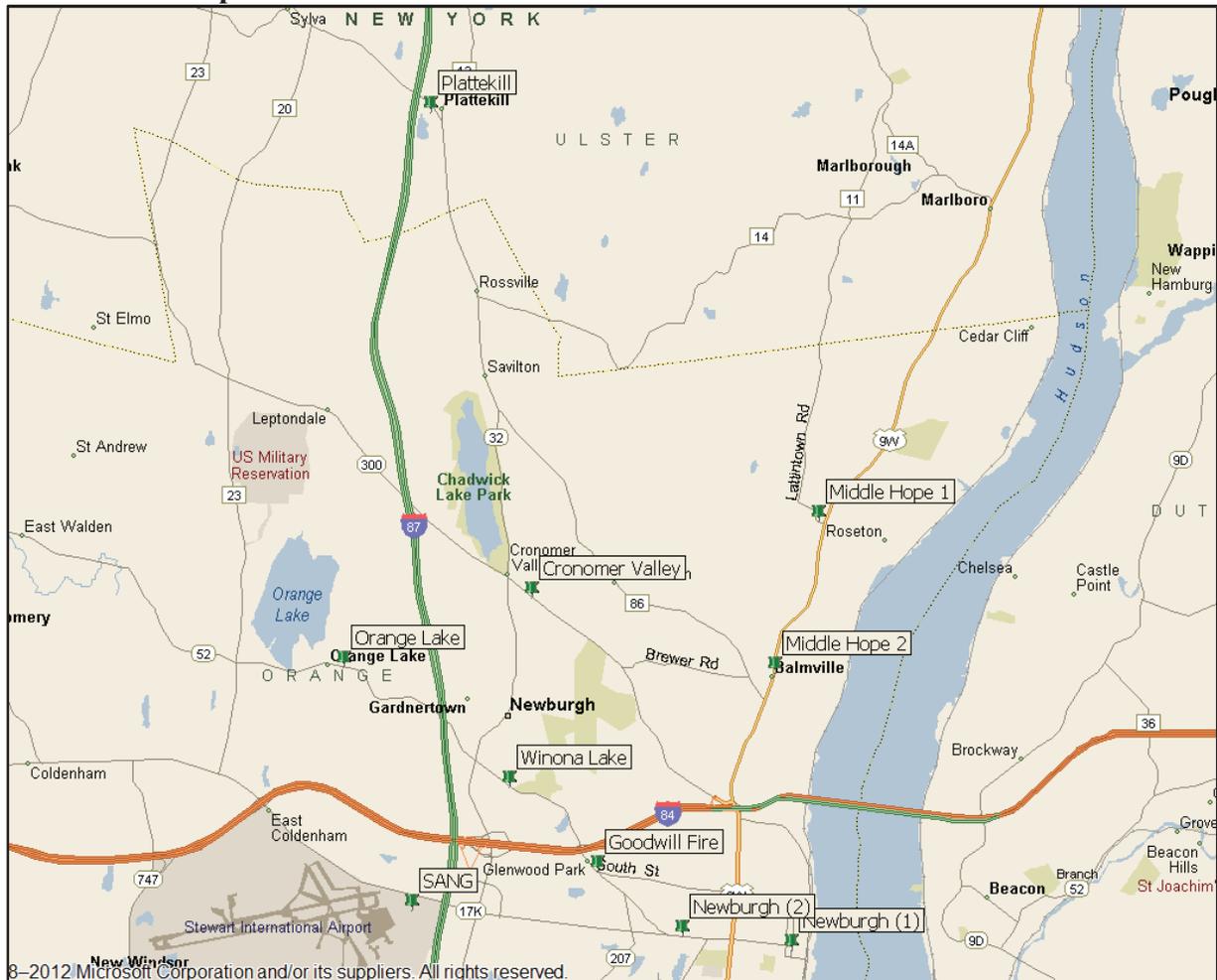
Battalion 3 contains seven fire districts, as shown on the map below. The Town of Newburgh is located in the Orange Lake Fire District, and in close proximity to the Winona Lake Fire District, home to the Winona Lake Engine Company. Battalion 3 contains a total of 11 fire stations as

Middlehope, Newburgh, and Orange Lake each have two fire stations each. **These fire districts operate under a mutual aid system.**

**Battalion 3 Fire District Map**



## Fire Station Map



### **Orange Lake District - Current Structure and Capabilities**

The Dan Leghorn Engine Co. No 1 is accountable for primarily western part of Battalion 3, including a significant portion of the Town of Newburgh. The station is located about 4 miles (driving distance) north of the proposed Gaming Facility development site.

It is a 100% volunteer organization and has been in existence since 1935. A board of 5 commissioners (publicly-elected) oversees the district, making sure the equipment is available for fire and rescue activities.

The fire company inventory of equipment includes 2 pumpers, one heavy rescue, one brush truck, a fire police van, and a hovercraft; a total a 6 pieces in all.

**Winona Lake District - Current Structure and Capabilities**

The Winona Lake Engine Company is accountable to the Newburgh area for the highest quality safety services, including emergency response, emergency prevention, and community education. The company protects roughly 3,500 people living in an area of 10 square miles, comprising about 1,300 homes. They operate out of one station that protects a primarily residential area. It is a private department whose members are all volunteers.

The department currently has 7 Firefighting Officers, 12 Social Officers, 67 members, and 8 charter members, all led by Chief Don Fredericks. The inventory of special equipment includes 2 incident command vehicles, 2 engines, a heavy-duty rescue truck, a mid-mount ladder truck, and a UTV wild land search and rescue 4x4.

**Monthly Calls**

The call statistics were compiled for 2012 and 2013, based on website information. The fire company reported a total of 400 calls in 2013, a decline by 21% or 109 calls from the prior year.

<b>Winona Lake Company Calls</b>				
	<b>2012</b>	<b>2013</b>	<b>Change</b>	<b>% Change</b>
1st QTR	111	85	-26	-23%
2nd QTR	125	82	-43	-34%
3rd QTR	114	125	11	10%
4th QTR	164	113	-51	-31%
<b>TOTAL</b>	<b>514</b>	<b>405</b>	<b>-109</b>	<b>-21%</b>

**Fire Incident Rates at Existing Casinos**

This section compiles fire incident data at several existing gaming facilities around the nation including, Rivers Casino in Des Plaines, Illinois; Rivers Casino in Pittsburgh; Saratoga in Saratoga Springs, New York. Again, these locations were chosen primarily due to the availability of data via the Applicant. We believe this real-world data is the best indicator of the potential impact of a gaming facility on the local fire departments. An important distinction is whether the local fire department responds alongside Emergency Medical Service (“EMS”) calls, as is the case in many jurisdictions. **The fire departments in Orange County Battalion 3 do not respond to purely EMS calls.**

**Rivers Casino – Des Plaines, Illinois**

The Des Plaines Fire Department reported only 17 calls over the last three years or an average of approximately 6 calls per year. Roughly half the calls were false alarms. Five of the calls related to vehicle fires, compared to only one building fire over the three year period.

### ***Rivers Casino – Pittsburgh, Pennsylvania***

The Pittsburgh Fire Department reported only 6 calls in 2011, 8 calls in 2012, and 5 calls to the property in 2013.

### ***Saratoga Casino and Raceway – Saratoga Spring, NY***

The Saratoga Springs Fire Department responded to zero calls in 2011, one call in 2012, and 3 calls to the property in 2013. All the calls were for vehicle fires, requiring extinguishment.

### ***Conclusion***

Excluding EMS calls, fire incidents at gaming facilities are very rare, especially calls that require fire extinguishment. Nonetheless, the responding fire departments must have the equipment and manpower at-the-ready to address a serious fire at the facility.

# Emergency Medical Services (EMS)

This section evaluates the current capabilities of Emergency Medical Services (“EMS”) in the Host Municipality (Town of Newburgh) and key neighboring municipalities, mainly the City of Newburgh. The Town of Newburgh Emergency Medical Services (“Newburgh EMS”) is an organization staffed mainly by volunteers to provide emergency medical care to the local community. In 1967 when St. Luke’s hospital ceased to provide ambulance services, Newburgh residents stepped up to create their own volunteer Ambulance corps.

## *Current Structure and Capabilities*

Newburgh EMS provides 24/7 coverage for the roughly 45 square miles of the town, for the benefit of its roughly 30,000 residents.

The EMS has 62 active members, led by President Sue Ostrander and Vice President Laura Dunn. Other leaders include Captain Jon Edouard, Assistant Captain Michael Cameron, and Lieutenant Andrew Decker. The different positions include active members, board members, and life members. The roles of the active members include emergency medical training (EMT), ambulance crewmember, or ambulance driver.

## ***Mobile Life***

During the day when volunteers are not always available, the operation subcontracts out to Mobile Life. Mobile Life Support Services (“MLSS”) is a New York State Certified Advanced Life Support Paramedic Ambulance Service that services communities and healthcare facilities throughout the Hudson Valley Region of New York, including the Counties of Orange, Rockland, Ulster and Dutchess. Mobile Life, founded in 1981, is privately owned and assists the Orange County EMS to ensure there is enough emergency medical coverage. MLSS has 24 stations, over 50 ambulances, employing over 400 EMS professionals, making it the largest EMS Agency in the Hudson Valley. They are responsible for over a million residents and respond to over 80,000 calls per year.

Mobile Life operates 24/7 providing both 911 EMS coverage as well as Basic and Critical Care Hospital and Nursing Home ambulance transfers. They use a computer-automated system (GPS tracing) to insure adequate staffing and proper placement of resources. The goal is to maintain the national response time criteria of eight minutes, or less, in over 90% of all 911 responses.

MLSS also has a Special Operations Response Team used for multiple casualties, unusual incidents, or coverage for large special events, as well as a Firefighters Rehabilitation Service to support the scene of large or prolonged fire ground operations. This team uses three special vehicles that have the supplies and equipment for their duties. MLSS has an eight-member Tactical Emergency Medical Services unit, staffed by vetted and specially trained MLSS Paramedics. The unit trains and deploys with a number of law enforcement agencies throughout our operations area, providing primary EMS support for Police Special Weapons and Tactics (SWAT) Teams, Special Entry/Felony Warrant Teams, and Hostage Situations.

There are two Mobile Life facilities located in Newburgh. They both work to assist the Newburgh EMS with emergencies. One of their largest facilities is located on Dickson Street, and another location is located on Plank Road. The EMS and the Mobile Life facilities work together to ensure safety for the town of Newburgh

### ***Incident Rates at Existing Casinos***

This section compiles fire incident data at several existing gaming facilities around the nation including, Rivers Casino in Des Plaines, Illinois; Rivers Casino in Pittsburgh; Argosy in Riverside, Missouri; and Saratoga in Saratoga Springs, New York. These locations were chosen primarily due to the availability of data via the Applicant. We believe this real-world data is the best indicator of the potential impact of a gaming facility on the local EMS departments.

#### ***Rivers Casino – Des Plaines, Illinois***

Based on information provided by the Des Plaines Fire Department, EMS calls to the casino averaged 174 per year over the last three years. The incident rate calculated to 0.05 per 1,000 visitors (or about 5 calls every 100,000 visitors), based on the casino’s annual visitation of 3.7 million patrons.

<b>EMS Incident Rate - Rivers Casino</b>	
Avg Annual Incidents	174
Attendance Count	3,717,000
<b>Incident Rate</b>	<b>0.05</b>

#### ***Rivers Casino – Pittsburgh, Pennsylvania***

Based on information provided by the Division Chief Ronald Romano of the Pittsburgh EMS, service calls (based on a 911 call) were provided to the casino as displayed below. We found that the incident count was very consistent over the last three years. The incident rate calculated to 0.05 per 1,000 visitors (or about 5 calls every 100,000 visitors).

<b>Incident Rate - Rivers Casino Pittsburgh</b>	
Avg Annual Incidents	230
Est. Attendance Count	4,881,000
<b>Incident Rate</b>	<b>0.05</b>

#### ***Argosy Riverside – Riverside, Missouri***

During testimony in front of the Missouri Gaming Commission regarding a re-licensure hearing of Argosy Riverside, Director of Public Safety – Greg Mills cited that the Riverside Fire Department responds to approximately 175 calls per year for medical emergencies. This equates to 0.09 incidents per 1,000 visitors based on Argosy’s roughly 2.0 million visitors per year.

<b>Incident Rate - Argosy Riverside (MO)</b>	
Annual Incidents	175
Attendance Count (2012)	1,979,343
<b>Incident Rate</b>	<b>0.09</b>

### ***Saratoga Casino and Raceway – Saratoga Spring, NY***

Based on information provided by the Applicant, EMS service calls for Saratoga were 81 in 2013. Note that the incident count was very consistent over the last three years. The incident rate calculated to 0.04 per 1,000 visitors (or about 5 calls every 100,000 visitors), very similar to Rivers Casino - Pittsburgh.

<b>Incident Rate - Saratoga</b>	
Annual Incidents	81
Est. Attendance Count	1,889,000
<b>Incident Rate</b>	<b>0.04</b>

### ***Conclusion***

The average EMS incident rate calculated to 0.06 incidents per 1,000 patrons, as displayed in the table below. Based on a Gaming Market Assessment (“GMA”) completed under a separate cover, the proposed Resort is expected to generate roughly 5.2 million patron visits in Year 3. After applying the average incident rate to patron volume, the Town of Newburgh EMS can expect approximately 290 additional “calls for service” each year, a little less than one per day.

<b>EMS Incident Rate Analysis</b>	
<b>Comparable Properties</b>	<b>Estimated Incident Rate *</b>
Rivers Casino (Pittsburgh, PA)	0.05
Rivers Casino (Des Plaines, IL)	0.05
Saratoga (Saratoga Springs, NY)	0.04
Argosy Riverside (MO)	0.09
<b>Simple Average</b>	<b>0.06</b>
Projected Resort Patrons	5,180,718
<b>Projected Resort Incidents</b>	<b>292</b>
* Incidents per 1,000 patrons	

Based on research, we contend that the current EMS infrastructure in the area has the capacity to easily absorb the expected additional calls for services.

# Heath Services

We defined Health Services as the comprehensive health care infrastructure in an area, including the number and scope of doctors and nurses, and the number and scope of health care facilities. This would include both preventive care and urgent care.

The Orange County Department of Health (“OCDH”) is the agency tasks with monitoring, protecting, and promoting public health in Orange County. The OCDH employs a number of proactive programs to promote good health in the county, including:

1. Community Health Outreach
2. Intervention Services
3. Emergency Preparedness
4. Environmental Health
5. Healthy Orange

## **Community Health Outreach**

Community Health Outreach is a division within the OCDH focused primarily on public health education and the prevention of tobacco use. The division provides outreach, information and referrals to individuals in high risk categories such as:

- Persons with a high risk of contracting chronic or communicable diseases;
- Persons requiring medical management for acute or chronic health problems.

The public education effort offers materials to schools, businesses, and to the public generally to promote better health and healthier lifestyles. The effort includes door-to-door outreach in high risk neighborhoods to address various health issues and concerns. The division also manages the Community Health Work Program, which conducts education, referral and case management activities through targeted outreach in high risk cities, such as Newburgh, Middletown, and Port Jervis.

## **Intervention Services**

The Intervention Services division provides health care services for the developmentally delayed and physically handicapped children up to the age of five. The division segregates children by “early intervention” (birth through 2 years) for the purpose of detecting developmental delays, and “preschool special education” for the purpose of providing services for children with learning disabilities.

## **Emergency Preparedness**

The Emergency Preparedness division of the OCDH leads the effort to prepare for and respond to public health emergencies. The division works in close cooperation with the Medial Reserve Corps, and other county, state and regional health care concerns to address disaster preparedness.

## **Environmental Health**

The Environmental Health division leads the effort to enforce the NYS Sanitary Code to control and prevent environmental threats to the public health. Areas of responsibilities include:

- Conducting Inspections and Issuing Permits for Food Service Establishments

- Public Water Supply Regulation
- Realty Subdivision Review
- Other Permits
- Rabies Control
- Lead Poisoning Control

### Healthy Orange

Healthy Orange is a program to promote healthy living through public awareness. The areas of focus include nutrition, physical activity and movement, and a tobacco-free lifestyle. It calls into awareness issues surrounding obesity and chronic disease, and works with other agencies to make policy, system and environmental changes related to these issues.

### Infrastructure

The health care infrastructure of an area includes the full-service hospitals, urgent care centers, and medical centers. The latter relates generally to the offices of practicing doctors in the area.

### Hospitals

We identified a total of 6 major hospitals in Orange County, as displayed below. The two St. Luke’s Cornwall Hospitals in Cornwall and Newburgh are the closest facilities to the Town of Newburgh. The following table summarizes some hospital performance data for 2009, based on a health assessment (to be discussed).

Hospital / Medical Centers					
Facility Name	Location	Certified Beds	Patient Days	Outpatient Visits	Emergency Dept Visits
Bon Secours Community Hospital	Port Jervis	141	27,254	52,711	24,583
St. Anthony Community Hospital	Warwick	73	13,997	37,937	12,662
Orange Regional Medical Center	Goshen / Middletown	450	108,607	765,086	58,513
St. Luke's Cornwall Hospital	Cornwall	125	18,746	NA	16,679
St. Luke's Cornwall Hospital	Newburgh	242	47,782	168,140	33,859
Keller Army Hospital	West Point	26	2,478	98,849	9,559

There are also several full-service hospitals in close proximity to the Newburgh area, but outside of Orange County, including the following:

1. Hudson Valley (near Peekskill)
2. Saint Francis Hospital (Poughkeepsie)
3. Vassar Brothers Medical Center (Poughkeepsie)

### Community Health

The health care assessment also highlighted several Community Health Centers in Orange County. This facilities are centered on towns with high-risk populations, such as Newburgh, Middletown, and Port Jervis.

<b>Community Health Centers - Orange County</b>	
<b>Facility Name</b>	<b>City</b>
McAuley Primary Care Center	Port Jervis
Ezras Choilim Heath Care	Kiryas Joel
Greater Hudson Valley Health Center	Newburgh
Hudson River Community Health	Walden
Hudson River Community Health - Migrant Health Center	Goshen
Middletown Community Health Center	Middletown
United Community Health Center	Pine Bush

## ***Department of Health Assessment***

The OCDH is required to conduct a health assessment on an ongoing basis, with the issuance of a corresponding report every four years. The following discussion highlights some of the findings of the 2010 – 2013 assessment.

### **Orange County Community Health Assessment 2010 – 2013 (“Health Assessment”)**

The health assessment was a collaborative effort by many of the departments in the OCDH as well as various outside experts. It is an ongoing effort to highlight health care needs and to form strategies to address these needs. Itemized below are some of the key findings of the assessment:

- The majority of Orange County residents enjoy favorable health, as 86% of adults ages 18 years and over (per survey) cite good to excellent health.
- Access to primary care, and thus preventive care, promotes good health. Orange County is relatively well supplied with primary care providers, although all residents do not have adequate access.
- Access to health care is often hampered by economic and language / cultural factors. Health disparities persist in uninsured and low income population groups. Lack of health insurance and inadequate insurance coverage are real concerns for the county.
  - Recruitment of bilingual health care professionals remains a challenge due to competition from NYC.
  - Access to specialty care within the county is a problem for Medicaid, uninsured and underinsured persons.
- The leading health problems in Orange County result from harmful personal behaviors such as smoking, overeating, poor nutrition, lack of physical activity, substance abuse, and unsafe sexual practices.
- The county has shown improvement in several areas of health care, including mortality rates from the leading causes of death; maternal and infant health; and personal health habits.
- Middletown, Newburgh, and Port Jervis showed poverty rates exceeding 25% for families with related children under 18 years of age.
- Middletown and Newburgh showed prenatal care rates well below county targets, with some of the highest teen birth rates in the county.
- Health care providers report a shortage of behavior / mental health and substance abuse treatment providers, particularly pediatric providers.

- St. Luke's Cornwall Hospital in Newburgh recently closed its inpatient mental health unit.
- Difficulty in the recruitment of primary care and specialty physicians persists due to better reimbursement rates in NYC and neighboring states.
  - Relatively low levels for Medicaid reimbursement discourages existing private practices from accepting Medicaid patients.

## *Conclusion*

We contend that the impact of the Gaming Facility on the regional health care system will be positive, as the presence of the Gaming Facility will reduce the burden on the community health care system. These systems are prevalent in the Newburgh and Middletown areas. All the full-time jobs (and many of the part time jobs), come with full health care benefits, including major medical, dental, and vision. So, to the extent that persons hired by the Gaming Facility do not currently have health care insurance, this will reduce the number of uninsured persons in the region. Recall, the high level of uninsured persons was cited as a major concern in the Health Assessment discussed earlier. The new jobs from the gaming facility will help mitigate this problem.

This is especially true for residents living in high risk areas such as the City of Newburgh and Middletown. These persons, who may have required governmental assistance in the past, will be paying for health care through their benefits from the Gaming Facility. The Health Assessment (discussed earlier) specifically identified the problem uninsured persons as one of the top problems in the county, especially for high risk area such as the City of Newburgh and Middletown, which are in close proximity to the proposed development site.

With the health care system in the region receiving addition funding via the health care benefits from the Gaming Facility, one can expect new doctors and nurses to migrate to the area, which will likely entail the building of addition preventive care health facilities. This is another important point as the Health Assessment also identified an issue related to the lack of doctors due to better reimbursement rates in NYC and neighboring states, and relatively low levels for Medicaid reimbursement, which discourages existing private practices from accepting Medicaid patients.

## Addictive Services

The state agency assigned to the prevention, treatment, and recovery of addictions is called the New York State Office of Alcoholism and Substance Abuse Services (“OASAS”). OASAS is the single designated state agency responsible for the coordination of state-federal relations in the area of addiction services. It’s the mission of OASAS:

“To improve the lives of all New Yorkers by leading a comprehensive premier system of addition services for prevention, treatment, and recovery.”

This office oversees roughly 1,600 prevention, treatment and recovery programs, assisting approximately 240,000 people annually; one of the nation’s largest programs. The core responsibility of the office is to develop and regulate the state’s system of chemical dependence and gambling treatment agencies. It currently oversees 12 Addiction Treatment Centers, providing inpatient treatment, and regulates roughly 1,000 local chemical dependence treatment programs, ensuring compliance to regulations and quality control.

Additional responsibilities include statistical compilation and analysis of gambling and substance use and abuse trends, comprehensive education and training, and pursuit of state, federal and private funding sources, among many others. The education and training service focuses on schools and local agencies, but also promotes general public awareness through community action groups. The agency is mostly funded by the state. The 2014-15 Executive Budget earmarked \$579 million for OASAS. The budget for capital projects was an additional \$50.9 million in 2013-14.

OASAS issues professional credentials to individuals who meet specific eligibility requirements and pass appropriate examinations. These credentials include: Credentialed Alcoholism and Substance Abuse Counselor (CASAC), Credentialed Prevention Professional (CPP) and Credentialed Prevention Specialist (CPS). OASAS is committed to enhancing the quality of services in New York State through professional development of the alcoholism and substance abuse services and problem gambling workforce.

The commissioner of OASAS, Ms. Arlene Gonzalez-Sanchez, noted in a recent address to Joint Legislative Budget Hearing on Mental Hygiene that it is actively engaged with the State Gaming Commission and the Council on Problem Gambling in the Responsible Play Partnership, the goal of which is to promote problem gambling awareness. She also pointed out the new funding from gaming expansion will be dedicated to “bolstering” the gambling prevention and treatment services arm of OASAS.

OASAS operates out of the following Divisions/Offices:

1. Executive Office
2. Division of Prevention, Housing and Management Services
3. Division of Treatment and Practice Innovation
4. Division of Outcome Management and System Information
5. Division of Quality Assurance and Performance Improvement

6. Division of Fiscal Administration
7. Office of the Medical Director
8. Office of Counsel and Internal Controls
9. Office of Public Information and Communications
10. Office of NYC Operations, Affirmative Action and Bureau of Statewide Field Ops
11. Office of Government Affairs and Grants Management

## ***Infrastructure***

It's the goal of OASAS to move to a "more coordinated system of care that addresses the behavioral and physical health care needs of individuals with substance abuse disorders." OASAS operates out of several different functions, including prevention, treatment, recovery, and special services.

## ***Prevention***

The goal of the prevention function is to create and promote safe and healthy environments. The framework that has evolved to date is both comprehensive and research-based. The roughly 180 prevention providers operate in a variety of settings, including schools and community-based organizations. Services include evidence-based education programs, skills development workshops, training sessions for parents, teachers, and other professionals, positive alternative activities for youth and policy change and enforcement efforts to reduce underage drinking.

## **Problem Gambling Prevention**

Initial research is demonstrating that problem gambling is showing a link between risk factors that drive other problem behaviors such as substance abuse, delinquency, teen pregnancy, school drop-out, and violence. While the link is not yet definitive, the hope is that by employing the same protective factors will reduced the risk for problem gambling. OASAS believes that by structuring prevention strategies and programs to reduce certain risk factors for substance abuse will also impact other problem behaviors. Several prevention programs have been developed and are being evaluated.

## ***Treatment***

A network of OASAS certified providers form the treatment structure in New York. Using evidence-based standards, regulations, and practices, it's the goal of the OASAS Bureau of Treatment to (as described by the OASAS website):

- provide clinical practice guidance for OASAS Licensed Providers;
- identify practical clinical models for implementation by providers;
- improve treatment outcomes;
- increase public awareness of and expand patient access to addiction medications as an adjunct to chemical dependency treatment when appropriate;
- develop strategies to reduce the medical consequence of addictive disease;
- enhance public awareness of problem and pathological gambling; identify new strategies for and improve access to treatment;
- improve the long-term outcome of chemical dependency treatment through the development of a recovery support services system;

- promote the continued development of vocational services for patients;
- increase access to clinically appropriate supportive housing services for patients;
- demonstrate an efficient and effective integration of crisis services and treatment, and develop a model based upon evidence based practice;
- increase public awareness and educate treatment providers regarding the potential threat to our public health and safety posed by the use and manufacture of methamphetamine.

### **Problem Gambling Services**

OASAS runs a 27/7 help line, which provides immediate help or information on problem gambling. The OASAS Provider Directory Search is another useful tool for find prevention and treatment providers by geographical area (state, county, region, city or zip code).

### **Recovery**

OASAS recognizes a comprehensive approach to recovery that embraces a lifelong process of improved health, wellness and quality-of-life, and a reintegration with family and community. The Bureau of Recovery Services was formed in May 2007, and has crafted a set of initiatives designed to develop supports in partnership with people in recovery.

#### **The current recovery initiatives include (as described by the OASAS website):**

- A program “to promote the widespread adoption of recovery oriented support, services and system for people in recovery from substance use and/or mental health conditions.
- A program to change the nature of recovery to a journey which often requires long-term supports and services.
- Recovery Coaching – a peer-based recovery service that is non-clinical and designed to engage others beyond recovery initiation through stabilization and into recovery maintenance.
- OASAS Recovery Projects
- Recovery Coach Training

### **Specialized Services**

OASAS recognizes that the chemical dependence prevention and treatment system must be positioned to address the need for specialized services for various population groups. OASAS works in collaboration with other major service systems in order to better meet these varied needs in a coordinated way. OASAS Addiction Treatment Centers offer specialized services including Pathological Gambling Treatment, including admittance to one of its ATC centers.

### **New York State Gaming Commission Problem Gambling Forum**

The New York Gaming Commission (“NYGC”) recently hosted a public forum addressing problem gambling in the “Era of Expanded Gaming.” Several problem gambling specialists were on hand to provide testimony.

## **Executive Director of New York Council on Problem Gambling – James Maney**

Mr. Maney encourages the continued focus on building partnerships, like the Responsible Play Partnership, with the goal of ongoing communications about problem gaming and its impact on casino communities. He put forth three general recommendations to yield the best results for the problem gambler, their families and communities in the state.

1. Develop a statewide plan to address problem gambling, focusing on policy, research, education, prevention, treatment and recovery.
2. Development of a steering committee with casino operators, state government, community members, academics and researchers, Gamblers Anonymous and Gam-Anon, and problem gambling services providers.
3. Conduct a problem gambling social impact study to measure the effect of gambling on communities and all of NYS. The study would measure the prevalence of problem gambling as well as the consequences and costs.

## **New York Gaming Commission**

The staff of the New York Gaming Commission (“Commission”) subsequently produced a document containing the Commission’s views on how commercial gambling in the New York State should be appropriately regulated under the Upstate NY Gaming Economic Development Act (“ACT”). The two (2) key points related to problem gambling are as follows:

1. The Commission, OASAS, and the New York Council on Problem Gambling have formed the Responsible Play Partnership to address problem gambling issues. The recommendations of this Partnership will form the basis for regulating problem gambling.
2. Patrons must have access to information on problem gambling, including the signs of problem gambling and problem gambling treatment.

## ***Mitigation***

The ACT stipulates an annual machine license fee of \$500 for each slot machine and table approved by the commission for use at the gaming facility. The fee is to be deposited in the commercial gaming revenue fund, but earmarked for problem gambling services.

In addition, each gaming facility operator must provide the gaming commission a problem gambling plan for approval. The plan must address the training employees, voluntary exclusion program, and dissemination of public information on problem gambling, among other requirements.

## *Conclusion*

We contend the New York State is currently well equipped from an addictive services perspective to address the incremental impact of the proposed Gaming Facility. New York State currently has a strong agency (OASAS) leading the effort in the prevention, treatment, and recover of addictions. Thus, the infrastructure is in place to quickly issue professional credentials to individuals who meet specific eligibility requirements and pass appropriate examinations to treat problem gamblers. Also, a 24/7 help line and online search director are in place for persons seeking help to quickly find resources. Lastly, independent organizations like the New York Council on Problem Gambling stand ready to assist the problem gambling prevention, treatment and recovery effort.

Supporting this effort is additional funding. Via the Upstate NY Gaming Economic Development Act (“ACT”), dedicated funding is now earmarked for problem gambling. The subject Gaming Facility is expected to pay about \$1.5 million annually in machine license fees. This funding should draw more qualified service providers to the area.

Another important point is that the proposed gaming facility will not introduce gaming to Orange County as it currently exists both locally and regional in various forms. Gaming exists in the local market in various forms including a slots-only racetrack casino in Monticello; horserace wagering at various OTBs in the county and at Monticello Raceway; and the New York State Lottery. Full-service casino gaming is prolific in neighboring states such as in Pennsylvania and Connecticut. One of the largest gaming markets in the country (Atlantic City) is located with a few hours of the Newburgh area.

Nonetheless, the incidents of pathological and problem gamblers will increase as the convenience associated with full-service gaming is enhanced in Orange County. Thus, there will be a need for more addictive services programs, but the existing problem gambling infrastructure resulting from the prior gaming expansion initiatives should be able to quickly adapt to incremental need, especially considering the dedicated funding stipulated in the ACT.

## Health and Building Inspection

The Orange County Department of Health (“OCDH”) is the agency assigned to issue permits to establishments serving food to the public in Orange County. The work is conducted through its Environmental Health Division. Per the NYS Sanitary Code, establishments serving food to the public are regularly inspected. The OCDH is also responsible for conducting the health inspections of hotel swimming pools.

The Code Compliance Department (“CCD”) assists the public in acquiring Building Permits and Certificates of Occupancy for new and existing structures, both residential and commercial. The responsibility for building inspections in the Town of Newburgh falls to the Code Compliance Department of the Town of Newburgh. This department also conducts fire inspections, and resolves planning and zoning issues. The functions include issuing permits for construction, reviewing construction plans for code compliance, and insuring code compliance during construction. Post-construction responsibilities include annual maintenance inspections, code violation investigation and compliance follow-up. More frequent inspections may apply to areas of the property considered assembly areas and other unique systems.

### *Code Compliance Department - Current Structure and Capabilities*

The Code Compliance Department operates out of a single facility located in the Town Newburgh. The department is led by Compliance Supervisor, Gerald Canfield, and currently consists of 3 full-time building inspectors, 1 part-time zoning specialist, 2 full-time fire inspectors, 1 part-time fire inspector, and 6 administrative personnel. The building inspectors perform roughly 850 inspections each year.

The fire inspectors are responsible for conducting annual fire inspections, including plan reviews for over 1,200 new and existing businesses annually. The Fire Inspectors also provide various training programs such as “Learn Not to Burn” and “Risk Watch.” Through the Fire Prevention Bureau and the Emergency Preparedness Committee, the inspectors provide support to area fire departments regarding Code Enforcement and Fire Investigation.

The Code Compliance Department works in close cooperation with County inspectors during the County’s effort to inspect establishments serving food and swimming pools. In addition, the department has the ability to obtain additional technical assistance from the State of New York, possibly related to needed engineering or architectural expertise.

### *Conclusion*

With regard to a project of this type, there is substantial effort required during the planning and permitting phase as much of the design, architectural and engineering work must be preapproved before construction begins. The burden on the Code Compliance Department would remain significant during the construction phase as well. The Supervisor Canfield believes that additional manpower will be necessary due to the magnitude of the propose Gaming Facility. The extent of which remains uncertain until the details of the building program are finalized and made public.

There is a substantial amount of administrative work that goes into the permitting process. Since there is a roughly one to one ratio of line compliance workers to administrative personnel, additional administrative will be need to support the growth in line workers.

Lastly, the upfront Permitting Fees, which the developer will be paying, are traditionally earmarked to cover the burden of plan review and approval. The ongoing building inspection effort will have the benefit of ongoing tax revenue to the Town of Newburgh in the form of gaming taxes.

## Disclaimer

Certain information included in this report contains forward-looking estimates, projections and/or statements. Maxim Strategy Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, Maxim Strategy Group accepts no liability in relation to the estimates provided herein.