

New Windsor Resort & Casino, LLC

Sub-Binder 1: B. Economics

Exhibit VIII.B.3.b Studies and Reports

**Exhibit VIII.B.3.b Economic impact studies completed by an independent expert showing the proposed Gaming Facility's positive and negative impacts on the local and regional economy, and on the host and nearby municipalities including impacts on incremental job creation, unemployment rates, cultural institutions and small businesses.**

Please see the following Economic Impact Analysis prepared by Leisure Dynamics Research.

**Exhibit VIII.B.3.b.** Submit economic impact studies completed by an independent expert showing the proposed Gaming Facility's positive and negative impacts on the local and regional economy, and on the host and nearby municipalities, including impacts on incremental job creation, unemployment rates, cultural institutions and small businesses.

Include a description of the background conditions in the comparable year (assume economic, traffic and other conditions continue to trend, but without the addition of the development) and build a scenario with express enumeration of the assumptions. Where independent studies depend on visitation or revenues, provide high, low and average case estimates analogous to the same used in the tax and revenues studies. Studies should explain the methodology, report the results and compare those results to actual observed conditions on similar built projects.

## **SECTION 1: INTRODUCTION**

The economic impact analysis, prepared by Leisure Dynamics Research ("LDR") is presented as Exhibit VIII.B.3.a in this RFA submission. The analysis is based on Global Market Advisors' ("GMA") market assessment and Grand Hudson Resort and Casino operating assumptions, in which a total of 2,504 FTE jobs at the casino resort in New Windsor were projected in the Average revenue case. The following table provides the operating stage job estimates as presented in Exhibit VIII.B.3.a, as well as the more broadly defined Region 1 and the statewide total. The high and low ranges for these operational facility job projections are also summarized in the following table.

Figure 1: Total Annual Employment Impact from Grand Hudson Resort and Casino Operations

	Low	Average	High
<b>County</b>			
Direct	1,998	2,003	2,017
Indirect	484	512	533
Induced	570	593	614
<b>Total</b>	<b>3,052</b>	<b>3,108</b>	<b>3,164</b>
<b>Region</b>			
Direct	2,338	2,344	2,361
Indirect	550	582	605
Induced	653	679	703
<b>Total</b>	<b>3,541</b>	<b>3,605</b>	<b>3,669</b>
<b>State</b>			
Direct	2,417	2,423	2,440
Indirect	603	636	661
Induced	849	883	914
<b>Total</b>	<b>3,869</b>	<b>3,942</b>	<b>4,015</b>

Sources: LDR projections based on GMA staffing model and pro forma, as well as IMPLAN multipliers.

The immediate economic impacts that the Subject casino resort will generate will be felt in the host town of New Windsor and the neighboring City of Newburgh, along with the host county,

Orange County. The town of New Windsor is located in a relatively densely populated section of Orange County, not proximate to county lines, such that we would anticipate the vast majority of casino and supplier labor could come from within the county. The town of New Windsor abuts the City of Newburgh, an economically depressed city in the Hudson Valley region. The city of Newburgh is partly responsible for some of New Windsor's public services, i.e. one of the three public school systems serving the New Windsor population, as well as providing assistance with regional fire protection, where necessary. There would also be some impacts elsewhere in the defined Region 1 geography, but to a lesser degree than in Orange County. As will be discussed below, labor impacts in these other counties would likely be muted by other macroeconomic factors.

In order to quantify the positive and negative impacts on the local economy through comparison with results of actual observed conditions on similar built projects, LDR interprets the notion of "similar" as having two definitions:

- Projects of similar scale that were recently developed by a member(s) of the project development team; and
- Projects of similar scale and scope developed over the past five years nationally (as well as three casino resorts in eastern Pennsylvania between 2006 and 2009), specifically in counties with populations of less than one million, as is the case of the host, Orange County. This effectively eliminated the Aqueduct racino, the Rivers Casino in Des Plaines (Illinois), as well two of Ohio's casinos (in Columbus and Cleveland) from our consideration, as we do not consider those to be a reasonable peer group.<sup>1</sup>

The Applicant's (Greenetrack) existing casino in Eutaw, Alabama is in Greene County, the least populous county in Alabama (approximately 9,000 residents). Prior to the opening of the casino, Greene was also the second poorest county in Alabama. Clearly, creating hundreds of job opportunities in a small rural area with less than 10,000 residents can have a significant impact, especially on a comparative statistical basis. Greenetrack is the largest employer in the county and has forged relationships with numerous regional businesses for the purpose of providing goods and services to the property, such that it has become a major economic engine for the area. Greenetrack also has a strong community commitment, funding more than 86 local charities in Alabama, including its local County Hospital, Nursing Home, Board of Education and emergency 911 service, each of which were in dire financial straits before Greenetrack provided assistance.<sup>2</sup>

The casino in Eutaw has undergone several expansions over the course of the past decade, opening in 2004 with 600 devices and currently offering 1,500 devices, thus it is difficult to demonstrate a true before/after snapshot. While it is important to note benefits that Greenetrack

<sup>1</sup> We consider county size for the peer group to be an important metric when considering whether they are "similar" projects. In exceptionally large counties the volume of unemployment, as well as population totals (including student population) and police department statistics could easily fluctuate from year to year by a total much greater than what a casino resort could induce, such that the casino impact would be too muted to recognize; this could be especially misleading given that the "Great Recession" years are during the time frame being analyzed. We also only consider recently opened casinos, as technological changes have resulting in staffing level changes for casinos, and towns where casinos were introduced more than a decade ago doubtfully have leaders that have decent recollection of the impacts of introduction of casinos to their towns.

<sup>2</sup> Greenetrack's company brochure from its website for New York, [http://gamingfornewyork.com/greenetrack\\_info.pdf](http://gamingfornewyork.com/greenetrack_info.pdf), page 9.

created in Greene County, "similar built projects" as they relate to potential employment impacts would more appropriately be analyzed using the peer group as noted in the second bullet point above.

For the purpose of the overall socio-economic impact analyses for this RFA submission, LDR conducted direct interviews with government leaders, police, fire and school department heads, district attorneys' offices and mental health professionals in towns and counties where the following casinos are located, along with those in the town of New Windsor and in Orange County. As evident from the following table, Orange County is most closely comparable in population size to Luzerne County in Pennsylvania (home of Mohegan Sun at Pocono Downs) and Lucas County in Ohio (home of Hollywood Casino in Toledo). According to the U.S. Census the total population of Orange County in 2010 was 372,813, increasing to an estimated 375,592 in 2013.<sup>3</sup> Orange County planners project 408,608 residents by 2020 (approximately 401,000 by 2018), based on the assumption of a consistent growth rate for the decade 2010-2010 as from the previous decade (0.92 percent/year):<sup>4</sup>

Figure 2: Comparable Property Location and Population Data

Casino	City	County, State	County population, 2013	Casino opening
Horseshoe Cincinnati	Cincinnati	Hamilton, OH	804,520	4-Mar-13
Maryland Live!	Hanover	Anne Arundel, MD	555,743	6-Jun-12
Graton Resort & Casino	Rohnert Park	Sonoma, CA	495,025	5-Nov-13
L'Auberge Baton Rouge	Baton Rouge	East Baton Rouge, LA	445,227	1-Sep-12
Hollywood Toledo	Toledo	Lucas, OH	436,393	29-May-12
Grand Hudson Resort and Casino	New Windsor	Orange, NY	375,592	
Mohegan Sun @ Pocono Downs	Wilkes Barre	Luzerne, PA	320,103	1-Nov-06
Sands BethWorks	Bethlehem	Northampton, PA*	299,791	22-May-09
Mount Airy Lodge	Mount Pocono	Monroe, PA	167,148	22-Oct-07

Population source: U.S. Census estimates. Casino opening dates from operator press releases. Sands BethWorks is on the Northampton and Lehigh County lines, such that it serves a local population of close to 655,000.

<sup>3</sup> Source: U.S. Census.

<sup>4</sup>Source: Orange County Planning Department population projections, [http://www.orangecountygov.com/filestorage/124/1362/3210/Population\\_Projections\\_from\\_2010\\_Data.pdf](http://www.orangecountygov.com/filestorage/124/1362/3210/Population_Projections_from_2010_Data.pdf)

## **SECTION 2: PROJECTED EMPLOYMENT IMPACTS**

### ***2.1 Grand Hudson Construction Impact on Employment***

In LDR's economic impact assessment there is a terminological difference between employment generated by casino resort construction and employment generated by casino resort operation. Construction-related jobs are referred to in terms of "man-years of employment", and are temporary in nature. Essentially, once construction ends the employment ends. This would be true for any casino resort construction project (independent of whether it is for the Grand Hudson Resort and Casino or any other resort applicant). Generally these jobs do not reflect the difference between unemployment and employment in the construction industry (unless a construction market is depressed) or related fields (i.e. architects and consultants), rather it sustains or increases the workload and resulting incomes. In contrast, casino operations employment impacts are ongoing benefits, measured in terms of full-time equivalent jobs, annual earnings and total annual spending.

LDR and the Applicant project the need for 3,525 man-years of construction employment during the two-year construction phase, which should be predominantly accomplished using Hudson Valley regional labor. Specifically, the Applicant would be working with Laborers Local 17, a union with approximately 10,000 members in the Orange, Ulster, Dutchess and Sullivan County region (extending into several other neighboring counties as well).<sup>5</sup> Given that there may be two casino resorts in the region being developed concurrently, the Local 17 representative suggests that at least 50 percent of the construction labor could come locally, potentially more as some current non-union workers (i.e. those learning trade skills or those inactive due to a lack of work) may join the union. The balance is expected to come from surrounding counties (i.e. elsewhere in Region 1 or counties to the south).

As part of the agreement between the Applicant and Laborers Local 17, the Applicant will help develop an apprenticeship program, with preferential hiring efforts to support employment of veterans, minorities and females from Orange County, particularly those that reside in the depressed city of Newburgh. A similar focus will be made on veteran, minority, female and city of Newburgh residential hiring for ongoing operations of the casino resort, as well as in the vendor selection process.

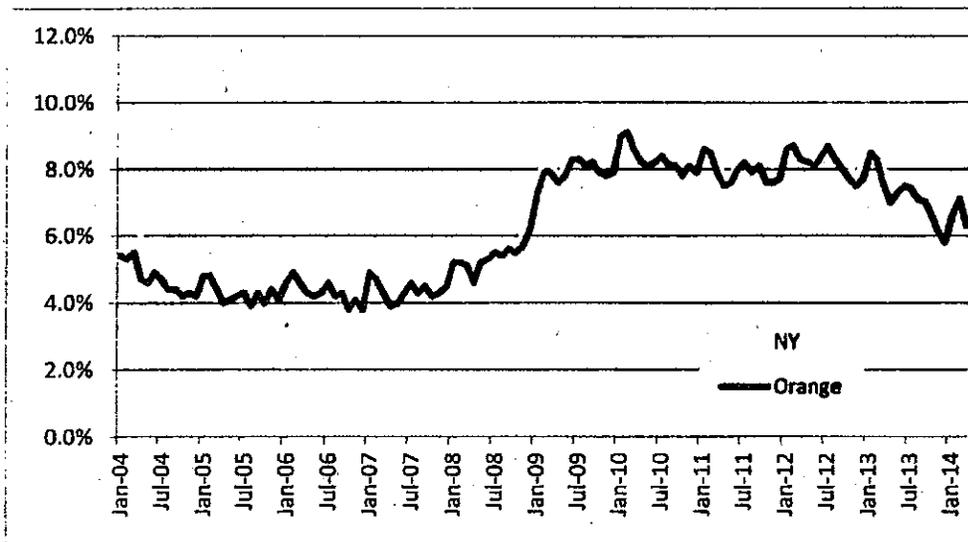
The impact on unemployment rates is therefore generally not measurable during the casino resort construction phase when compared to the labor market as a whole, but is important for the construction industry as a major source of sustained work for laborers. While the actual construction phase has a limited duration, the training programs and preferential hiring efforts should have longer lasting benefits.

<sup>5</sup> Membership figure from Union representative Todd Diorio, based on a phone interview with LDR, 9 May, 2014. Greenetrack has committed to utilizing union labor (Laborers Local 17) for the development of the casino resort, along with ongoing maintenance and future renovations to the resort. This also includes sourcing and transportation of concrete, asphalt and debris hauling.

## 2.2 Casino Resort Operating Impact on Employment

As noted in the preceding paragraph, casino operations will have ongoing benefits to the town, county and New York as a whole. In order to understand the impact of casino openings and operations on the labor market we first need to consider the historical labor market data and baseline estimates for an impact year. We assume 2016 will be the year that the casino resort opens and that 2018 will be the first full stabilized year of operation of all of the resort amenities. Prior to the recession (from 2004 through 2007), the annualized unemployment rate in Orange County ranged from 4.3 percent to 4.7 percent, with a steadily rising size of the labor force, growing from approximately 172,000 in 2003 to approximately 179,000 in 2007.<sup>6</sup> The unemployment rate in the county nearly doubled during the recession to a range of approximately 8.0 percent to 9.0 percent, but has steadily declined, currently down to 6.3 percent (March 2014) and 6.8 percent as an average for the past 12 months.<sup>7</sup> The size of the Orange County labor force declined through and after the recession, however, back down to approximately 174,200 persons (average for last 12 months through March 2014).<sup>8</sup> As evident from the following chart, the statewide unemployment rate has closely tracked the county trends and at a comparable rate.

Figure 3: County and Statewide Historical Unemployment Rates, 2004-2014



We assume that the economy will continue to improve slightly in the region as the country further emerges from the recession, such that the unemployment rate may again halve the difference back to pre-recession levels from their current (last 12 month average) level. This would suggest a baseline unemployment rate of approximately 5.7 percent in Orange County (as compared to the last 12 month average of 6.8 percent and pre-recession range of 4.3 to 4.7 percent). Similarly, we assume a slight recovery of the size of the labor force, such that it would grow by approximately 1.6 percent to 177,000 persons, albeit still shy of the pre-recession peak.

<sup>6</sup> Source: U.S. Bureau of Labor Statistics, [www.bls.gov](http://www.bls.gov).

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

The following table demonstrates the trends for the past three calendar years, the average for the last 12 months and the 2018 projections (baseline, without the casino resort) for Orange County in terms of labor force size, unemployment level and unemployment rate.

Figure 4: Orange County Labor Force Data

Year	Labor Force	Unemployment Level	Unemployment Rate
2011	174,427	13,851	7.9%
2012	174,789	14,295	8.2%
2013	174,405	12,503	7.2%
LTM Avg (through March 2014)	174,229	11,854	6.8%
Projected 2018 Baseline	177,000	10,089	5.7%

Source: U.S. Bureau of Labor Statistics annual averages. 2018 projection by LDR

At the local level, the annual average unemployment rate in the town of New Windsor between 2004 and 2007 ranged from 4.3 percent to 5.5 percent, increasing to 8.6 percent during the recession.<sup>9</sup> For the past 12 months (ending March 2014) the unemployment rate average has declined to 7.1 percent.<sup>10</sup> The labor force in the town of New Windsor has remained relatively flat over the past decade, with approximately 12,800 individuals (there is more seasonality to the labor force than annual average variations).<sup>11</sup> The annual unemployment rate average in the city of Newburgh ranged from 5.8 percent to 6.7 percent between 2004 and 2007, but increased to over 11 percent during the recession.<sup>12</sup> The recovery has been slow in the city, declining to an annual average of 9.7 percent in 2013 (9.1 percent for the past 12 months, ending March 2014).<sup>13</sup> For the past decade the monthly labor force in the city of Newburgh has generally been in the range of 11,300 to 12,000, peaking in the summer of 2010.<sup>14</sup> The labor force averages for early 2014, year to date, have been amongst the lowest in the past decade. Combined, the city of Newburgh and the town of New Windsor have nearly 24,500 persons in the labor force, divided nearly evenly, though New Windsor has more employed residents. Combined, however, there are approximately 2,000 persons currently unemployed.

Unemployment rates for both the town of New Windsor and the city of Newburgh have fallen by approximately 36 percent from their peak, but still remain well above the pre-recession levels. As a baseline for 2018 we assume unemployment rates will decline closer to pre-recession levels, similar to our assumption for the county (i.e. splitting the difference between the current rate and the pre-recession average). We estimate the combined labor force will remain flat at approximately 24,400, as it has been for the past decade. The following table outlines the averages for the past three calendar years, the last 12 month average and the 2018 baseline projection for the town of New Windsor, the city of Newburgh and the two combined.

<sup>9</sup> Source: Economagic.com, based on U.S. Bureau of Labor Statistics data.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Source: U.S. Bureau of Labor Statistics, www.bls.gov.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

Figure 5: Community Labor Force Data

	Labor Force	Unemployment Level	Unemployment Rate
<b>Town of New Windsor</b>			
2011	12,666	1,040	8.2%
2012	12,861	1,102	8.6%
2013	12,836	974	7.6%
LTM Avg (through March 2014)	12,811	914	7.1%
Projected 2018 Baseline	12,800	742	5.8%
<b>City of Newburgh</b>			
2011	11,670	1,202	10.3%
2012	11,615	1,274	11.0%
2013	11,547	1,115	9.7%
LTM Avg (through March 2014)	11,508	1,045	9.1%
Projected 2018 Baseline	11,600	882	7.6%
<b>Combined</b>			
2011	24,336	2,242	9.2%
2012	24,476	2,376	9.7%
2013	24,383	2,089	8.6%
LTM Avg (through March 2014)	24,319	1,960	8.1%
Projected 2018 Baseline	24,400	1,624	6.7%

Source: U.S. Bureau of Labor Statistics. 2018 projection by LDR

When we consider peer group casino openings, we predominantly looked at counties with total populations of 300,000 to 550,000 (Orange County being just below the mid-point of that range). Nationwide, the civilian labor force equates to approximately 63 percent of the population age 16 and over (down from 66 percent a decade ago), or 49 percent of the total population, though these percentages vary by region. With respect to counties in the comparative set, the labor forces (as of March 2014, the most recent available data) generally range from 150,000 to 300,000, in some cases down sharply from pre-recession, as there were many labor force dropouts in 2009 and 2010. Subsequently, the addition of 1,000 to 2,000 jobs to each of those counties generally equated to less 1 percent of their respective labor forces.

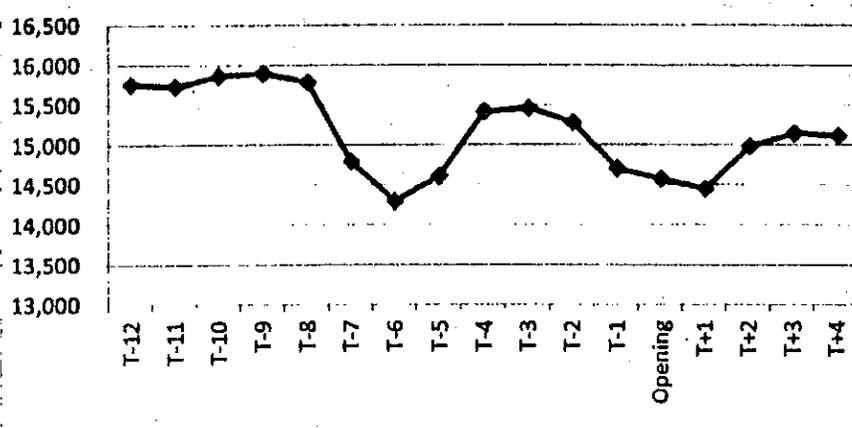
Figure 6: Comparative Property Population, Labor Force and Staffing

Casino	County, State	County Population 2013 Census Est.	County Labor Force Mar 2014	Casino Employment
Horseshoe Cincinnati	Hamilton, OH	804,520	400,487	1,666
Maryland Live!	Anne Arundel, MD	555,743	305,144	1,500
Graton Resort & Casino	Sonoma, CA	495,025	263,080	2,000
L'Auberge Baton Rouge	East Baton Rouge, LA	445,227	222,199	1,183
Hollywood Toledo	Lucas, OH	436,393	204,444	970
Grand Hudson Resort and Casino	Orange, NY	375,592	172,790	2,504
Mohegan Sun @ Pocono Downs	Luzerne, PA	320,103	158,395	1,732
Sands BethWorks	Northampton, PA*	299,791	154,494	2,117

Sources: U.S. Bureau of Labor Statistics, U.S. Census and casino company websites and press releases, Pennsylvania Gaming Control Board 2012-2013 Gaming Diversity Report, 2013 Ohio Casino Control Commission Annual Report and Louisiana 3<sup>rd</sup> Quarter 2013 Riverboat Compliance Report. \*Sands BethWorks is on the Northampton and Lehigh County lines, such that it serves a local population of close to 655,000.

Given that these recent casino openings occurred during a highly volatile period in American economic history, we found limited correlation between the recent peer casino openings and county unemployment levels openings, at least not nearly to the volume of jobs created at each casino. It has not been uncommon for monthly county labor force sizes or unemployment levels to rise or fall on any given month over the past five years by amounts in excess of casino staffing levels, independent of casino impacts, attributable to seasonality issues as well as business openings and closings. As a result, new jobs created by the casino were in some cases muted by seasonal and macroeconomic trends. We do note, however, a consistent downward trend in the unemployment level during months immediately leading up to casino openings and shortly thereafter, as evident from the following graph. We also note that some impacts may be muted by the fact that there are construction jobs leading up to casino openings that do not continue once construction ends; many would move onto other construction projects and thus not be considered as unemployed when resort development is completed, though in some cases this may not be the case.

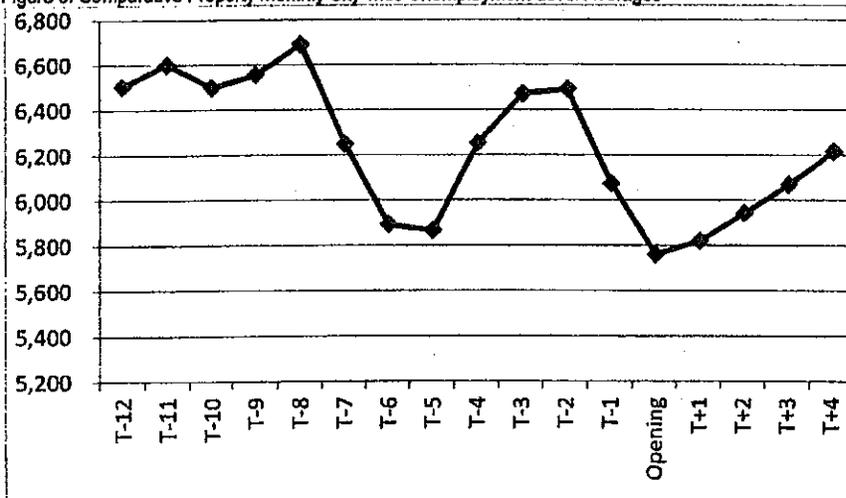
Figure 7: Comparative Property Monthly County-wide Unemployment Level Averages



Source: U.S. Bureau of Labor Statistics monthly non-seasonally adjusted unemployment levels. Note: The unemployment level in Northampton County increased from 8,500 to more than 12,500 during the period 3 to 7 months before Sands BathWorks casino opening, largely accounting for the significant volatility in the graph prior to opening months (red marker). Unemployment growth post-opening is skewed by L'Auberge Baton Rouge, where unemployment rates in the summer can be nearly twice as high as in the winter and spring months, as well as Pennsylvania casinos, which opened at the onset of the recession.

At the city/town level the level of correlation is clearer, with unemployment levels declining as the casino opens, but with significant volatility before and after, similar to that of the county chart. The following chart shows average unemployment levels pre- and post-opening in host towns and cities (not including Mount Pocono or Hanover, both of which were too small to have data). The closest towns in size to New Windsor in terms of residents (25,244 residents as of the 2010 Census) would be Wilkes-Barre and Rohnert Park (both with approximately 41,000 residents).

Figure 8: Comparative Property Monthly City-wide Unemployment Level Averages



Source: U.S. Bureau of Labor Statistics monthly non-seasonally adjusted unemployment levels.

An analysis of the graph suggests that the addition of a casino resort of comparable size to the proposed Grand Hudson Resort and Casino could lower the county unemployment level by an amount that equates to approximately one job for every 2 to 2.5 jobs at the casino. As a result, we estimate the impact on jobs at the county level may be between 1,002 and 1,252 jobs, despite there being approximately 2,504 jobs on site once operational (of which approximately 2,000 would be county residents), or a mean estimate of 1,127 jobs. This incorporates the expectation that there would be creation of approximately 1,105 indirect and induced jobs in the county attributable to the resort. As a result, this could lower the combined county projected 2018 unemployment rate to 5.1 percent from the 5.7 percent baseline estimate.

The reason for the difference between the reported casino resort jobs and the reported employment number is attributable to several factors. Most notably, under-employment nationwide is a serious issue which essentially over-states the level of employment and under-states the level of unemployment. The addition of casino resort jobs can/has cut down on the number of individuals suffering from under-employment, especially since the casinos are able to offer flexible scheduling options given their (typically) 24-hour operation. As a result, while the impacts may not show up as dramatically in terms of changes in county unemployment levels or rates, the addition of jobs is a clear benefit to the labor markets. There are also cases where workers move to a market to work at the facilities. These incoming workers would therefore increase the size of the labor forces, but would not decrease the unemployment level. It should also be expected that some workers will commute from neighboring counties.

LDR collected employee residential data from Afco AvPorts, an operator at Stewart International Airport with 69 employees.<sup>15</sup> Of the 69 employees, 51 live in Orange County (74 percent), including 14 in New Windsor and 10 in Newburgh. Ulster County is home to nine employees (13 percent), while Dutchess County is home to six employees. The remaining three employees live in Westchester County, Pennsylvania and New Jersey. Preliminarily, we would assume that the geographic distribution of employees at the Greenetrack casino resort would be somewhat similar, given that the resort will be situated proximate to the airport.

We also note Census journey to work data, which is based on 2006-2010 surveys of county to county commuting patterns.<sup>16</sup> This data shows that of 141,221 people that work in Orange County, 109,987 (approximately 78 percent) also reside in Orange County. Ulster County was home to 9,630 of the commuters into Orange County, followed by Sullivan County (5,390 commuters) and Dutchess County (4,556 commuters).<sup>17</sup> The remaining Region 1 counties (Delaware, Greene and Columbia) together accounted for 229 commuters to Orange. We therefore caution that changes in labor force data that evaluates changes just at the host county level ignores the fact that many employees may come from surrounding areas.

A slight adjustment to commuting patterns was done for our estimates to take into consideration the planned hiring preference for city of Newburgh residents and the Developer's proposed creation of the Mid-Hudson Regional and Education Opportunity Task Force, aimed at training a

<sup>15</sup> Data provided by town and zip code by Linda Green from Afco AvPorts at Stewart Airport, as of 8 May, 2014.

<sup>16</sup> <http://www.census.gov/population/metro/data/other.html>

<sup>17</sup> Ibid.

local workforce. As a result, we assumed 80 percent of employees would be from the County and approximately 93.5 percent from all of Region 1.

### **SECTION 3: SMALL BUSINESSES AND CULTURAL INSTITUTIONS**

Grand Hudson Resort and Casino will be partnering with regional business alliances to maximize the ability to attract local service providers for the project, particularly those that are from the City of Newburgh, are MBE's, and/or veterans. The Applicant will be utilizing local unions for construction and the ongoing workforce, including ongoing maintenance and any future phased additions to the resort. There are numerous business groups in the Orange County and Hudson Valley region that the Applicant will be working with strategically to get suppliers of myriad goods and services needed for the casino resort, ranging from art and entertainment installations to food and beverage purveyors and business services providers, ultimately enhancing the recognition of regional brands on a more broad geographical basis. It is as a result of these alliances that LDR projected high local procurement rates for goods and services in the economic impact models presented in Exhibit VIII.B.3.a.

LDR and the Applicant's representatives have met with the Orange County Partnership to investigate and establish business and education partnerships in the region to best utilize local merchants and labor. The Orange County Partnership is the County's office for economic development. These relationships are in the process of being established and will be an ongoing effort through the 2014 bidding process (and further ongoing, assuming the Greentrack bid is successful). Similarly, the Applicant will be working with the Hudson Valley Economic Development Commission to investigate potential business partnerships with vendors located outside of the Orange County area. The MOU between the Developer and the Town establishes that the player's club card program will provide discounts and benefits for use at area businesses and destinations in the Mid-Hudson Valley region. Efforts will be made to encourage local businesses to become part of this program.

The arts community will also benefit from the development of the resort. The MOU states that the resort will host or co-host with the Mid-Hudson region tourism council, as well as promote and fund, at least two events per year to promote local musicians and artists and to benefit local and regional social programs and/or charitable organizations. Additionally, according to the MOU, where possible the Developer will enter into cooperative marketing arrangements with nearby live entertainment venues to encourage their use by patrons of the Project.

Regional merchants would also benefit from there being convention facilities on-site at the resort, bringing in tourists to the region who may venture outside of the casino resort during their visit (including visiting regional attractions such as Storm King Arts Center). At present there are no facilities in the area that can provide catering to more than 600 meeting or event attendees. This resort will therefore be able to fill a niche that can attract visitors from well outside of the local market.

Finally, as part of the overall development plan, the Applicant will be funding up to \$12,000,000 towards the development of a proposed new Mid-Hudson Valley Sports and Aquatic Center, which will be large enough to attract sports teams from throughout the northeast U.S. (and potentially beyond) for competitions. There currently are not facilities in the region that can

**Exhibit VIII.B.3.b Economic Impact Studies Completed by an Independent Expert Showing Positive and Negative Impacts**

adequately accomplish this. These visitors will support local businesses and other tourist and cultural attractions while visiting for the events. The facility will offer indoor soccer fields, swimming pool and locker facilities, as well as gymnasiums, for the benefits of the residents of Mid-Hudson Valley counties, including the counties of Orange, Ulster, Putnam, Sullivan and Dutchess.

