

New York Gaming Facility Location Board  
Response to Request for Applications to Develop and Operate a  
Gaming Facility in New York State

**TIOGA DOWNS RACETRACK, LLC**

*Exhibit IX.A.2.a.*

Attached hereto is a Local Municipality Impact Study for Tioga Downs – Final Report prepared by Union Gaming Analytics discussing, among other things, the estimated cost of this project to the Host Municipality, nearby municipalities and the State for the topics discussed in RFA Section IX.A.2.a. The study discusses, among other things, the impact on Tioga County, Fire and EMS Services, Schools, the Housing Market, Law Enforcement, Social Services, and Public Health.



**Local Municipality Impact Study for Tioga  
Downs  
Final Report**

**June 2014**

**PRIVATE AND CONFIDENTIAL**



June 19, 2014

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## **Introduction**

Union Gaming Analytics has been engaged by American Racing and Entertainment, LLC to perform an independent analysis of potential local impacts on host municipalities and Tioga County should they expand their casino and add a hotel and non-gaming amenities in conjunction with receiving a casino license. Such analysis seeks to determine the financial and resource demands a larger facility with more visitors and a more diverse offering would have on community services.

## **Methodology**

In order to measure the financial and human resource impacts on host community and County services from the potential Tioga Downs Hotel and Casino development we conducted interviews with leadership personnel with community organizations and reviewed organizational reports to measure costs. We interviewed the following people as well as some of their staff members:

Ray Thetga, Fire Chief of Nichols Fire and EMS  
Scot Taylor, Superintendent of Tioga Central School District  
Shawn Yetter, Commissioner of Tioga County Department of Social Services  
Mike Jackson, Undersheriff, Tioga County Sheriff's Office  
John Chanecka, Director of Housing Services, Tioga Opportunities, Inc.  
Lori Monk, Director of Community Services, Tioga County Mental Hygiene  
Denis McCann, Director of Administrative Services, Tioga County Public Health Department  
Scott Freyburger, Supervisor of Environmental Health, Tioga County Public Health Department

Our review of documents provided an overview of services provided by each organization and gave an overview of the costs to the community, County and State. Included in our review:

Tioga Downs Workforce Enhancement Analysis and Labor Market Availability Report 2014, Thomas P. Miller and Associates  
Tioga Central School District, Proposed Expenditures for Board of Education Approval – 2014/15  
Tioga Opportunities Inc., 2012 Annual Report  
Tioga Opportunities Inc., Housing Needs and Assessment and Strategic Plan - 2013 Update

## **About Union Gaming Group**

Union Gaming Group is a portfolio of companies focused exclusively on the global gaming industry. The companies specialize in equity and credit research, sales and trading, investment banking, and gaming-related market and economic analyses. Through its Union Gaming Analytics subsidiary, the company conducts gaming studies, feasibility and various market analyses for corporate and government entities. The company also provides legislative and regulatory support for gaming related activities globally. Union Gaming Advisors focuses on mergers and acquisitions, private placements, equity and debt offerings, and strategic advisory. Union Gaming Research covers the largest universe of gaming equities among its competitive set, uniquely based in Las Vegas, Macau, and Hong Kong.



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## Tioga County, NY

Tioga Downs is located within the town of Nichols, which combined comprise approximately 34 square miles and has a population of approximately 2,500 residents. Tioga County had 51,125 residents as of the 2010 census and has seen a declining population base since the 1990s with population down an estimated 4% from peak levels (Figure 1). Tioga County is generally a rural county, although the county is counted as part of the Binghamton metropolitan area.

**Figure 1: Census Population of Tioga County since 1990**

Census	Population	Change
1990	52,337	
2000	51,784	-1.1%
2010	51,125	-1.3%
2013(est)	50,243	-1.7%

Source: US Census

## Benefits from Gaming and Tioga Downs Expansion

The expectation of the department and organization leaders we spoke with was the expansion of Tioga Downs would bring two significant benefits to the local community and to Tioga County. First they mentioned how much the area needs good stable jobs. The area saw an influx of jobs in nearby parts of Pennsylvania due to fracking operations in recent years, but the jobs were fleeting for many who found work. The expectation based on the experience the community has had with Tioga Downs is that the new jobs from the casino expansion will help keep people in the area and produce economic benefits for the region. A number of those interviewed spoke of how many families leave the area because of the stagnant economy and the lack of jobs with a future.

The second benefit is the incremental funding from increased gaming tax revenue to be shared by the Town of Nichols as the host community and Tioga County as dictated by The Upstate NY Gaming Economic Development Act. The incremental benefits will be shared by all counties in the local region, with Nichols and Tioga County expected to receive \$3.2 million each annually. These significant amounts of funding will provide needed assistance to public services helping area residents and greatly increase the amount of funding provided to local schools.

## Sourcing of Incremental Staff

In speaking with the operations management of Tioga Downs, we were told that very few of the incremental new hires (estimated at 600 employees) to staff the expanded casino and new non-gaming facilities would come from outside the local region. They believe there are enough sufficiently skilled workers who can be taught how to handle all future open positions except for a handful of specialized competencies such as table game trainers and poker/table games general managers. Management's current belief is approximately 12 people from outside the region will be needed for gaming operations. In discussing the openings for other parts of the facility with human resources, the expectation is all positions can potentially be filled by people residing in the local region.

A recent study of the regional workforce commissioned by Tioga Downs reveals the jobs Tioga Downs will be adding match well with the general level of educational attainment of the regional population. The study also reveals that the five county region in which Tioga Downs is located roughly in the middle of, employers tend to



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draw in over twice as many people to work as they see leave the region for work. With the need for jobs in the region and the number of residents within a 45-minute drive of Tioga Downs, it would appear finding quality candidates for the open positions should not be an issue.

The largest number of new positions to be filled in the casino expansion will be table games dealers. Currently Tioga Downs is not allowed to offer live table games so the operation will start with a base of no experienced dealers. Tioga Downs as part of its belief in hiring locally plans to source just local residents to fill all its dealer positions. This undertaking will include an extensive 12-week training program to teach new hires all the skills and procedures necessary to deal all the various live table games the casino will offer. According to Tioga Downs' management the main skills they are looking for in dealers are people with good basic math skills and good customer service skills. Tioga Downs management believe in the region there is a more than sufficient pool of candidates with both skills and feel confident they will have an efficient and effective workforce once pre-opening training has been completed.

Another factor in the sourcing of employees is the recent introduction of Casino Management program at Broome Community College campus in Binghamton. Students in the program learn all aspects of casino operations in a mock casino specially built for the program. The program was designed with input from Tioga Downs management and should begin providing prepared candidates for casino openings over the next few years.

Beyond the desire to source employees locally, Tioga Downs has shown it wants to maintain excellent relations with its workforce both current and future. To this end, Tioga Downs has already agreed to ensure all employees will make no less than \$10.10 per hour, well above the \$8 per hour New York minimum wage. Any non-tipped employee will earn no less than this hourly amount and all tipped employees are expected to earn more than \$10.10 per hour. In addition, Tioga Downs has already entered labor agreements with all trades expected to be involved in construction of the casino expansion and hotel.



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## **Fire and EMS Services – Nichols Fire Department**

Fire and emergency medical services (EMS) at Tioga Downs are provided by the Nichols Joint Fire District and Wappasening Hose Company, more commonly referred to as Nichols Fire Department. As are most fire and EMS services found throughout Tioga County, Nichols FD is 100% staffed by volunteers.

### **Department Impact since 2006**

The Fire Chief stated there was minimal impact from the opening of Tioga Downs in 2006 despite concerns about an influx of visitors to a rural community. The budget of Nichols FD did increase modestly when the facility was open and it became the location from which a majority of their service calls originated.

The Chief said since its opening, Tioga Downs has been a supporter of the efforts of Nichols FD. He talked about the support they received during the 2011 Flood which blocked access to roads into and out of Tioga County. He said quite a few of his volunteers have worked at Tioga Downs and the fire department has regularly assisted with crowd control, parking and handling bigger events at the facility. He did not remember any situations or periods of time which the needs of serving Tioga Downs strained his organization.

### **Current Situation**

The Fire Chief stated over half of their service calls come from Tioga Downs, with calls fluctuating with the seasons, especially spring and summer with horse racing and concerts. When there is no live racing or events they experience minimal call volume, estimated at 10-20 calls per month. During the busy summer season it is normally 100-150 calls per month often clustered around concerts and big race days. He stated it is uncommon to have a call out to Tioga Downs for a fire related situation as most calls are EMS related.

The Chief said he is responsible for all fire inspections and approvals, but they take up a minimal amount of his work schedule currently. Nichols Fire Department does receive an annual budget from the Bureau of Fire for Tioga County of approximately \$140,000 to cover fuel, supplies and maintenance.

### **Impact of an expanded casino**

The most pressing concern according to the Chief is the construction of a 5-story hotel. He said the current ladder truck they have is not sufficient should they have a fire emergency in a taller building. There have been talks with Tioga Downs about assisting with funding a new ladder truck. While discussions have been held and Tioga voiced their interest in helping support the purchase, no formal agreement exists.

According to the Fire Chief, if Tioga builds out its casino and hotel there would be an increase in the need for inspections. However, the Chief said he would likely have the assistance of the retired former fire chief to make sure they were completed as needed and does not see a need for additional manpower. He said the department may have a need for more human resources once an expansion opens, but since it is a volunteer operation there would be no financial costs associated with it and he will be at the mercy of the willingness of people in the community to serve.

### **Financial Impact**

A new ladder truck sufficient to handle the proposed five story hotel will cost approximately \$1 million and would be expected to have a useful life of anywhere from 10 to 20 years. At present there is no agreement between Tioga Downs and Nichols FD to fund this purchase, although the Chief said the need and cost has been discussed with Tioga Downs. Tioga Downs did acknowledge the discussion but said at this point no





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commitment or agreement has been made. We have included the full annual cost based on a 15-year life as an impact from the hotel, but consider it the highest cost impact possible. Used ladder trucks are often available for significantly less than the \$1 million price of a new truck with the same considerations about useful life. The actual impact will depend on what options can be found in the marketplace closer to the opening of the hotel.

The budget for Fire and EMS is likely to be increased due to higher traffic counts driving more services calls. The Chief said he expects this increase to be in the neighborhood of \$20,000 from its current level of \$140,000.

**Figure 2: Potential Financial Impacts on Nichols FD**

<b>Impacts</b>	<b>Annual Cost</b>
New Ladder Truck for 5-Story Hotel	\$ 66,667
Budget Increase to handle expected higher call volume	20,000
<b>Total</b>	<b>\$ 86,667</b>

Source: Union Gaming Analytics



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## **Schools – Tioga CSD**

The location for Tioga Downs is within the Tioga Central School District (Tioga CSD). Tioga CSD operates three schools, all located in Tioga Center, NY.

### **Tioga CSD School Stats**

Tioga CSD currently has approximately 1,000 students enrolled, compared to 2005 when Tioga CSD had 1,165 students enrolled. The school district has seen an even greater percentage reduction in the student count over the last decade than the local population decline. According to the Superintendent this is a function of the district seeing many younger residents leave the area due to a lack of economic opportunities.

### **Department Impact since 2006**

Total enrollment showed a small decline in 2006, down 10 students and in 2007 enrollment was flat, so the opening of Tioga Downs and its approximately 400 employees had no visible impact on school enrollment. The Superintendent said after 2008 enrollment has dropped as a result of the poor economy forcing people to leave the area to search for employment and then the 2011 Flood accelerated the decline as some residents lost their homes and decided to move out. The District closed an elementary school in 2011 due declining enrollment.

### **Current Situation**

The Superintendent said it appears the enrollment has stabilized in the last 12-18 months, aided somewhat by the increase in jobs related to oil fracking operations in northern Pennsylvania. He said the economy seems more balanced now, albeit at lower levels and feels that beyond the potential jobs and activity the expanded casino would bring, Tioga Downs would also spur more economic growth which is crucial to reverse the tide of declining population and school enrollment.

The Superintendent also mentioned the support the school and the community receive from Tioga Downs, especially charitable organizations, which on occasion partner with the schools, the teachers and parents of the District's students.

Current year expenditures per pupil are \$7,611 and \$15,812 if they are part of the Special Education program (about 10% of the student population). State funding comprises approximately 74% of the District's funding so the impact of an incremental student in the District is greatly reduced unless the student is coming from another state. In addition, local property tax levies cover approximately 17% of the expenditure budget. Levies will be collected from a new family either from direct property taxes paid or from property taxes paid by a landlord if they were to rent.

### **Financial Impact of Tioga Down Expansion**

Even with a larger workforce, we believe additional enrollment will be minimal. With only 9% of the expected incremental workforce being salaried, we anticipate none of the hourly workers to be hired from outside the local region. Over time it is possible some employees at Tioga Downs may relocate into housing within the Tioga CSD, but this impact should be fairly minimal and likely result when another family has decided to leave the area.

Due to Tioga Downs already completing agreements with local unions and trades for all projects related to the casino expansion and hotel construction, we anticipate construction workers and managers will be sourced



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from the local region with any resources needed from outside the region to be brought in on just a temporary basis. Therefore we anticipate the construction phase of the project will lead to no new enrollments in Tioga CSD.

For the operation of the expanded casino and hotel, we project 20 workers (~3% of the total new hires) will be sourced from outside the local area and assume half, or 10 new workers, will relocate into Tioga CSD with the balance moving into areas served by other school districts. Of the 10 new workers in Tioga CSD, we assume 8 will come from other parts of New York and 2 will come from another state. We assume each new worker will add 1.5 children to the enrollment in Tioga CSD, or approximately 15 net additions, only 3 of which will be transferring from schools outside of New York and therefore minimize the impact on State aid to education.

The costs under our projected scenario are detailed below (Figure 3)

**Figure 3: Financial Impact on Tioga Central School District**

	NY	Non-NY	Per Pupil	Total Cost
Outside of region hires by state	8	2		
Total Children enrolled (1.5 per employee)	12	3		
Regular Student	10	3	\$ 7,611	\$ 98,943
Special Education Student	2		\$ 15,812	\$ 31,624
Recovery: State Aid for students - 74%				\$ (96,620)
Cost Recovered by Local Levy - 17%				\$ (22,196)
<b>Net Cost to Tioga CSD</b>				<b>\$ 11,751</b>
<b>Additional Cost to New York State - Aid for currently out of state students</b>				<b>\$ 16,896</b>

Source: Union Gaming Analytics



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## **Housing Market**

### **Housing Stats**

Tioga County has approximately 24,000 housing units, with over 75% of them owner-occupied. While the number does fluctuate, it is believed that close to 1,000 homes are vacant. At least half of these homes are not currently suitable for living, mostly due to the effects of the 2011 Flood. While many in the community have applied for aid and grants to rehab their homes, hundreds of people have left the County walking away from homes deemed not worth saving due to the level of damage caused by flooding and the older age of many homes.

The efforts to provide Section 8 housing and to assist homeowners with getting repairs done after the Flood falls onto Tioga Opportunities, Inc. (TOI), a non-profit organization which handles many public assistance services to the community.

### **Housing Impact since 2006**

The Director of TOI's housing services department said the housing market did not see any impact from the opening of Tioga Downs in 2006. He said the opening seemed to be filled mostly with people from the local area and there was no apparent influx of new people for the jobs. What has impacted the area significantly was the 2011 Flood and the beginning of fracking operations in nearby parts of Pennsylvania.

### **Current Situation**

The local market seems to have stabilized after a number of recent population shocks. The first came from the Flood, then the impact from the initial stages of fracking work done in northern Pennsylvania, with numerous sites being operated within a short drive of Tioga County. The initial influx of people was much greater than the region's housing market could handle and many residents rented out rooms in their homes or turned their homes into dorm-style living for a few months until the projects were up and running. The impacts of both shocks were illustrative to TOI as it gave them a sense of how little "slack" there is in the generally stable housing market in Tioga County. The County has seen very few new homes built in the last decade.

TOI believes many homes in the county are in poor repair and well past their useful lives without significant remodeling. This factor is most noticed in the town of Owego. All parts of the central Owego village were inundated during the 2011 Flood and close to 200 homes still stand abandoned. Most of the homes are from the 1920s to 1940s and functionally would be difficult to update. There are even older homes in Owego, but they are historic mansions, have sufficient value, and have undergone restoration and repair after flooding.

### **Impact of an expanded casino**

An influx of 60 families, about 10% of the expected level of hiring for a Tioga Downs expansion, would probably not be able to be absorbed in Tioga County alone. TOI believes no more than 20-30 families could find suitable housing in the area, but contributing to the lack of housing is the rural setting of the area in which Tioga Downs is located. Multi-family housing and housing with more amenities nearby is found more in Elmira and Binghamton, both about 30-35 minutes away.

### **Financial Impact**

The belief of TOI is that there is always the potential need for more services to assist the working poor, but the needs will probably not impact their housing services. They currently have capacity to grant additional Section



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8 vouchers, but the Federal Government's budget sequestration currently blocks adding new families to the program. Furthermore almost all of the programs administered by TOI are federally funded with just small state block grants which are unlikely to be affected by an expanded Tioga Downs.

The Director stated he thinks the housing market in general should be able to absorb any potential increase of new families from outside of the area working at Tioga Downs because he believes many new residents would choose to live outside of Tioga County and commute in. He believes the rural nature of the area and the lack of newer build housing units already drives potential area residents into Elmira and Binghamton, including many who left after the 2011 Flood.



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## **Law Enforcement - Tioga County Sheriff**

The Tioga County Sheriff's office provides the majority of the policing services in the county and handles all service calls from Tioga Downs. Security at Tioga Downs is mostly provided by casino employed security staff and the Sheriff's office is called only for a handful of legal matters.

### **Impact since 2006**

The Undersheriff said when Tioga Downs opened in 2006 there was very minimal impact on their resources. When the racino opened the State Police had a unit which handled all police matters on site. When budget cuts were instituted in New York in 2009, local police organizations were forced to take over the duties. However, even after they assumed the duties, there were no strains placed on the Sheriff's office and there was no need for additional resources. The need for more visits began in 2010 when Tioga Downs started to hold and aggressively promote a number of live entertainers and other events to draw in larger crowds.

### **Current Situation**

At Tioga Downs' request, the Sheriff's office provides on-duty officers to assist with big events held at Tioga Downs. This assistance is charged at an agreed upon rate by the Sheriff to reimburse the county for the effective cost of the man hours provider. During 2013, this service was provided on 10 days and mostly consisted of two officers.

According to the Undersheriff, the majority of calls to Tioga Downs are administrative in nature. Most are to pick up found money and/or betting credits, or to assist someone who lost a personal item. Rarely are the calls for a felony act or even a dispute. He counted 78 official service calls to Tioga Downs over the previous 18 months and said 5-10 calls a month is very typical of the demands placed on his office and they are usually quick calls resolved in less than an hour.

The Undersheriff stated his office and Tioga Downs have a very good working relationship. The head of security for Tioga Downs is a former state trooper who he feels has a very strong understanding of what the Sheriff's office should be involved in and what needs to be handled on site by his security team.

### **Impact of an expanded casino**

The Sheriff's department believes an increase in visitation and scope of the project should easily be handled by the current level of resources they have. They are intimately aware of the additional scope being contemplated in the expansion and feel it should be similar in policing needs, just at a slightly elevated level during peak spring and summer periods. They believe it is large events which increase their demands, but they get reimbursed for services provided during the events.

### **Financial Impact**

If there is an additional need for resources from a Tioga Downs expansion the Sheriff's office expects the costs and impacts will be borne by Tioga Downs due to their existing agreements to charge them for the time of having uniformed officers on site. Otherwise the Sheriff's office believes Tioga Downs will take all steps necessary to handle the increased visitor volume through more internal security hires and will not place additional burdens on the Sheriff or any law enforcement organization in the State.



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## **Tioga County Social Services**

Tioga County Social Services includes oversight of numerous government aid programs to residents of Tioga County. This includes all cash assistance programs, food stamps, Medicaid, and other forms of temporary assistance. Social Services believes they should have visibility into almost all social ills which may be occurring in the county.

### **Impact since 2006**

The Commissioner of Social Services said since Tioga Downs has opened his departments did not see any evidence of negative impacts from the presence of Tioga Downs. He said the presence of Tioga Downs and the jobs they have created has led to employment for many aid recipients and can reduce the amount of assistance they have to provide to those able to secure employment. He mentioned he cannot remember someone coming into their system who had said they lost all their money gambling at Tioga Downs, but did say if people went into addiction or problem gambling treatment they may not enter into Social Services programs.

### **Current Situation**

Currently there are about 200 adults on cash assistance in Tioga County, 70-80 of which are likely fit to work with the rest being disabled or with issues which prevent them from working. Social Services only oversees those who are eligible and have a need for assistance. For many of the unemployed there is no need to interact with Social Services because unemployment insurance is handled by the State.

Those who do receive cash benefits generally get about \$150 per person in a family, with the eligibility determined by family size and income earned. The average monthly grant is about \$580 per family.

### **Impact of an expanded casino**

According to the Commissioner, an expanded casino would be a significant net provider of jobs and lead to the County being able to take people off the support rolls. He did say some who receive smaller levels of benefits from Social Services are working, but not earning a sufficient level of income to leave cash or other assistance programs depend on the size of their household. With Tioga Downs' commitment to paying a minimum of \$10.10 per hour for all employees it is less likely Tioga Downs employees will have a need for assistance from Social Services.

### **Financial Impact**

Despite the possibility that the lowest paid new employees at Tioga Downs may potentially be eligible for additional aid from Social Services, the Commissioner believes with certainty his department and the funds they provide will not be negatively impacted. He expects a large portion of those who could work and are receiving cash aid would be candidates for work at the expanded Tioga Downs because of the variety of job opportunities it will offer which mostly are not available today. He also expects the availability of jobs there and indirectly in other businesses in Tioga County will bring fewer people in for services so his organization will not need any additional resources to handle an expanded operation.



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## **Tioga County Mental Hygiene and Addiction Services**

Tioga County Social Services' Mental Hygiene Department includes oversight of public psychiatric services for residents of Tioga County. This includes all treatment for gambling addiction and counseling for potential problem gamblers. The Department also works with the Tioga County Council on Alcohol Addiction and Substance Abuse (TCCASA) to help educate the community on the risks of gambling problems.

### **Impact since 2006**

The Director stated since Tioga Downs has opened she has seen few cases of gambling addiction problems from the presence of Tioga Downs. During the nearly 8 years of operation, she believed the total cases of problem gambling her Department has handled is less than 20. She believes there is a higher incidence rate of problem gambling in the County where people are not utilizing her Department's services.

The Department was prepared for a much higher case load after the opening of Tioga Downs and had been granted some additional funding to handle expected incoming cases, but for the most part they did not materialize at the level the Department had expected. Of the patients they have treated, in almost every case the patient had visited Tioga Downs. However, the Director would not characterize that problem gambling alone comes from the presence of Tioga Downs as the patients indicated they participated in multiple forms of gambling.

### **Current Situation**

At the moment there are no cases of problem gambling being handled by the Department of Mental Hygiene. There is no dedicated staff for problem gambling so if patients enter for treatment resources are shifted to make sure care is received. The Department budget doesn't specifically have an amount set aside to treat problem gambling, but if cases continue to come in at 2-3 per year they have sufficient resources to handle the case load.

Department funding mostly comes from the State, but the financial impact varies on a case by case basis. The program may receive partial or full reimbursement from the patient's health insurance. The patient is also held responsible for some of the costs, provided they have financial resources. The Director did mention when people come for care they usually have lost most of their resources to gambling, so recovery of expenditures depends mostly on the patient's insurance.

### **Impact of an expanded casino**

According to the Director, an expanded casino may increase problem gambling due to the presence of table games, but she is uncertain if the new forms of gambling offered will lead to an increase. She said at this time they are not requesting any additional budget from the State or County, but will do so if they do see an increased case load from problem gambling.

### **Financial Impact**

While there is uncertainty of what the impact might be, for the time being no impacts to the Department of Mental Hygiene and other publicly funded programs to treat and prevent problem gambling are expected. The Director stands ready to request additional funding and resources if needed, but based on the needs seen since the opening of Tioga Downs in 2006, the current funding and scope of programs offered are sufficient.





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## **Tioga County Public Health Department**

Responsible for food safety, drinking water safety and safety permits of public buildings.

### **Impact since 2006**

The Department had an immediate impact on Tioga Downs opening due to water quality issues they identified. The Department said Tioga Downs was very cooperative and built a new water system to meet required standards before opening its operation. Since then, Tioga Downs has posed no significant burden on resources. Over the years the Department has not had to add staff even as Tioga Downs ramped up in size and the number of events they have offered. During the eight years of operation there have been no flagrant issues, only minor food issues which are fairly common with restaurants. The Department mentioned Tioga Downs has always been very responsive in clearing up issues quickly and feel they have an excellent working relationship.

### **Current Situation**

The Department currently has fairly minimal involvement at Tioga Downs, mostly consisting of regular food safety inspections. In a time where they are not adding any new features they pose a minimal draw on resources, as Tioga Downs is not the largest facility they oversee in Tioga County. The Department's biggest concern is during the busy summer season when crowds are larger and events are held with significant amounts of food sold away from the usual restaurant setting.

### **Impact of an expanded casino**

Based on the current expansion plans for Tioga Downs, the Department will oversee a greater number of kitchens in the expansion and will also oversee pool quality and safety issues. The addition of the pool and waterslide will be a significant change, but they expect no resource issues to materialize with no expectation of needing to have staff on overtime or a need to hire independent experts

### **Financial Impact**

Expecting no impact, essentially once all aspects of the project are approved they will consist of maintaining oversight of the restaurants. The new areas they will have to oversee include food preparation for room service in the hotel and catering in the events center, neither of which they expect will require more than an occasional visit. They will also keep watch over the quality of the water in the pool seasonally with the help of Tioga Downs providing a daily report on chemical levels of the pool water. They will also inspect annually before pool season begins to check all systems are in good order.



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## Conclusion

Our analysis found very minimal impacts are likely to all the potentially impacted public services in Tioga County. What we mostly found were fairly positive responses detailing how Tioga Downs is a good neighbor to the community and how since the day the facility opened most of the services have seen little in the way of resource strains.

The one large expense identified is an additional fire ladder truck which may be partially or fully funded by Tioga Downs should they expand their facility. Beyond the fire truck need, the Nichols Fire Department may be the most impacted organization as a function of the small community of approximately 2,500 people they serve compared to the visitor volume Tioga Downs generates today and what is projected should the casino be expanded and the hotel and non-gaming amenities be added. The impact on the organization is further made unclear due to its volunteer status as it may not be easy to expand service levels, but the Fire Chief seems very confident his crews are up to the task.

The impact on schools is in a way theoretical. It is difficult to determine if a student coming into a school district is indeed a cost when the enrollment has been declining for a number of years. An addition of students may just keep the status quo in place and not cause any real impact. Further, expenditures per pupil, which we used to put a cost on the additional students, are a function of how much money is spent in the district and the presence of an additional child in a school does not necessarily drive additional costs.

The other services we spoke with don't seem to be concerned about the potential expansion and the increased visitor volume it may bring. Each mentioned they have sufficient experience dealing with Tioga Downs to comfortably say they can handle any situation which may arise. They also believe if unexpected impacts do arise in the coming years, they can make a sufficient case to be allocated sufficient resources from their existing funding sources and from partnering with Tioga Downs where possible.

In summary, we find the potential financial impact on the town of Nichols, Tioga County and the State of New York to be \$115,314 (Figure 4). The largest item, a new ladder truck, might have less costly alternatives as well lowering the financial impact. We also note the expectation of \$3.2 million in annual funding from gaming taxes for the Town of Nichols which should more than offset all anticipated impacts caused by an expanded Tioga Downs.

**Figure 4: Total Financial Impact**

<b>Impact Summary</b>	
Anticipated Annual Revenues to Town of Nichols	\$ 3,202,500
Anticipated Annual Revenues to Tioga County	\$ 3,202,500
<b>Potential Annual Impact Costs</b>	
New Ladder Truck for 5-story hotel	\$ 66,667
Anticipated Fire Dept Budget Increase	20,000
Expenditures for Incremental Students - Tioga CSD	11,751
Expenditures for Incremental Students - New York State	16,896
<b>Potential Incremental Costs to Community, County and State</b>	<b>\$ 115,314</b>

Source: Union Gaming Analytics