

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).

Community Impacts

Spectrum Gaming Group has had substantial experience in working with communities implementing casino gambling. Generally speaking, a primary purpose of introducing casino gambling to a new venue is to spur economic development and job creation as well as to generate additional tax revenues. Successful economic development creates conditions that increase profits and employment demands for existing businesses and encourages other businesses to also locate there. The benefits often extend beyond the host community, as do some of the costs.

The success of casino gambling in a community is maximized to the extent that costs are minimized. For this to occur, broad, substantive community participation in the planning process is essential. Our experience at Spectrum Gaming has taught us that a casino can be successfully integrated into a community with little or no disruption or adverse impact on public services when certain conditions are present. The conditions that are most essential include political stability regarding gaming policy, economic and social stability, a history of sound land use practices and policies, realistic community expectations regarding what a casino can and cannot do, and most important, right sizing a casino appropriately to the scale, character and needs of the host community. By these criteria, a casino in East Greenbush appears to be good fit.

Social and Economic Overview

The town of East Greenbush with a population of 16,473 residents is located in Rensselaer County in the capital region of New York State. It is part of the Albany-Schenectady-Troy, NY Metropolitan Statistical Area (MSA). Demographically, compared to nearby Albany County, Rensselaer County is rather homogenous: 88.1% white, 7% African American, 2.4% Asian and 4.1% Hispanic.¹ Albany is 57% white, 30.8% African American, 5% Asian and 8.6% Hispanic.² The town is considered to be a suburban and rural bedroom community. Its close proximity to the state capital, growing high tech industries, and several prestigious educational institutions make it an attractive place to reside. The dominance of public sector employment in the region also helps the area to weather economic downturns. Relatively easy access to major highways and public transportation such as Amtrak rail service are additional inducements to living there. Like similar communities in the Capital District, it has had to cope with development pressures.

¹ United States Census Bureau, <http://quickfacts.census.gov/qfd/states/36/36083.html>. Accessed May 8, 2014.

² United States Census Bureau, <http://quickfacts.census.gov/qfd/states/36/3601000.html>. Accessed May 8, 2014.

East Greenbush benefits from its location in New York's Capital Region. The capital region is considered the second most affluent region in New York State outside of the New York City Metropolitan area.³ Median household income, approximately \$57,000 in 2009, was slightly above both the national and state medians. However, there are notable variations within the region. In Saratoga County, household income is markedly above average. In rural Schoharie County it is below average. Educational attainment is also well above average with 33% percent of adults having a college degree, greater than both the state and national averages. The median home price was \$194,000 in 2009 and ranged from ranging from \$151,000 in Schoharie County to \$223,000 in Saratoga.⁴

Employment

The proposed East Greenbush casino is projected to create approximately 1,700 construction jobs as well as 1,700 permanent jobs with good salaries and benefits.⁵ In terms of unemployment, as of March 2014, the Albany-Schenectady-Troy MSA at 5.9 percent is doing better than the state, 7.3 percent, and the national average, 6.8 percent.⁶ According to the New York Department of Labor, the March 2014 unemployment rate is the lowest since 2008 when it stood at 5.0 percent. Furthermore, it appears that the regional labor force is shrinking. The number of individuals working or actively seeking work was at its lowest since 2001. Just 439,900 people were in the labor force, down from 444,900 in the previous year. The labor force for March 2001 was 433,900. Economists attribute this contraction to the aging of the baby boom generation and their movement to retirement.⁷

Jeffrey Stark, President of the Greater Capital Region Building and Construction Trades Council, stated that the employment situation for his 22,000 members is very positive at the present time with most of his 17 member trades averaging around 90% employment.⁸ Maintaining a stable wage rate for his members is an important priority. He attributed the strong local economy to the region's technology sector. The Council actively supported

³ Federal Reserve Bank of New York, <http://www.newyorkfed.org/data-and-statistics/regional-data-center/profiles/albany.html>. Accessed May 8, 2014.

⁴ Ibid.

⁵ Caitlin Morris, "Details of racino's East Greenbush gaming proposal released," *Saratogian*, April 22, 2014; <http://www.saratogian.com/general-news/20140422/details-of-racinos-east-greenbush-gaming-proposal-released>

⁶ New York Department of Labor, <https://labor.ny.gov/stats/cap/index.shtm>. Accessed May 8, 2014

⁷ Eric Anderson, "Capital Region unemployment rate down as labor force shrinks," *timesunion.com*, April 22, 2014. <http://www.timesunion.com/business/article/Capital-Region-unemployment-rate-down-as-labor-5422357.php> Accessed May 8, 2014.

⁸ Spectrum Gaming Interview, Albany New York, April 25, 2014.

Proposal #1, which authorized new commercial casinos in the state and pushed for inclusion of language that more require casino developers to have project labor agreements. He considers East Greenbush as a possible casino location to be viable.

In 2010, *Forbes Magazine* ranked the Capital Region ninth as one of America's "Best Places to Raise a Family."⁹ The factors that Forbes considered in making this determination included cost of living, crime, household income, education and cost of living. In 2012 Forbes ranked the capital region fourth as one of the "Best Cities for Jobs." In doing so Forbes analyzed a variety of different data including household income, unemployment and projected job growth.¹⁰ Similarly, *Inc. Magazine* cited the region as one of the "Top 25 Cities for Doing Business in America."¹¹ Such positive rankings in major business media are a testament to the overall political, economic and social stability of the region.

In order to determine how an East Greenbush casino would impact local government services, Spectrum Gaming Group met with several elected officials and their staffs to discuss concerns they may have. These included Keith Langley, Town Supervisor, Town of East Greenbush, Kathleen M. Jimino, Rensselaer County Executive, and Daniel McCoy, Albany County Executive.

As the host community for a new casino, East Greenbush would be most directly and immediately impacted. The 100,000-square-foot development, estimated to cost \$300 million, casino would be located along Route 4 between exits 8 and 9 of Interstate 90. It is slated to consist of a 300 room resort style hotel, high end dining options, and entertainment areas with a night club, sports bar and show room.¹²

Township Supervisor Keith Langley feels confident that East Greenbush could handle any additional development related challenges a casino would impose.¹³ A majority of Rensselaer County and East Greenbush voters supported the casino referendum in November 2013. Given the inevitability of a casino in the capital region, he and others believed that the town should be opened to the possibility of hosting one. The Town Board unanimously passed Resolution 65-2014, "A Resolution In Support of Proposals for Casino Sites within the Town of

⁹ Forbes, "In Pictures: America's Best Places To Raise A Family," June 7, 2010. http://www.forbes.com/2010/06/04/best-places-family-lifestyle-real-estate-cities-kids_slide_3.html. Accessed May 8, 2014.

¹⁰ Forbes, "Washington, Des Moines Best Cities for Jobs," February 27, 2012. <http://www.forbes.com/sites/danielfisher/2012/02/27/washington-des-moines-best-cities-for-jobs/> Accessed May 8, 2014.

¹¹ Joel Klotkin, "Top 25 Cities for Doing Business in America," *Inc. Magazine*, March 1, 2004. <http://www.inc.com/magazine/20040301/top25.html> Accessed May 8, 2014.

¹² *Ibid.* Caitlin Morris, "Details of racino's East Greenbush gaming proposal released."

¹³ Spectrum Gaming Group Interview, East Greenbush Town Hall, April 23, 2014.

East Greenbush,” by a vote of 5-0. The resolution specifically recognized that “host fees from a casino would be of significant benefit to the residents and taxpayers of the town, especially given the fiscal conditions the town is now facing.” In a 2005 survey conducted as part of the masterplan process, town residents cited “Maintaining low taxes” as the top priority and challenge facing East Greenbush.¹⁴ On June 12, 2014 the East Greenbush Town Board again voted unanimously to support the Saratoga Casino and Raceway and Churchill Downs Casino Project. The second vote was necessary since the state Gaming Commission changed its rules requiring a specific site be identified in the resolution.¹⁵

The Rensselaer County Legislature also expressed strong support for a casino, voting 16-2 in favor.¹⁶

Langley noted that the town is experiencing slow, steady growth and that the outlook for the town, even without a casino, is good. However, he also stated that casino revenues would be a help to East Greenbush. It is estimated the casino will generate \$35.5 million annually for the Capital Region and \$11.4 million annually for East Greenbush and Rensselaer County.¹⁷ It would better position the town to reduce debt, hold down taxes and ensure the adequate provision of essential public services upon which residents have come to rely. For 2014, the town’s annual budget, including special districts, is \$21,367,098.97.¹⁸ Although the revenues would be a positive, Langley also recognizes the need to safeguard the community’s character and quality of life.¹⁹

A strong majority of town residents consider the conservation of East Greenbush’s natural, scenic resources and historic places and buildings “very important.”²⁰ Opponents of the casino have made the impact on the town’s quality of life one of their key rallying points.²¹

¹⁴ Erdman Anthony, Inc. and Behan Planning Associates, LLC, “Town of East Greenbush: Land Use Update and Zoning Study,” August 2006. Appendix. Community Survey 2005; <http://eastgreenbush.org/>

¹⁵ Michael DiMasi, “Casino developers win crucial victory in East Greenbush, New York,” *Albany Business Review*, June 12, 2014. http://www.bizjournals.com/albany/news/2014/06/12/casino-developers-win-crucial-victory-in-east.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+industry_5+%28Industry+Energy+%26+the+Environment%29&page=2

¹⁶ Kenneth C. Crowe II, “Rensselaer County Legislature supports casino in county,” *timesunion.com*, January 16, 2014. <http://www.timesunion.com/local/article/Rensselaer-County-Legislature-supports-casino-in-5141023.php>.

¹⁷ Ibid. Caitlin Morris, “Details of racino’s East Greenbush gaming proposal released.”

¹⁸ <http://eastgreenbush.org/departments/comptroller> Accessed May 9, 2014.

¹⁹ Keith A. Langley, Town Supervisor, “Supervisor’s Report Through April 25, 2014,” <http://eastgreenbush.org/> Accessed May 9, 2014.

²⁰ Ibid. Erdman Anthony, Inc. and Behan Planning Associates, LLC, “Town of East Greenbush: Land Use Update and Zoning Study,” Appendix. Community Survey 2005.

²¹ Kenneth C. Crowe II, “Casino foes fear loss of town’s character,” *timesunion.com*, May 7, 2014; <http://www.timesunion.com/local/article/Casino-foes-fear-loss-of-town-s-character-5461650.php>

While the town has had experience with large retail developments, the proposed \$300 million casino would be a larger project than the town has seen but not beyond its capabilities. The specific concerns the mayor cited regarding the proposed casino were of the type that would be associated with any large development project. They relate to transportation infrastructure, water and sewer capacity, law enforcement but adverse social impacts such as problem gambling would be unique to a casino. He believes that the local school system is well positioned to handle any increase in enrollment. Land use review as it would relate to the proposed casino would be handled by state government.

Infrastructure

East Greenbush's land area is approximately 24.29 square miles. It last updated its master plan in 2006 and the document is intended to serve the community for 10 years before a new update might be required.²² The plan is intended to be used as a basis for town land use decision making.

At the time when the master plan was being updated, residents cited traffic as the top feature they disliked about the town's growth and development patterns.²³ The construction of I-90 transformed the town by shifting land use trends and the opening of Exit 9 created a direct connection with the town's central business district.²⁴ The major through roads that serve the town include Route 9 and 20, Route 4, Route 151, Route 9 and Route 43 (Third Avenue Extension). Routes 4 and 151 increased in importance as a major corridor due in large part to the town's rise as an important regional residential and employment locale.²⁵

According to the master plan, commercial growth along Route 4, especially where it borders with North Greenbush, has been vibrant. The same is true in the vicinity of Exit 9 and the intersection of Route 4 and Route 151. This growth has been fed by large scale "big box" retail developments such as Wal-Mart, Target and Home Depot as well as a mix of shopping centers, restaurants and hotels.

In 2006 the town, in cooperation with the Capital District Transportation Committee, (CDTC) the federally designated metropolitan planning organization (MPO) for the Albany-Schenectady- Troy metropolitan area, undertook an intensive study of Route 4. A major goal of the study was to support the town's vision to have Route 4 serve as an integrated transportation corridor with a commercial avenue in the north and a neighbor avenue in the

²² Ibid.

²³ Ibid.

²⁴ Ibid. p. 9.

²⁵ Ibid. pp 9 -10.

south and a transition zone at the Crouse Corners gateway area.²⁶ The town formally adopted CDTC's Route 4 study on January 10, 2007.

By all indications local government is familiar with the condition and capacity of their roadway infrastructure. The Route 4 corridor near where the proposed casino would be located has been adequately studied and a plan exists to guide its development. The town works closely with the CDTC and this helps to ensure that regional transportation concerns are considered. It will be critical that township officials and professional staff work closely with the developers of a casino to ensure that its transportation plan does not adversely impact local roads and neighborhoods.

Public Safety

Spectrum Gaming Group met with Detective Sergeant Matthew L. Breig and Police Officer Jim Condo of the East Greenbush Police Department on April 22, 2014. The officers provided an overview of the Department and a preliminary assessment of how they perceived a casino would impact their operations.

The department employs 24 police officers and 7 support professionals and provides round the clock protection. The department's vehicular fleet includes two and four wheel drive cruisers and special purpose vehicles. Detectives are assisted by forensic evidence technicians when investigating crime scenes who greatly assist with investigations and the apprehension of suspects. The Department also deploys a School Resource Officer assigned full time full-time to school buildings to interact positively with students, teachers and administrators. The department's Emergency Response Team trains regularly in order to ensure an optimal response to special enforcement situations.²⁷ The department has good mutual aid arrangement with neighboring communities. The department appears to be a progressive, professional and competently operated organization.

Det. Breig and Officer Condo expect that a casino will bring an increase in the types of crimes that are normally associated with an increase in visitors. They felt "one hundred percent positive" about a new casino although they expressed some concern about additional costs. The department has a very active DWI enforcement program. They respond to just fewer than 3,000 calls a month and make less than 30 arrests. Summer is their peak season. The bulk of their calls come from the Hampton Manor and Prospect Heights section of town. They noted

²⁶ Capital District Transportation Committee with Anthony Erdman and Behan Planning Associates, LLC., "Route 4 Transportation Study Town of East Greenbush, New York," 2006, p. 6. <http://www.cdtcmpto.org/linkage/ny4cor.pdf> (accessed May 9, 2014)

²⁷ East Greenbush Police Department; <http://www.egpolice.com/aboutus.cfm> (accessed May 9, 2014)

that, as in many communities, there is a growing problem with heroin. They believe that the better employment opportunities a casino might bring would help reduce crime.

A positive and cooperative relationship between the local police department and the casino will be vital in terms of minimizing any adverse impacts and costs to the community. This relationship should be worked out early in the development process and include areas such as communications compatibility, event coordination, remote access to certain casino surveillance equipment, cooperative training programs and emergency management response procedures, and support facilities such as holding cells.

In April 2014, the County Executive of Orange County New York, Steven M. Neuhaus, formed a *Task Force on Gaming and Economic Development* to study the potential impacts of a local casino on areas such as emergency services and transportation infrastructure capacity.²⁸ The findings of this study would be applicable to East Greenbush.

The Task Force contacted emergency service agencies in several comparable communities to determine what impact a casino may have had on Orange County communities. In general, they concluded that in terms of crime rates, medical calls, fire related incidents and emergency management, casinos would have a “minimal impact.”²⁹ The only exception was traffic congestion, an area where other casino communities reported a significant increase in the number of vehicle related emergency calls. The Task Force recommended that should a casino site be selected, a comprehensive traffic impact study be performed.³⁰

²⁸ Ibid.

²⁹ Orange County Department of Emergency Services Walter C. Koury, Commissioner, “Impact of Casinos on the Emergency Services of Orange County, New York,” April 2014, p. 1.

³⁰ Ibid.

Specific findings of the Task Force on impacts in other categories are as follows:

- **Crime:** Fears that a casino would cause an increase in crimes such as alcohol related traffic incidents, disorderly conduct arrests, murder, rape robbery, assault, burglary and theft appear to be largely unfounded based on interviews with law enforcement officials in other communities. Crime in low income areas remained static.³¹
- **Fire Services:** Initially an increase was experienced but the number of calls reduced overtime as operations at the casino matured. The impact on volunteer fire departments may need to be considered. Additional training may be needed since casinos may have specialized fire suppression systems. Some additional staffing, depending on the location, and specialized equipment such as high ladder trucks, may be needed.³²
- **Emergency Medical Services:** Minimal impact can be expected. Depending on the casino's location and the local traffic levels, additional resources may be needed to ensure a timely response.³³
- **Emergency Communications:** The Task Force recommends that "Bi-Directional Amplifiers" be installed in all casino buildings to improve both cellular and radio communications for first responders.³⁴
- **Emergency Management:** Minimal impact is expected.³⁵

County Government

Spectrum Gaming Group met with the County Executives of Albany and Rensselaer Counties to determine their concerns regarding an East Greenburg casino. Rensselaer County was the only county in the Capital Region that supported an expansion of casino gambling. In Saratoga, Schenectady and Albany counties majorities of voters opposed the constitutional amendment.

Rensselaer County Executive Kathleen Jimino stated that voter support for a constitutional amendment allowing casinos, along with the support of the Rensselaer Common Council, Rensselaer County Legislature and East Greenbush Town Board, reflect strong public

³¹ Ibid. p. 4.

³² Ibid. pp. 5-6.

³³ Ibid. p. 6.

³⁴ Ibid. p. 6.

³⁵ Ibid. p. 7.

sector support for a local casino.³⁶ According to Jimino, the potential for job creation and property tax relief make it incumbent on Rensselaer County to consider casino proposals and work to ensure that they have an overall positive impact. Going forward, public participation by various citizen and community groups throughout the development process will be critical to a successful outcome. Although she believes that a local casino would have an overall positive impact, she cited the need for the county to be actively engaged in assessing how it might also impact traffic, property taxes and problem gambling. Property tax relief would be a priority for any new casino revenues that the town would receive and they would like to see those revenues up front.

Rensselaer County is financially sound. According to Jimino, the county has experienced steady growth and has not experienced any decline in its tax ratable base. Recently Standard and Poor's raised the county's bond to "AA." which indicates very strong capacity to meet financial commitments. The rating agency also cited the County's strong budgetary performance general fund surplus.³⁷

Albany County

Albany County Executive Daniel McCoy actively supported Proposal 1, which authorized new casinos in New York. McCoy said the additional revenues would help the counties and maintain their budget levels within state property tax cap parameters.³⁸ However, during an interview with Spectrum Gaming Group, McCoy stated that he would remain neutral regarding a local casino until the Albany Common Council to weigh in.³⁹ He stated that casino gambling is "new territory" for Albany County and he would like to proceed cautiously.

With any casino project, McCoy would like to see local residents who are unemployed or underemployed be given first priority for hiring. His biggest concern was that a casino's showroom and entertainment policy could adversely affect the performing arts and entertainment establishment in Albany. A proposal for an Albany casino under review by Albany Common Council does not include an entertainment venue. This aspect of the project has been highlighted by the project's development team as an example of how their casino

³⁶ Spectrum Gaming Group interview, Rensselaer County Office Building, Troy, NY, April 23, 2014.

³⁷ Staff Report, "Rensselaer County bond rating raised to AA," *The Record*, April 25, 2014; <http://www.troyrecord.com/business/20140425/rensselaer-county-bond-rating-raised-to-aa>

³⁸ Casey Seiler, "Biz Council, local electeds boost casino expansion," *Capital Confidential*, October 10, 2013; <http://blog.timesunion.com/capitol/archives/196761/biz-council-local-electeds-boost-casino-expansion/>

³⁹ Spectrum Gaming Group Interview, Albany County Office Building, April 24, 2014.

would not compete with downtown attractions such as the Palace, Capital Repertory Co. or the Times Union Center.⁴⁰

McCoy stated unequivocally that he would like to see no showrooms in the East Greenbush Casino and that significant push back would come from this aspect of the project. Concern for the performing arts has been expressed by others in the community. They cite a provision in New York's casino gambling licensing process that was put there for their protection. It requires casino license applicants to enter into agreements with live entertainment venues that could be impacted by a casino. Such agreements must encompass issues such as cross marketing, coordinating performance schedules, booking and ticket prices.⁴¹ McCoy added that he would like to see a fund for arts organizations established.

McCoy expressed concern regarding how meeting space at the proposed East Greenbush casino might impact the planned Albany Capital Center expansion (which we address in detail in this report, noting that the casino and convention center can be mutually supportive). He feels it is important that host community fees be negotiable and stable. He is concerned that the state has not provided any funding for problem gambling.

Business Organizations

As part of its research, Spectrum Gaming Group met with the Saratoga county Chamber, Saratoga Convention and Tourism Bureau and Rensselaer County Regional Chamber of Commerce.

Saratoga County Chamber

According to its website, the Saratoga County Chamber is the largest chamber in the Capital Region. Todd L. Shimkus has served as its president for the past four years. He stated that the attitude of local residents toward a casino is mixed. He states that the previous chamber president was openly opposed to casinos and did not like what he thought casinos would bring to the downtown. He believes that the consensus among downtown restaurants and retail establishments is that gambling at the Saratoga Raceway has not hurt them, but it has not helped either.⁴² Local lodging establishments strongly feel that the casino has helped them and often run shuttles to the raceway.

⁴⁰ Michael DiMasi, "'Cabaret' inside an East Greenbush casino prompts concern," *Albany Business Review*, April 28, 2014; <http://www.bizjournals.com/albany/news/2014/04/28/cabaret-inside-an-east-greenbush-casino-prompts.html?page=all>

⁴¹ Ibid.

⁴² Spectrum Gaming Group interview, Saratoga County Chamber Offices, Saratoga Springs, NY, April 22, 2014.

Saratoga Springs is an upscale resort community that whose main market is within 300 miles. Most visitors are younger and more affluent. The community has what he describes as a “genteel, upscale appeal” and is home to 26,000 year round residents. This number increases to 75,000 during the summer months. The town does not consider itself as a family destination. Most of its visitors are couples and retirees. The average stay is three days.

Shimkus states that a lot of people like Saratoga as it is and don’t want to see it change. The downtown area has been successfully revitalized with few vacancies and numerous restaurants, retail and offices. In December, the Chamber collaborated with the Saratoga Convention and Tourism Bureau to host a “Fact Finding Forum on Casino Gaming.” Over 1,000 area residents, business leaders and elected officials attended.⁴³ Shimkus said that his board did not take a position on casino gambling and that his membership was divided. Instead the Board will focus on assessing the impacts of a casino in the Saratoga area and educate its members and community on such matters.

Saratoga Convention and Tourism Bureau

Spectrum Gaming Group met with Todd Garofano, President of the Saratoga Convention and Tourism Bureau and a 25-year veteran of the hospitality industry.⁴⁴ The goal of the Saratoga Convention and Visitor’s Bureau is to promote and increase tourism, meetings, conference and conventions in Saratoga Springs and Saratoga County. They also host special events in the off season such as Chowderfest, which broke attendance records this year. The bureau has seen steady growth in all areas. It has an operating budget of \$1.2 million and 461 members.⁴⁵ Their major market is statewide organizations and associations. His organization remained neutral and did not take a position on full casino.

Rensselaer County Regional Chamber of Commerce

Spectrum Gaming Group met with Linda Hillman, President of the Rensselaer County Regional Chamber of Commerce.⁴⁶ The interview also included members of her board. Hillman has been in her current position since July 2001. In 2006 the Chamber was named as "One of the Top Three Chambers" of its size in the nation by the American Chamber of Commerce

⁴³ “Saratoga County Chamber sends Casino forum follow-up,” *Saratogian*, March 3, 2014; <http://www.saratogian.com/20140303/saratoga-county-chamber-sends-casino-forum-follow-up>

⁴⁴ Spectrum Gaming Group interview, Saratoga Convention and Tourism Bureau, Saratoga Springs, NY, April 22, 2014.

⁴⁵ Saratoga Convention and Tourism Bureau 2013 Annual Report, http://issuu.com/saratogaconvention/docs/sctb2013annualreport_e673bf9d8a5390 (accessed May10, 2014)

⁴⁶ Spectrum Gaming Group interview, Rensselaer County Regional Chamber of Commerce Offices, Troy, NY, April 23, 2014.

Executives. It is the principal business, civic and economic development agency for the Rensselaer Gateway communities which include Rensselaer County, the cities of Cohoes and Watervliet, and the villages of Green Island and Waterford.⁴⁷

According to Hillman, the announcement of the proposed East Greenbush casino came unexpectedly and the chamber did not have time yet to adequately evaluate it. A casino is new to the area and they are not quite sure what to fully expect. At the present time, tourism and conventions are not a large segment of the local economy but have potential. The chamber's initial response is positive toward the proposed project with certain qualifications. They would like to know more about the potential impacts on the local infrastructure and how they would be paid for in the long term. They would like to see the creation of more jobs that pay above the minimum wage and include benefits. Health care is one area they felt may be impacted by the loss of low skilled workers because of casino employment opportunities.

They do not anticipate any adverse impact on housing or schools in the area. They were also concerned about the casino's potential impact on certain local businesses, such as retail establishments, restaurants and theatres. They recommended that a non-compete agreement be considered to protect these types of establishments. They did not necessarily see having two Saratoga operated casinos as a negative. Instead it might enable better partnership opportunities for local businesses.

In general, Hillman believes that the local economy is heading in the right direction. The region has successfully developed a technology sector and the county promotes itself as a technology region. The Rensselaer Technology Park⁴⁸ is a state-of-the-art facility supported by Rensselaer Polytechnic Institute, a distinguished research university. The park is home to more than 65 global and startup companies, and provides a suitable environment where high technology industries and education can interface.

Problem Gambling

Spectrum Gaming Group met with James Maney, the Executive Director of the New York Council on Problem Gambling and Michelle Hadden, Director of Government Affairs and Industry Relations, to discuss the proposed East Greenbush Casino.⁴⁹ The Council is a not-for-profit independent corporation dedicated to increasing public awareness about problem and compulsive gambling. It advocates for support services and treatment for those adversely affected by gambling activities. The Council is affiliated with the National Council on Problem

⁴⁷ Rensselaer Regional County Chamber of Commerce <http://www.renscochamber.com/about-us> (accessed May 10, 2014)

⁴⁸ Rensselaer Technology Park <http://www.rpitechpark.com/index.php>

⁴⁹ Spectrum Gaming Interview, New York Council on Problem Gambling Offices, Albany, NY April 25, 2014.

Gambling and has relationships with councils throughout the country. According to Maney, his organization stays neutral and does not take a position either for or against gambling.

Maney believes that in the coming years New York will see an increase in the number of people who are problems gamblers due to the proliferation of new gambling opportunities in New York state and elsewhere. When asked about the current prevalence rate of problem gambling in New York, he stated that no current, reliable information data exists at present. The last such study was done in 2006. In recent testimony before the New York State Gaming Commission on the issue of gambling addiction, Maney called for a comprehensive, state funded social impact study to better gauge the magnitude of the problem. Maney said such a study should include data from social services departments and homeless shelters as well as alcohol abuse and domestic violence statistics.⁵⁰ He also recommends the state develop a comprehensive problem gambling plan.

Maney believes that with the focus on new casinos in New York gambling problems related to preexisting forms of gambling such as the state lottery and racinos will be overlooked. He says that the state lottery is a large source of problem gambling. He believes that greater public awareness and public education programs are critical to addressing problem gambling. Careful attention should be paid to more vulnerable populations such teenage gamblers and the elderly. In March 2013, the Council launched a new website, KnowTheOdds.org, as part of its efforts to generate greater public awareness and resources for problem gambling. The website provides statistics, helpful links and videos that can be shared via social networks

Maney sees problem gambling as a public health issue. In New York, there is no unique problem gambling assistance hotline. People needing assistance with a gambling problem may call the New York State HOPEline at 1-877-846-7369 which comes under the State Office of Alcoholism and Substance Abuse Services. He feels that self-exclusion rules as they now operate don't have much benefit. They need to be linked in with gambling assistance programs. Ideally, Maney says, government and the public would recognize problem gambling as a priority and commit adequate funding.

Police Impacts

Police impact will fall directly upon the host community when a casino license is granted. It is our understanding that in New York State, the primary responsibility for law enforcement on any non-Native American casino property lies with the host community. The

⁵⁰ Karen DeWitt, "New York State Gaming Commission hears testimony on problem gambling," WRVO Public Media, April 10, 2014; <http://wrvo.org/post/new-york-state-gaming-commission-hears-testimony-problem-gambling>

first call for any law enforcement action goes to the host municipality police department. The second calls would go to the police departments of the surrounding communities. Only in a major emergency would the State Police be called to the casino. According to Don Braim, Senior Vice President of Racing Operations at Saratoga Casino and Raceway, and the former police chief of Saratoga Springs, in the entire history of casino operations at Saratoga the State Police have never been called to the casino for law enforcement purposes.

In an effort to determine the impact of an East Greenbush casino on public safety, Spectrum analyzed calls for service, arrest data and staffing levels in a number of casino jurisdictions before and after casinos opened.

The casinos we reviewed were in Iowa, Connecticut and New York State. Each review presented different results, ranging from insignificant to significant impacts.

The Connecticut scenario offers the worst-case scenario in terms of impacts. It is important to note that the two destination resort casinos in Connecticut _ Foxwoods and Mohegan Sun _ are much larger than what is envisioned for East Greenbush. The Connecticut casinos are within a 15-minute drive of each other.

Consider the following Connecticut impacts:

- The police budget in Ledyard, where Foxwoods is located, tripled to \$2 million from 1992 to 2008 and staffing nearly doubled.⁵¹
- DUI arrests in Norwich went from 129 in 1992 to 252 in 2008.⁵²
- Overtime costs in Ledyard increased from \$42,000 in 1992 to \$220,000 in 2008.⁵³

The casino proposed for East Greenbush would have 59,300 square feet, directly employ 1,107 people and have 1,500 slot machines and 56 table games.

The two Connecticut casinos have a combined total of 650,000 square feet of gaming space and employ more than 20,000 people. Those numbers are several times more than the casino proposed for East Greenbush. Clearly, those numbers would generate significant fiscal impacts regardless of where they were built, and especially so for a relatively small department whose officers have had no experience with criminal activity at casinos. In Connecticut, the casinos were unable to fill positions locally. The two casino hotels hired thousands of

⁵¹ Gambling in Connecticut: Analyzing the Economic and Social Impacts, Spectrum Gaming Group, June 22, 2009

⁵² Ibid

⁵³ Ibid

employees from outside the area. In some cases, they went overseas to Europe to hire students.⁵⁴

In East Greenbush, the casino developer has said that it expects to hire more than 95% of its employees from within the greater Albany region, which, if that happens, would limit the negative impacts on public safety.

The impacts should be similar to what was experienced at Saratoga Springs, NY where a racino with slot machines opened in January 2004. The Saratoga Springs facility has 1,750 slot machines and employs about 600 people.

The Iowa typical casino in 2013 had 26 table games, 999 slot machines, 37,266 square feet of gaming space, 382 employees and dining capacity for 718 patrons. We arrived at those numbers by averaging out the data for the 18 casinos.⁵⁵ Again, as is the case with Saratoga, the typical Iowa casino is smaller than the one planned for East Greenbush.

We note the following impacts following the opening of a casino:

- Saratoga Springs employed 83 people for each of the three years prior to the opening of the racino. Once the casino opened, the department added three employees, an increase of 4%.
- The Isle Casino Hotel opened in Waterloo, IA. on June 30, 2007. In 2006, it employed 125 people. In 2007, the number increased to 129 and by 2009, the number increased to 134, an increase of 7% from the year before the casino opened.

We would not expect the impacts to be anywhere close to those experienced in Connecticut but they could exceed what occurred in Waterloo, IA and at Saratoga Springs, NY.

The East Greenbush department currently has 24 officers and eight civilian dispatchers. We would suggest that the East Greenbush Police Department should be prepared, if necessary, to increase staffing by roughly 10 percent or three employees. With benefits, the fiscal impact of hiring the three officers could be as high as \$210,000. We note that the East Greenbush department would be the primary law enforcement agency responding to criminal activity at the casino. In most other casino jurisdictions, a specially trained casino unit within the State Police is often assigned that responsibility. Should complex cases develop, the local department could be expected to incur significant overtime costs. East Greenbush currently has no holding cell; suspects are detailed in nearby Rensselaer City. It is possible that East Greenbush could incur the additional expense of building its own holding cell. In addition, it is

⁵⁴ Ibid

⁵⁵ Iowa Department of Criminal Investigations, custom report

likely, based on our review that the department might need to purchase an additional patrol vehicle whose expense over a four-year period could be \$10,000 a year.

All told, the department could see its yearly expense increase by roughly \$220,000 a year along with the capital expense of building a holding cell. The fiscal impact would be much greater if the department has to upgrade its communication system, which will need to accommodate an additional 400 calls for service based on our review of the Iowa casinos and the racino at Saratoga Springs.

During FY 2013, the typical Iowa casino had:⁵⁶

- 12 felony investigations
 - 3 involved forgery
 - 2 involved theft
 - 1 involved cheating
- 6 felony arrests
 - 2 involved warrants
 - 1 involved forgery
 - 1 involved theft
- 41 misdemeanor arrests
 - 9 involved criminal trespass
 - 5 involved public intoxication
 - 5 involved warrants for arrest
- 527 calls for service
 - 178 involved patrons who were intoxicated
 - 56 involved suspicious activity
 - 51 involved assistance with an ID check
 - 26 involved possible counterfeit
 - 8 involved a minor attempting to enter a casino
 - 7 involved assisting harassed employees
 - 3 involved underage drinking

At Saratoga Springs, there were 372 calls for service with 152 of them resulting in a report being filed. There were 22 arrests. The leading call types were:⁵⁷

- Found property, 51 (14%)
- Fraud, 42 (11%)
- Auto accident, 30 (8%)

⁵⁶ Ibid

⁵⁷ Saratoga Springs Police Department

- Larceny, 28 (8%)
- Follow-up, 25 (7%)

Saratoga Springs EMS responders answered 81 calls for service. They provided medical assistance on 76 occasions. There were no fires inside the casino but there were two vehicle fires that were extinguished in the parking lot.

During an interview with East Greenbush Police Chief Christopher Lavin on May 16, he said the arrest and service-for-calls information we shared with him should, at a minimum, provide “baseline data” for his agency to work with. While the numbers for a casino in East Greenbush might be more than the numbers cited in our analysis, Lavin said he did not think they’d be that much more. Lavin noted that the municipality already has a Wal-Mart Super Center that results in his officers having to address incidents there several times a day. He said the numbers there are double what they are for Saratoga Springs.

“We are at this Walmart several times a day, and the calls often result in an arrest,” he said. “It looks like the casino activity would be well under what we experience at the Walmart. And if there were to be more incidents than we anticipate, we can handle it with our current staffing level but everything is subject to change based on what demands are placed on the department. We feel confident that we will be able to respond adequately to whatever challenges are created as a result of a casino in this community.”

He said the pros outweigh the cons in that a destination casino will create additional employment and generate economic retail activity that can only help the community.

“We also looked at other casino jurisdictions, and there does not seem to be that much activity that would burden our department,” Lavin added. He does not envision much of an increase in the overall crime rates as a result of a casino in the township.

Lavin noted that his agency, like others throughout New York state, are having to learn to do more with less as a result of significant state-aid cutbacks. He said his department could always use more resources. Lavin said he would not expect to create a casino detail as the New York State Police have done at the Indian casinos. “We would respond on an as-needed basis with current staff,” he added.

He said that the security department at the casino would be expected to develop cases against casino scammers. They would then present the evidence collected to police detectives who would then decide whether to pursue criminal charges, according to Lavin.

Lavin said that is how the department currently operates with major business establishments in the township. He cited FedEx as an example. FedEx security develops cases against employees who steal items in FedEx envelopes through their security cameras, he explained. The situation would be pretty much the same with a casino, he said.

Spectrum also met with Detective Sergeant Matthew L. Breig and Police Officer Jim Condo on April 22, 2014. The department's vehicular fleet includes two and four wheel drive cruisers and special purpose vehicles. The department's Emergency Response Team trains regularly in order to ensure an optimal response to special enforcement situations. The department has good mutual aid arrangement with neighboring communities.

A positive and cooperative relationship between the local police department and the casino will be vital in terms of minimizing any adverse impacts and costs to the community. This relationship should be worked out early in the development process and include areas such as communications compatibility, event coordination, remote access to certain casino surveillance equipment, cooperative training programs and emergency management response procedures, and support facilities such as holding cells.

As a host community, East Greenbush would be entitled to receive casino revenue. Lavin said he is hopeful that some of that revenue would be used to offset the cost of providing services to the casino.