

Exhibit IX.A.4 (Housing):

Submit as Exhibit IX.A.4. an assessment of the likely impact on the housing stock in each Host Municipality and nearby municipalities resulting from the new jobs the Gaming Facility provides, and the Applicant's plans and commitments to remedy or mitigate any negative impacts. Provide copies of any contracts, agreements or other understandings evidencing such mitigation commitments.

Please see the section on "Housing Stock" of the attached Impact Study – Housing and Schools by Custom Gaming Consulting / Maxim Strategy Group dated June 22, 2014.

Introduction

The goal of this report is to comply with “Section IX.A.4” of the RFA, which requires the applicant to submit a study showing the likely impact of the Gaming Facility on the housing stock in the Host Municipality and neighboring municipalities; and “Section IX.A.5” of the RFA, which requires the applicant to submit a study showing the likely impact on school population in the Host Municipality and neighboring municipalities. As our analysis will show, the impact of the Gaming Facility on housing and school population is very diminutive, with only 80 to 100 households relating to the area resulting in only 200 or so new students.

Housing Stock

The impact on the housing stock would be the direct result of newly-hired employees of the Gaming Facility relocating to the area to take positions. For this purpose, we defined the relevant market area to include the Town of Newburgh, City of Newburgh, Poughkeepsie and Middleton; as these municipalities are located within about 30 minutes of the Gaming Facility. The Town of Newburgh and City of Newburgh will hereafter be referred to as the Newburgh area for the purpose of this report. These three (3) municipalities also combine to make up a large part of the defined Metropolitan Statistical Area (“MSA”) for the region. In order to render a conclusion on the sufficiency of the housing stock, the demand and supply profile of this market was analyzed.

Potential Demand

This section estimates potential housing demand associated with the proposed Gaming Facility. The demand would result from persons (families or households) relocating to the area to take a position with the operation. Thus, the starting point is the estimated number of employees for the Gaming Facility. Based on the Economic Impact Study, the Gaming Facility is expected to employ a total of approximately 2,497 (FTEs) persons, comprising roughly 2,412 full-time workers and 530 part-time workers, for the stabilized year of operations.

The vast majority of these positions are perfect for local hire for two reasons:

1. Many of these positions are typical of corporate positions at most businesses, such as accountants, bookkeepers, HR personnel, clerical staff, food service workers, hotel workers, marketing personnel, security personnel, and administrative assistants.
2. While the positions that are unique to the gaming industry typically come with training, such as table dealers (including craps, roulette, blackjack, poker and various specialty games), slot attendants, and cash counting / handling personnel.

Thus, the first question to ask and answer is whether the market area has a sufficient labor force to handle these job requirements; the positions that are typical of any other business or that training is available.

Existing Labor Force Analysis

The labor force for the Poughkeepsie / Newburgh / Middletown MSA was estimated by the Bureau of Labor Statistics (“BLS”) at approximately 319,000 in 2013. This count is down about 7,000

persons over the last five years. The decline reflects the nationwide recession, which likely discouraged some workers enough to leave the area or drop out of the job hunt entirely.

Of the total workforce, roughly 22,300 or 7.0% are currently unemployed. On a bright note, the unemployment rate improved from 8.0% in 2012, reflecting a 13% or 3,300 decline in unemployed persons, against a relatively static workforce count, as displayed in the table below.

Unemployment Rate Analysis - Poughkeepsie / Newburgh / Middletown MSA				
Calendar Year	Unemployment	Employment	Labor Force	Unemployment Rate
2008	17,213	309,819	327,032	5.3%
2009	25,468	298,901	324,369	7.9%
2010	26,044	296,437	322,481	8.1%
2011	24,809	294,641	319,450	7.8%
2012	25,577	294,314	319,891	8.0%
2013	22,290	296,897	319,187	7.0%
% Change:				
2009	48%	-4%	-1%	49%
2010	2%	-1%	-1%	3%
2011	-5%	-1%	-1%	-4%
2012	3%	0%	0%	3%
2013	-13%	1%	0%	-13%

Based on an analysis of the workforce count and unemployment rate, we gauged the Poughkeepsie / Newburgh / Middletown MSA more than capable to supply the majority of the Gaming Facility’s job requirements; the positions requiring no previous gaming experience.

Relocation Analysis

Nonetheless, the gaming operation will require the relocation of some workers. Based on a staffing analysis, which examined staffing needs by departmental and management level, we were able to determine the number of positions that will require a special skill set not currently available in the market; thus requiring the relocation of talent from outside the local area. The main two categories that fit this profile are: 1) upper management positions; and 2) positions that require a unique gaming-related talent.

The gaming industry is specialized enough that typically upper management positions require gaming industry experience. This would include the General Manager (“GM”), Assistant GM, various departmental VPs, various departmental directors, and the senior management positions (primarily shift managers) in departments such as table games, slots, cage / cash accounting, marketing, and surveillance.

Again, the second category relates to specialty positions requiring a unique skill set, and primarily include slot technicians, player database technicians (marketing), surveillance technicians, and

internal auditors (risk management). For example, slot technicians repair and maintain the slot machines, while player database technicians compile and organized the player database, one of the operation's key marketing tools. The capabilities of the surveillance team are extremely important to a gaming operation due to the abundance of cash on hand. Lastly, the multitude of unique internal controls specific to gaming requires internal auditors that know the business.

Candidates for these positions might come from existing gaming markets such as Atlantic City, Pennsylvania, or even other parts of New York. In conclusion, we assumed that approximately 86 households would be relocating to the area. Based on our past experience and an analysis of potential staffing levels, we expect roughly 80 to 100 households to relocate to the area for the purpose of taking jobs at the gaming facility.

However, it is the stated intention of the Applicant that every effort is going to be made to hire local residents as preference will be given to local hire. Even though best effort will be made, some relocation or migration to the area will likely take place.

Housing Inventory Analysis (Supply)

The second step in the assessment is to evaluate the current supply of housing or the inventory of available single family homes (including townhouses and condos). This section compiles data on home inventory, including the total number of units and the number of vacant units. The focus is on the number of listed homes in key municipalities, as these listings would provide the source of homes for person relocating to area.

Based on the 2010 Census, there is a total of roughly 257,500 housing units in the Poughkeepsie / Newburgh / Middletown MSA, 61% or 183,800 of which related to single family homes. Of the single family homes, about half are located in Orange County.

The Census identified a total of 35,350 housing units in the three (3) municipalities of Newburgh, Middletown, and Poughkeepsie. Roughly 62% or 22,050 units reflect multi-unit housing, mainly related to apartments; leaving a net total of about 13,300 single family homes. This latter figure represents only 7% of the units for the entire MSA, which means the bulk of the housing units are situated outside the city limits of these cities.

With regard to single family homes, Middletown accounts for the largest share with approximately 5,300 homes, showing the lowest proportion of multi-family units. In contrast, Poughkeepsie showed the highest proportion of multi-family units at 69% or about 9,600 units. Newburgh contains about 10,500 total housing units, comprising approximately 6,800 apartments and 3,700 single family homes.

Housing Units - Local Area					
	Middletown	Poughkeepsie	Total	Orange County	MSA
Housing Units (2010)	10,866	13,984	35,355	138,873	257,523
Multi-Unit %	51%	69%	62%	29%	29%
Multi-Unit	5,585	9,621	22,055	39,579	73,750
Net Single Family Homes	5,281	4,363	13,300	99,294	183,773

Based on information obtained from the real estate experts at Motovo, the median price of single family homes at the end of 2013 ranged from a low of about \$200,000 for Middletown to a high of \$230,000 for Poughkeepsie. Newburgh fell roughly in the middle at \$210,000. Note the average price was up slightly from 2012, but still well below the near-term high set in 2010 of \$233,800. Note that Newburgh was actually higher than Poughkeepsie at the end of 2010.

Single Family Home - Median Price *				
Year End	Newburgh	Middletown	Poughkeepsie	Total
2010	\$250,000	\$220,000	\$240,000	\$233,800
2011	\$208,400	\$215,000	\$225,000	\$215,200
2012	\$205,500	\$195,000	\$234,900	\$207,700
2013	\$210,000	\$199,900	\$230,000	\$209,300

Listed Homes

This section compiles the count of single family homes (including townhouses and condos) currently on the market, segregated by the three (3) key municipalities as well as for the county and MSA as a whole. The listing count totaled about 850 for just the cities of Newburgh, Middletown and Poughkeepsie, with Middletown showing the most available housing. Using the listing counts for the municipalities as a gauge, we estimated the volume of listed homes for Orange County and the MSA at approximately 5,700 and 10,600 homes, respectively, again as large residential areas generally lie outside the city limits of these cities. Note, The listing counts typically ebb and flow with the strength of the real estate market.

Single Family Home Listings						
Year End	Newburgh	Middletown	Poughkeepsie	Total	Orange County *	MSA *
2013	316	374	159	849	5,705	10,558
* Estimated based on the listing count in the municipalities relative to total housing units.						

Other Stats

- Based on the Wells Fargo Housing Opportunity Index (“HOI”) obtained from the NHAB website, the Poughkeepsie / Newburgh / Middletown MSA ranked 127th out of 225 MSAs, with an index of 73.9, which puts it just into the bottom half of the list. The least affordable areas are generally in California with HOIs in the lows 20s. HOIs near 100 (top scores for affordability) were found in less populated MSAs like Cumberland (MD), Springfield (OH), and Kokomo (IN), to name a few.
- According to information obtained from the NHAB website, building permits issued in the MSA totaled about 800 in 2013 for single family homes and 300 permits for multi-family dwellings. The count for homes and multi-family are down 31% and 12%, respectively, so far in 2014.
- The median list price for homes in the MSA currently sits at \$259,000 per Zillow website.

Conclusion

We estimated the demand for housing units resulting from the development of the subject Gaming Facility at approximately 90 units (discussed earlier). We estimated the current supply of housing units at about 5,700 for Orange County and 10,600 units for the Poughkeepsie / Newburgh / Middletown MSA. Comparing the demand with supply, the home market penetration rates calculated to only 1.6% for the County and 0.9% for the MSA.