

### Exhibit VIII.B.3.a Economic Impact Analysis

An economic impact analysis is an assessment of the economic benefit that could accrue to an area due to the construction and operation of a business enterprise. The benefits that are typically examined in an economic impact analysis include the total spending or economic output generated in a specified area, the change in household earnings for area residents, the change in the volume of employment, and the fiscal benefits that subsequently accrue to government entities.

This economic impact assessment will evaluate the benefits that could be expected during each phase of construction as well as the ongoing operational stage of the proposed development. The construction phases of the project will be considered a one-time benefit to the area. This refers to the fact that these dollars will be introduced into the economy only during the construction phase of the project, and cannot be expected to continue to provide permanent jobs or revenues beyond the project's completion. This differs from the economic benefits that accrue from the annual operations of the casino once it has opened for business. These are termed ongoing benefits, as they are revenues, jobs, earnings, and tax dollars that can be expected to accrue annually as a result of gaming operations and the attraction of gaming patrons.

Direct, indirect and induced impacts are assessed for both the construction of the facility and on-going operations.

Direct impacts result from the economic activity that occurs on the property itself. In the case of on-going operations, these expenditures ultimately derive from patron spending. The direct impact sums the expenditures made by the facility in the form of employee compensation, purchases of goods and services, and patron spending on the food, beverage and retail sectors of the complex. Gaming expenditures by patrons are not considered in this analysis to be 'direct expenditures', though in theory it could fall into a gray area of 'entertainment service expenditures'. As such, though the gaming revenues are not reflected in the economic impact, the spending by the casino in the community and on employees as a direct result of these revenues is the starting point of the analysis.

Indirect impacts reflect the economic spin-off that is made possible by the direct purchases of the facility. Local firms providing goods and services to the proposed facility would have incomes partially attributable to these gaming operations. These dollars contribute to the vendors' spending power, and therefore the incremental increase in their spending attributable to this income is considered an indirect impact. These additional expenditures and revenues continue to flow throughout the economy in a rippling effect.

Induced impacts result from the direct impacts on labor income. As household incomes are affected by direct employment and spending, this money is re-circulated through the household spending patterns causing further local economic activity.

The economic impact analysis results in the following outputs:

1. **Employment** reflects the number of total jobs created.
2. **Labor Income** in IMPLAN consists of two parts. First is the total payroll cost of the employee paid by the employer: wage and salary, all benefits, and employer-paid payroll taxes (e.g.

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employer side of social security, unemployment taxes, etc). Second, proprietor income consists of payments received by self-employed individuals and unincorporated business owners.

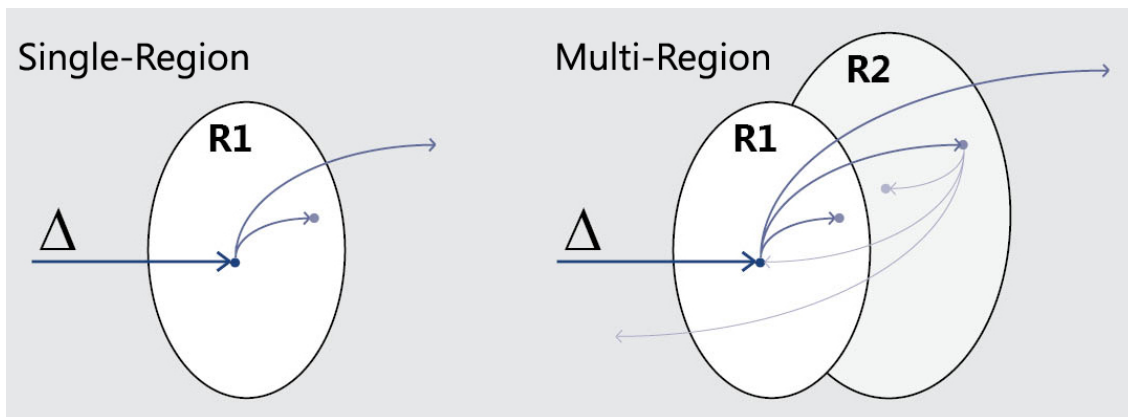
3. **Output** represents the value of industry production. In IMPLAN these are annual production estimates for the year of the data set and are in producer prices. For manufacturers, this would be sales plus/minus change in inventory. For service sectors, production = sales. For Retail and wholesale trade, output = gross margin and not gross sales. This latter distinction is significant for the retail assessments in this analysis.

Economic impact analyses use industry multipliers that have been developed based on U.S. Census data to determine the indirect impacts that occur from direct expenditures. The Innovation Group has utilized IMPLAN 3.0 software and data for the purpose of these calculations. IMPLAN accounts closely follow the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis.

### Multi-Regional Analysis

In order to model economic impacts for Schenectady County as well as for the rest of New York, we relied upon the multi-regional input-output (MRIO) analysis method available in the IMPLAN 3.0 software.

In this process, we enter the impacts associated with the construction and operation of the casino in Schenectady County. Then, this county-level model is linked to a model of all the other New York counties. This allows our analysis to capture purchases and employment that occur outside of Schenectady County but within New York State. Our analysis of these linked models yields direct, indirect, and induced effects for Schenectady County, as well as indirect and induced effects for the balance of the state; direct effects occur only in Schenectady County, as all purchases and employment associated with construction, employment, and redevelopment activities occur there. The IMPLAN model contains information about supply chains that estimate



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### “Mid” Scenario

#### *Economic Value Added*

The basis for an economic impact for the on-going operation is the pro forma income statement. The building of the forecast below was performed and documented in the “Gaming Market Analysis: Traditions at the Glen” performed in January 2014 by The Innovation Group. Please refer to that document for any details related to the building of the forecast and pro forma below.

#### **Traditions Pro Forma, Five Year Forecast**

	2016	2017	2018*	2019	2020
<b>DEPARTMENTAL REVENUE</b>					
Gaming					
Rooms					
F&B					
Retail & Other					
<i>Gross Revenues</i>					
<i>Promotional Allowances</i>					
<i>Net Revenues</i>					
<b>DEPARTMENTAL EXPENSES</b>					
Gaming					
Gaming Taxes					
Horseman Fees					
Rooms					
F&B					
Retail & Other					
<i>Total Departmental Expenses</i>					
<b>DEPARTMENTAL INCOME</b>					
Marketing Expense					
Departmental Labor					
Undistributed Labor					
Undistributed Expenses					
<b>EBITDAM</b>					
<b>EBITDAM MARGIN</b>					

Source: The Innovation Group

\*Adds another 159 rooms for a total of 200 rooms

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### *On-going Impacts Description*

As noted in the economic impacts methodology section of this report, impacts for ongoing operation results are categorized as direct, indirect and induced impacts in the form of employment, compensation, and total spending. For a casino operation, the direct effect represents the sum of expenditures made by the total casino complex in the form of spending by patrons in the food and beverage and retail venues, salaries, wages, and benefits paid to employees, as well as purchases of goods and services from other local and state businesses. Gaming expenditures by patrons are not considered as 'direct expenditures', though in theory it could fall into a gray area of 'entertainment service expenditures'. Patron spending on the food, beverage, and retail sectors of the complex is typically included for purposes of calculating sales taxes. As such, though the gaming revenues generated by the casino complex are not reflected in the economic impact (other than in the gaming tax calculation), the spending by the casino in the community and on employees as a direct result of these revenues are the starting point of the analysis.

Indirect spending is the result of the multiplier effect in the economy. A ripple of increased revenues and incomes is created that begins with purchases made by the recipients of the direct and induced expenditures. Indirect expenditures from gaming operations will originate with the expenditures of the vendors, employees, and from expenditures by establishments providing goods and services to casino patrons.

Induced spending is created as household incomes are affected. As direct employment and spending are impacted by the proposed development, by direct employment and spending, money is re-circulated through the household spending patterns causing further local economic activity.

All on-going impacts are for stabilized (Year 5) operations (year 3 after complete build out of facility with hotel), and thus they are expressed in 2021 dollars.

### *Staffing Estimates*

Staffing estimates were derived through an Innovation Group created staffing model layered on top of the Traditions pro forma model labeling total salaries and wages. This staffing model process determined the number of employees needed to operate the facility and the support the casino. The staffing guidelines were developed by studying employment data (both public and proprietary) from a number of gaming jurisdictions as well as interviewing operational department managers of existing casinos to determine ratios of employees to units. Staffing was determined using Full-Time Equivalent (FTE). An FTE is the number of hours that represent what a full time employee would work over a given time period (assumed here to be 40 per week). Hourly rates or annual salaries were then applied to each position while keeping in mind the salaries and wages expense provided by Traditions at the Glen. It should further be noted that an FTE may actually be filled by any number of part-time employees thereby putting more people to work.

The Innovation Group's pro forma model estimates that the overall development will employ 842 FTE's with \$36.29 million in total payroll (earnings and benefits).

### **Direct Labor Summary (2020)**

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**(\$ Millions)**

	FTE's	Total Compensation
Casino	471	\$31.58
Amenities	371	\$4.71
<b>Total</b>	<b>842</b>	<b>\$36.29</b>

Source: The Innovation Group

\*Direct employment does not include Golf Course and Spa employees, which accounts for an additional 30 FTEs

### *Spending Estimates*

In addition to payroll, the proposed development will expend significant dollars associated with the operation of the facility, including supplies and cost of goods and services. Based on the operating pro forma, expenditures were segregated by the various components of the operation to correlate with the business sectors utilized in the economic input-output analysis.

Gaming taxes, license fees and property taxes are considered fiscal, not economic impacts, and thus are excluded from the economic input-output analysis.

In addition, the food and beverage and retail venue operations at the facility would also make purchases in the local economy, and the resulting effect is also calculated through the IMPLAN model. Revenue for the F&B operations totals \$13.5 million, while retail and other ancillary revenue centers total \$6.9 million. Hotel Operations are also expected to total an additional \$8.4 million. Each of these items is used as an input into the model. IMPLAN then estimates the portion of these expenditures/revenues that would be expended in the local community.

### *Local Impacts*

Casino, food and beverage, retail, and entertainment operations at the proposed development are estimated to create 842 direct jobs within Broome County, and a total of 1,317 jobs including indirect and induced effects. Labor Income, as described previously, is estimated to exceed a total of \$58.7 million annually and the Total Output or total spending in the market is estimated to exceed \$128.4 million.

**Broome County On-Going Impacts (in thousands)**

	Employment	Salaries and Wages	Total Spending
Direct Effect	842	\$36,290	\$76,918
Indirect Effect	336	\$13,244	\$21,957
Induced Effect	214	\$9,187	\$29,565
<b>Total Effect</b>	<b>1,392</b>	<b>\$58,721</b>	<b>\$128,441</b>

Source: 2012 Minnesota IMPLAN Group, Inc.; The Innovation Group

\*Direct employment does not include Golf Course and Spa employees, which accounts for an additional 30 FTEs

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### *State Impact*

Statewide, an estimated 1,392 jobs would be created by the proposed development. Labor Income is estimated to exceed \$63.3 million and spending is expected to reach \$139.3 million.

The total impact to the State of New York by on-going operations is shown in the following table:

<b>State-Level On-Going Impacts (in thousands) Combined</b>			
	<b>Employment</b>	<b>Salaries and Wages</b>	<b>Total Spending</b>
Direct Effect	842	\$36,290	\$76,918
Indirect Effect	361	\$15,861	\$28,028
Induced Effect	237	\$11,167	\$34,357
<b>Total Effect</b>	<b>1,392</b>	<b>\$63,318</b>	<b>\$139,303</b>

Source: 2012 Minnesota IMPLAN Group, Inc.; The Innovation Group

\*State impacts include the whole state, aggregate of Local/Broome County Impacts FTEs

\*\*Direct employment does not include Golf Course and Spa employees, which accounts for an additional 30 FTEs

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### *“High” Scenario*

Following the same methodology as the “Mid” Scenario, we applied a premium to gaming revenue in order to establish a “high” scenario for our economic impact analysis. This section provides only the resulting tables from our analysis. The Pro-Forma utilized for this section can be found in section VIII. A.4 of this document.

### *Staffing Estimates*

#### **Direct Labor Summary (2020) (\$ Millions)**

	FTE's	Total Compensation
Casino	471	\$33.27
Amenities	442	\$5.10
<b>Total</b>	<b>913</b>	<b>\$38.38</b>

Source: The Innovation Group

\*Direct employment does not include Golf Course and Spa employees, which accounts for an additional 33 FTEs

### *Local Impact*

#### **Broome County On-Going Impacts (in thousands)**

	Employment	Salaries and Wages	Total Spending
Direct Effect	913	\$38,377	\$81,967
Indirect Effect	355	\$14,079	\$23,380
Induced Effect	226	\$9,736	\$31,331
<b>Total Effect</b>	<b>1,348</b>	<b>\$63,829</b>	<b>\$140,173</b>

Source: 2012 Minnesota IMPLAN Group, Inc.; The Innovation Group

\*Direct employment does not include Golf Course and Spa employees, which accounts for an additional 33 FTEs

### *State Impact*

#### **State-Level On-Going Impacts (in thousands) Combined**

	Employment	Salaries and Wages	Total Spending
Direct Effect	913	\$38,377	\$81,967
Indirect Effect	381	\$16,890	\$29,894
Induced Effect	251	\$11,843	\$36,433
<b>Total Effect</b>	<b>1,399</b>	<b>\$68,747</b>	<b>\$151,790</b>

Source: 2012 Minnesota IMPLAN Group, Inc.; The Innovation Group

\*State impacts include the whole state, aggregate of Local/Broome County Impacts

\*\*Direct employment does not include Golf Course and Spa employees, which accounts for an additional 33 FTEs



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### *“Low” Scenario*

Following the same methodology as the “Mid” Scenario, we applied a discount to gaming revenue in order to establish a “low” scenario for our economic impact analysis. This section provides only the resulting tables from our analysis. The Pro-Forma utilized for this section can be found in section VIII. A.4 of this document.

### *Staffing Estimates*

#### **Direct Labor Summary (2020) (\$ Millions)**

	FTE's	Total Compensation
Casino	471	\$29.74
Amenities	296	\$4.50
<b>Total</b>	<b>767</b>	<b>\$34.24</b>

Source: The Innovation Group

\*Direct employment does not include Golf Course and Spa employees, which accounts for an additional 27 FTEs

### *Local Impact*

#### **Broome County On-Going Impacts (in thousands)**

	Employment	Salaries and Wages	Total Spending
Direct Effect	767	\$34,243	\$73,949
Indirect Effect	336	\$13,227	\$21,825
Induced Effect	205	\$8,804	\$28,333
<b>Total Effect</b>	<b>1,273</b>	<b>\$57,719</b>	<b>\$127,227</b>

Source: 2012 Minnesota IMPLAN Group, Inc.; The Innovation Group

\*Direct employment does not include Golf Course and Spa employees, which accounts for an additional 27 FTEs

### *State Impact*

#### **State-Level On-Going Impacts (in thousands) Combined**

	Employment	Salaries and Wages	Total Spending
Direct Effect	767	\$34,243	\$73,949
Indirect Effect	360	\$15,824	\$27,829
Induced Effect	227	\$10,725	\$32,985
<b>Total Effect</b>	<b>1,320</b>	<b>\$62,236</b>	<b>\$137,882</b>

Source: 2012 Minnesota IMPLAN Group, Inc.; The Innovation Group

\*State impacts include the whole state, aggregate of Local/Broome County Impacts

\*\*Direct employment does not include Golf Course and Spa employees, which accounts for an additional 27 FTEs