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# **Economic Impact Analysis**

## **Traditions at the Glen**

### **Johnson City, New York**

Prepared for:  
Walsh and Sons Construction

March 2014



Prepared by:  
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# Economic Impact Analysis

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## EXECUTIVE SUMMARY

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The Innovation Group was commissioned by Walsh and Sons Construction to conduct an Economic Impact Analysis for a proposed casino development in Johnson City, New York. The gaming facility will be located at the existing Traditions at the Glen Resort which offers a golf course, spa, and event center. A pro forma provided previously by The Innovation Group and a development budget provided by Traditions at the Glen served as a basis for this report.

This analysis considers a multi-use development. Aside from the existing amenities Traditions at the Glen currently offers, the new facility will offer 1,200 slot machines and 50 tables in the casino. Additional food & beverage outlets will include a 200-seat 24-hour café and buffet and a 170-seat Sports Bar.

This report identifies the economic impact from a county and state perspective. The county is defined as Broome County. For on-going operations, the fifth year (2020) of operations (after the full build-out inclusive of the hotel), or the stabilized year, was used for assessing the impact from operations.

As demonstrated throughout this document, the economic impact potential related to the subject casino project is substantial. All tables shown within the report consider the base or “mid” case scenario. At the conclusion of this report, an appendix is provided to show the low and high scenarios.

Total development costs are estimated at \$154 million with 76% or \$117 million of this figure directly related to the construction of the facility. The one-time benefits associated with the construction, for both phase I and II, are shown in the following table and include \$172.4 million in additional spending locally and 1,127 jobs created. The state will experience the benefit of over \$192.4 million in increased spending and 1,223 jobs.

### Construction - Total Effect (in thousands)

	Local	State*
Output	\$172,399	\$192,386
Labor Income	\$61,661	\$69,745
Employment	1,127	1,223

Source: 2012 Minnesota IMPLAN Group, Inc.

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

Annual economic benefits from the on-going operations of the casino are shown in the following table. Spending in Broome County is expected to increase \$128.4 million annually. The casino will be responsible for 1,317 newly created jobs within the county.

It is estimated the state will benefit from an increase of \$139.3 million in spending annually and 1,364 more jobs.

**Ongoing Operation- Total Effect (in thousands)**

	Local	State*
Output	\$128,441	\$139,303
Labor Income	\$58,721	\$63,318
Employment	1,317	1,364

Source: 2012 Minnesota IMPLAN Group, Inc.

\* 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 30 FTEs

Fiscal benefits from the presence of the casino and the increased patronage of area businesses by the expansion of the tax base and an increase in overall economic activity will be accrued. Local municipalities and state municipalities combined will benefit by receiving an average of approximately \$58.6 million in tax and fee proceeds annually.

**State-Level Tax Revenue Summary (in thousands)**

Tax	2016	2017	2018	2019	2020
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gaming License	\$35,000	\$0	\$0	\$0	\$0
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$1,008	\$1,056	\$2,160	\$2,232	\$2,304
<b>Total State Taxes</b>	<b>\$165</b>	<b>\$170</b>	<b>\$452</b>	<b>\$470</b>	<b>\$494</b>

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

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

\*\*Gaming Tax includes GGR Tax and gaming machine fees

## ECONOMIC IMPACT METHODOLOGY

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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. 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.

# CONSTRUCTION IMPACTS

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The following section presents the one time construction impacts associated with both phases of development. Traditions at the Glen provided a timeline for each phase of construction. Phase I begins in 2015 with the construction of the 1,200 machine casino with amenities, and operations are expected to begin in 2016. Phase II begins in 2017 with the construction of the additional 159 hotel rooms and amenities with hotel operations beginning in 2018. The section produces a project description and breakdown of the local and state impacts for each phase.

## Project Description

The total cost of the project, phase I and II, is estimated at \$154 million with \$117 million or 76% allocated for the cost of design, construction and outfitting the casino. The construction cost figures were based on estimates provided by the Traditions at the Glen development team. Gaming equipment is excluded from this impact analysis as it will likely be purchased outside of the state. Other costs not included in the analysis are pre-opening expenses (excluding advertising and marketing), working capital and fees associated with financing/closing, and other equipment that will most likely be procured outside of the state.

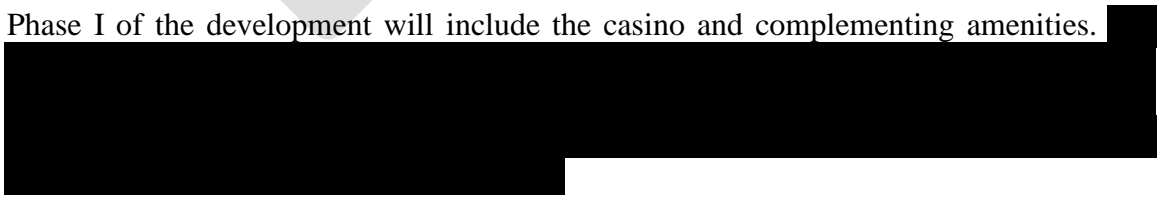
<b>Total Development Costs in millions</b>		
	<b>Construction</b>	<b>Total</b>
Phase I	\$87.9	\$113.7
Phase 2	\$28.9	\$40.0
<b>Total</b>	<b>\$116.8</b>	<b>\$153.7</b>

Source: The Innovation Group; Traditions

The impact of construction relates to expenditures made directly by the development company to design, build and outfit the physical structure. The expenditures considered for the economic impacts include only those that will be consummated with vendors from within the state, and the resulting increase in jobs and household incomes of state and local residents. IMPLAN software then estimates the proportion that would be spent in the local community. Construction spending would have an immediate and concentrated impact on the local and state economy.

## Phase I

Phase I of the development will include the casino and complementing amenities.



The total cost of phase I is estimated at \$114 million with \$88 million or 77% allocated for the cost of design, construction and outfitting the casino. The construction cost figures were based on estimates provided by the Traditions at the Glen development team. Gaming equipment is excluded from this impact analysis as it will likely be purchased outside of the state. Other costs not included in the analysis are pre-opening expenses





In total, the state is expected to benefit from 924 new jobs and an increase in spending of \$144.3 million that is related to construction of the facility, as shown in the following table.

**State-Level Phase I Construction Impacts (in thousands)**

Impact Type	Employment	Salaries and Wage	Total Spending
Direct Effect	411	\$25,492	\$63,455
Indirect Effect	301	\$17,492	\$53,269
Induced Effect	212	\$9,160	\$27,604
<b>Total Effect</b>	<b>924</b>	<b>\$52,144</b>	<b>\$144,328</b>

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

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

## Phase II

Phase II of the development will include the expanded hotel. The expansion to the hotel will increase the room count from 41 to 200 making it more capable of handling the room demand associated with the constructed casino from phase I. [REDACTED]

The total costs associated with phase II is estimated at \$40 million with \$29 million, or 72% allocated for the cost of design, construction, and outfitting of the expanded hotel. The construction cost figures were based on estimates provided by the Traditions at the Glen development team. Costs not included in the analysis are pre-opening expenses (excluding advertising and marketing), working capital and fees associated with financing/closing, and other equipment that will most likely be procured outside of the state.





### Broome County Total Construction Impacts (in thousands)

Impact Type	Employment	Salaries and Wage	Total Spending
Direct Effect	546	\$34,263	\$84,745
Indirect Effect	338	\$17,880	\$57,372
Induced Effect	243	\$9,517	\$30,282
<b>Total Effect</b>	<b>1,127</b>	<b>\$61,661</b>	<b>\$172,399</b>

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

## State Impact

On a statewide basis, construction of the facility is estimated to employ 546 workers, for annual labor income of \$34.3 million. This direct effect in employment and income is projected to induce an additional 280 jobs and labor income of \$12.3 million within the state. The indirect effect of construction is estimated to add an additional 396 jobs, \$23.2 million in labor income, and \$70.7 million in total spend.

In total, the state is expected to benefit from 1,223 new jobs and an increase in spending of \$192.4 million that is related to construction of the facility, as shown in the following table.

### State-Level Total Construction Impacts (in thousands)

Impact Type	Employment	Salaries and Wage	Total Spending
Direct Effect	546	\$34,263	\$84,745
Indirect Effect	396	\$23,228	\$70,672
Induced Effect	280	\$12,254	\$36,968
<b>Total Effect</b>	<b>1,223</b>	<b>\$69,745</b>	<b>\$192,386</b>

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

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

## ON-GOING OPERATING IMPACTS

Unlike the construction phase, economic benefits resulting from the ongoing operation of the casino complex can be expected to occur annually, resulting in a constant stimulus to the economy.

### On-going Project Performance

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

## 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 2020 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 Equivalents (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)**  
**in 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 1,392 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

## State Impact

Statewide, an estimated 1,439 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)</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>1,439</b>	<b>\$63,318</b>	<b>\$139,303</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





### Property Tax Estimate (in millions)

#### Tax Rate Calculation

Schools		597.11	
Town and County		279.89	
		877.00	
Equalization Rate *	x	4.60%	
		40.34	
	/	1,000	
Property Tax Rate		4.03%	

#### Property Tax Calculation

Assumed Assessed Value#		\$84.3	
Property Tax Rate		4.03%	
		\$3.40	

Source: Town of Union, NY Assessor

\* Interview w/ Town Assessors staff noted that the equalization Rate will decrease to 4.6% in mid-year 2014

# Assessment value is based on assumed hard cost & Soft costs for the full property build-out

## Tax Summary

The following table summarizes the estimated tax payments made by the proposed development.

### State-Level Tax Revenue Summary (in thousands)

Tax	2016	2017	2018	2019	2020
██████████	██████████	██████████	██████████	██████████	██████████
██████████	██████████	██████████	██████████	██████████	██████████
██████████	██████████	██████████	██████████	██████████	██████████
██████████	██████████	██████████	██████████	██████████	██████████
██████████	██████████	██████████	██████████	██████████	██████████
██████████	██████████	██████████	██████████	██████████	██████████
Gaming License	\$35,000	\$0	\$0	\$0	\$0
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$1,008	\$1,056	\$2,160	\$2,232	\$2,304
Lodging/Bed Tax	\$165	\$170	\$452	\$470	\$494
<b>Total State Taxes</b>	<b>\$80,601</b>	<b>\$46,932</b>	<b>\$53,782</b>	<b>\$55,221</b>	<b>\$56,502</b>

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

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

\*\*Gaming Tax includes GGR Tax and gaming machine fees

# APPENDIX

The following sections provide economic and fiscal impact projections for low and high case scenarios, as described previously in the report.

## *Low-Case Scenario*

### Pro-Forma

#### Traditions Pro Forma, Five Year Forecast

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

Source: The Innovation Group

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

## Staffing Estimates

### Direct Labor Summary (2020) in 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)

	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

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

## Tax Summary

### State-Level Tax Revenue Summary (in thousands)

Tax	2016	2017	2018	2019	2020
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gaming License	\$35,000	\$4,658	\$6,924	\$7,124	\$7,313
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$967	\$1,014	\$2,045	\$2,128	\$2,201
Lodging/Bed Tax	\$165	\$170	\$424	\$449	\$473
<b>Total State Taxes</b>	<b>\$77,864</b>	<b>\$48,866</b>	<b>\$57,511</b>	<b>\$59,108</b>	<b>\$60,502</b>

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

\*\*Gaming Tax includes GGR Tax and gaming machine fees

## High-Case Scenario

### Pro-Forma

#### 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

### Staffing Estimates

#### Direct Labor Summary (2020) in 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)

	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

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

## Tax Summary

### State-Level Tax Revenue Summary (in thousands)

Tax	2016	2017	2018	2019	2020
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gaming License	\$35,000	\$0	\$0	\$0	\$0
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$1,065	\$1,117	\$2,299	\$2,389	\$2,498
Lodging/Bed Tax	\$165	\$170	\$472	\$497	\$538
<b>Total State Taxes</b>	<b>\$83,062</b>	<b>\$49,554</b>	<b>\$56,587</b>	<b>\$58,129</b>	<b>\$59,574</b>

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

\*\*Gaming Tax includes GGR Tax and gaming machine fees

## DISCLAIMER

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Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.