

IX.4
Report on Housing



Village of South Blooming Grove, NY

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I. Study Purpose

The Request for Applications to Develop and Operate a Gaming Facility in New York State includes a requirement to evaluate local impact and siting factors. The purpose of this requirement is to identify and describe potential impacts that might be expected to be experienced by the community in which the casino is located and in other nearby communities. These impacts relate to the development and operation of a relatively large facility that will attract substantial numbers of patrons, visitors and employees to the area. As a result, it is necessary to examine the ability of the area's physical infrastructure and service providers to adequately handle increased demands. This information can then be utilized to identify mitigation measures appropriate to limiting possible negative effects from development of the hotel/casino complex.

In response to this requirement, VHB has prepared the following report covering Section IX.4. Housing.

II. Background, Qualifications and Experience

VHB is a multi-disciplinary firm employing more than 900 planners, designers, engineers, environmental scientists and support personnel in 22 offices along the East Coast. Among the firm's casino and gaming project experience is the Caesars at Suffolk Downs resort and casino in East Boston and plans for an Ameristar resort and casino in Springfield, Massachusetts. The firm recently completed transportation and site assessments on behalf of a casino operator in the New York Metropolitan area, coordinated environmental analyses and documentation for redevelopment of the Concord Resort in Sullivan County to include casino and convention space and conducted planning and environmental studies related to development of the Foxwoods Resort Casino and the Mohegan Sun Resort. Other related experience of VHB staff includes work relative to the Narragansett Casino in West Warwick, Rhode Island, the SugarHouse Casino in Philadelphia, Empire City Casino in Yonkers and several casinos in Atlantic City.

In New York State, VHB and its staff have prepared hundreds of Environmental Impact Statements (EIS's) in accordance with the State Environmental Quality Review Act (SEQRA). Typically, these documents include analyses of the costs and benefits to local municipalities of proposed developments - residential, commercial, industrial, entertainment, recreational, institutional or some combination of one or more of these uses. This entails examining the characteristics of the proposed use, identifying the demands it is expected to place on local facilities and services and comparing them with the capacity of local governments to handle possible increased demands. Where residential development is proposed, impacts on local school systems are evaluated to ascertain how the potential increase in enrollments might affect school district facilities and budgets. VHB has also prepared housing market studies for a range of residential development types, including for sale, rental and affordable units. By its nature, the proposed hotel and casino would have specific characteristics that would affect the needs it might generate for services and facilities in the area. These characteristics have been taken into account in the analyses described below.

III. Housing

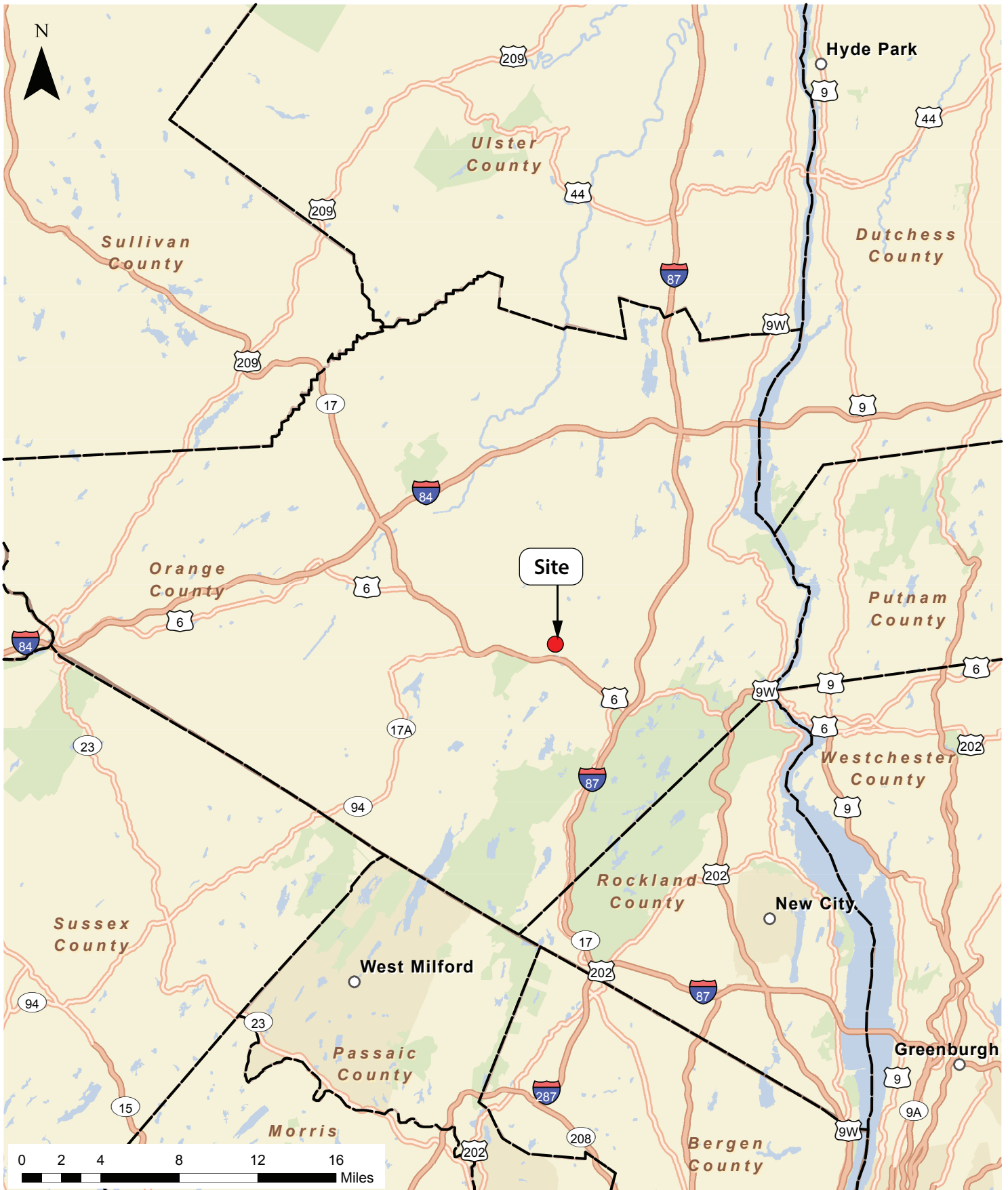
A. Market Conditions

The potential for there to be an increased demand for housing in and around South Blooming Grove is related to the anticipated increase in employees that the casino would bring, i.e., approximately 4,000 permanent jobs. From an economic development viewpoint, this proposed development coincides with one of the key goals of the *Orange County Draft Economic Development Strategy* (March 2014) which calls for strengthening key industries, including tourism. Further, the Strategy encourages the development of attractions that can give tourism a “broader reach” by bringing more overnight guests to the County and by providing reasons to visit Orange County in the slower “shoulder season” months. Such development would serve to expand employment opportunities within the County and the broader Hudson Valley region on a year-round basis.

As the County seeks to improve its economic base, economic data indicate some of the characteristics of employment in the County and in the broader Hudson Valley region. According to the *2013-2014 Hudson Valley Economic Development District Comprehensive Economic Development Strategy*, “The region continues to be affected by the current economic stagnation. No level of business and industry is immune.” While the unemployment rate for the Hudson Valley had declined to 6.6 percent in August 2013, the rates for Orange (7.3%), Ulster (7.6%) and Sullivan (7.6%) Counties, from which the majority of employees for the new casino would be expected to come (see Exhibit 1 Regional Location), remained higher and more in line with the New York State figure (7.5%). Thus, there would appear to be continuing labor availability in the area. If, as is anticipated, salaries and wages at the casino exceed those of comparable skill level positions in the local retail industry and at other comparable employers, the new complex should be able to effectively compete for workers among those already residing in the area.

In order to assess the housing market in Orange County and the region, primary sources of data were used from the US Census supplemented by phone interviews with local planning and real estate professionals. These included: Joe Czajka, Vice President for Research and Grants for Pattern for Progress, a regional not-for-profit policy, planning, advocacy and research organization that promotes a regional, balanced and sustainable solutions to grow the Hudson Valley; Scott Wohl, with the Hudson Valley Builders Association; Greg Langer, Founder of Valuation Consultants, Inc. a full-service real estate appraisal company servicing the Mid-Hudson Valley; Heather Jacksy with the Sullivan County Department of Planning and Environmental Management and Meghan Tennermann, Planner, Orange County Planning Department.

Population in Orange showed a gain of 9.2% from 2000 to 2010 but growth in nearby Sullivan and Ulster Counties was much more modest at 4.9% and 2.7% respectively. According to recent Census estimates, the population in Sullivan and Ulster Counties is projected to have decreased from 2010 to 2013: down 0.8% in Ulster County and down 1.1% in Sullivan County. The new jobs



VILLAGE OF SOUTH BLOOMING GROVE, NEW YORK
EXHIBIT 1 - REGIONAL LOCATION

proposed as part of Live! NY could help to stabilize the area's population by providing employment for current residents and by attracting some new residents who would work in the casino.

B. Potential Impact from New Employment

The addition of several thousand jobs in South Blooming Grove would create some level of demand for housing in the area, as people are attracted by the new employment opportunities. In evaluating the potential impact of any such population movement, it is necessary to consider the state of the local housing supply along with the new demand. During the period from 2000 to 2010, the housing stock in Orange, Ulster and Sullivan Counties increased by a combined 21.4 percent¹. In Orange County, there are now 39,169 rental housing units (31.1% of the total housing units in the County) and a 9% vacancy rate and there are 86,756 owner-occupied units and an 8% vacancy rate. Both of these rates are considered to be above the typical market equilibrium figure of 5%. People who chose to move to the area could, therefore, help to lower these vacancy rates. In particular, the local real estate market has experienced an oversupply of homes selling for more than \$300,000. Units in that price range would presumably be attractive to management personnel at the casino/hotel, the types of employees who - based on the applicant's experience elsewhere - are considered most likely to relocate to the area in response to the new job opportunities.

While the need for affordable housing in the region has been noted by the State,² among others, there are portions of the labor market area where housing costs are relatively low and unemployment is high. For example, the Regional Council has stated that, "The primary need identified for the City of Newburgh is job training and employment opportunities to combat the city's extreme poverty levels."³ There is already frequent bus service between Newburgh and Woodbury Commons, a major shopping center and employment focus located not far from the proposed casino; the trip to and from Newburgh takes about half an hour. Extending that route, or creating a new route that would connect Live! NY to the labor pool in Newburgh would assist job-seekers in that community - where the unemployment rate in 2014 remains high at 8.1% after having reached 11.9% in January 2010 - as well as meeting the Applicant's need for workers. Similar situations exist in other Orange County communities including Middletown and Port Jervis, and in the adjoining counties.

US Census Journey to Work Data shows that 35% of Orange County residents travel outside the County for employment. Almost 20 percent of County workers travel more than an hour to work and 44.3% spend 30 minutes or more on their journey to work. Although the unemployment rate in Orange County of 5.2% is below the State's figure of 6.1%, indicating a somewhat tighter labor market, some area residents would be expected to choose to work at the casino instead of

¹ *2013-2014 Hudson Valley Economic Development District Comprehensive Economic Development Strategy*, Hudson Valley Regional Council, p.16.

² *2011 Catalogue of Need, New York State Homes and Community Renewal*.

³ Hudson Valley Regional Council, p.18.

commuting to employment farther away, thereby saving both time and commuting costs. This could particularly be true to the extent that casino wages are competitive with or higher than at other existing employers.

Table 1: Travel Time to Work		
Orange County	Travel Time	Percentage
	30-34 minutes	9.6%
	35-44 minutes	6.1%
	45-59 minutes	8.7%
	60+ minutes	19.9%
Total over 30 minutes		44.3%
Sullivan County	Travel Time	Percentage
	30-34 minutes	13.5%
	35-44 minutes	5.0%
	45-59 minutes	5.7%
	60+ minutes	12.4%
Total over 30 minutes		36.6%
Ulster County	Travel Time	Percentage
	30-34 minutes	11.4%
	35-44 minutes	8.0%
	45-59 minutes	7.0%
	60+ minutes	9.9%
Total over 30 minutes		36.3%
Dutchess County	Travel Time	Percentage
	30-34 minutes	13.6%
	35-44 minutes	6.4%
	45-59 minutes	7.5%
	60+ minutes	8.1%
Total over 30 minutes		35.6%
Putnam County	Travel Time	Percentage
	30-34 minutes	11.3%
	35-44 minutes	10.2%
	45-59 minutes	14.4%
	60+ minutes	22.0%
Total over 30 minutes		57.9%
Rockland County	Travel Time	Percentage
	30-34 minutes	10.7%
	35-44 minutes	6.7%
	45-59 minutes	9.4%
	60+ minutes	16.3%
Total over 30 minutes		44.3%

US Census, American Community Survey 2008-2012 5-year Estimates

County	Percentage
Orange County	45.8%
Sullivan County	27.0%
Ulster County	32.6%
Dutchess County	29.5%
Putnam County	61.9%
Rockland County	27.8%

US Census, American Community Survey 2008-2012 5-year Estimates

The demand for housing will be dispersed based on where housing already exists in the region, including its affordability, and on regional commutation patterns. In nearby Ulster County there is a 9% vacancy in rentals and an 8% vacancy in home owner units with a 5.6% unemployment rate; in Sullivan County, the homeowner vacancy rate is 8% and rental vacancy rate is 9% with an unemployment rate of 6.8%. Moreover, housing costs in both Ulster and Sullivan Counties tend to be lower than in Orange County (see Table Median Home Sale Price). People in the Hudson Valley region often commute substantial distances, and spend substantial time and money getting to their jobs. Other nearby counties depict similar journey to work patterns and show that it is commonplace in the region to drive outside your county of residence for work and to have commute times over 30 minutes (see Table X: Travel Time to Work above).

County	Median Sale Price 2013
Orange County	\$232,100
Sullivan County	\$118,000
Ulster County	\$210,000
Dutchess County	\$231,750
Putnam County	\$294,300
Rockland County	\$346,500

Source: Hudson Valley Pattern for Progress: Housing the Hudson Valley from NYS Association of Realtors, Ulster, Sullivan Columbia-Greene Board of Realtors, Mid-Hudson Multiple Listing Services LLC. Data is 2nd quarter 2013

C. Conclusions and Mitigation Measures

Based on the above, it is concluded that potential housing impacts would be mitigated by a variety of factors, including current market conditions and commutation patterns. Based on the developer’s direct experience in Maryland, employees who move into an area are typically limited to those in management positions. Other new jobs, including those in housekeeping, food service and maintenance, are less likely to attract newcomers to the area and more likely to

be filled by area residents. Moreover, the need for additional jobs in parts of Orange County and in nearby counties, including Sullivan and Ulster, make it likely that employees will be drawn from a relatively wide area (i.e., commutes of up to an hour or more). This will help to distribute any housing market impacts across a larger number of communities rather than having the demand concentrated in a single location.

To facilitate commutation to the hotel/casino, the Applicant will consider options to enhance or provide transportation that would enable workers without access to automobiles to come from more distant locations where less expensive housing is available. This could include:

- Working with County and local transit service providers to establish or adjust bus routes to provide improved connections from nearby communities which have population concentrations (e.g., Newburgh, Middletown) and/or train stations (i.e., Harriman) to the hotel/casino. As a precedent, the current Main Line Route, which provides service along the Route 17 corridor between Middletown and Harriman, detours off of the main route to serve the Galleria at Crystal Run and Woodbury Commons, two other major employment centers with similar types of workforces.
- Establishing or funding a shuttle service directly from the hotel/casino to and from the train station for employees
- Working with local agencies to set up car or van-pooling systems and ride shares (511NYRideshares) to and from locations within the labor force capture area.
- Working directly with hotel/casino employees to provide up-to-date information regarding various transit and ride sharing options

SOURCES:

NYS Department of Labor

- Monthly reports on unemployment
- Data Highlights from the New York State Department of Labor's April 2014 Jobs and Labor Force Press Release
- Percent Change in Private Sector Jobs by Area, April 2013 - April 2014
- Labor Statistics for the Hudson Valley Region Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester Counties
- Hudson Country Region Firm Expansions and Contractions January –April 2014

New York State Homes and Community Renewal, 2011 Catalogue of Need,

US Census, American Fact Finder

- 2000 and 2010 Census, and Census estimates , American Community Survey
 - Profile of General Population and Housing Characteristics (Age, Household Types/Tenure, etc.)
 - Commuting Characteristics by Sex
 - Occupation by Sex and Median Earnings

Orange County Department of Planning

- A Three-County Regional Housing Needs Assessment: Orange, Dutchess and Ulster Counties, 2006 to 2020
- 2012 Building Permit Data MF, SF, 2F
- Orange County Municipal Housing and Density Characteristics, from US Census data
- Orange County Population Change 2000-2010, from US Census data
- Demographic Profile 2010
- Draft Orange County Economic Development Strategy (March 2014)

Sullivan Country Department of Planning & Environmental Management

- Building Permit Data, from Bureau of Census Construction Census Division

Hudson Valley Regional Council

- 2013-2014 Hudson Valley Economic Development District Comprehensive Economic Development Strategy

Hudson Valley Pattern for Progress

- Housing the Hudson Valley Report, September 2013
- News article May 22, 2014 referencing US Census Data 2013

Times Herald Record

- News article May 22, 2014