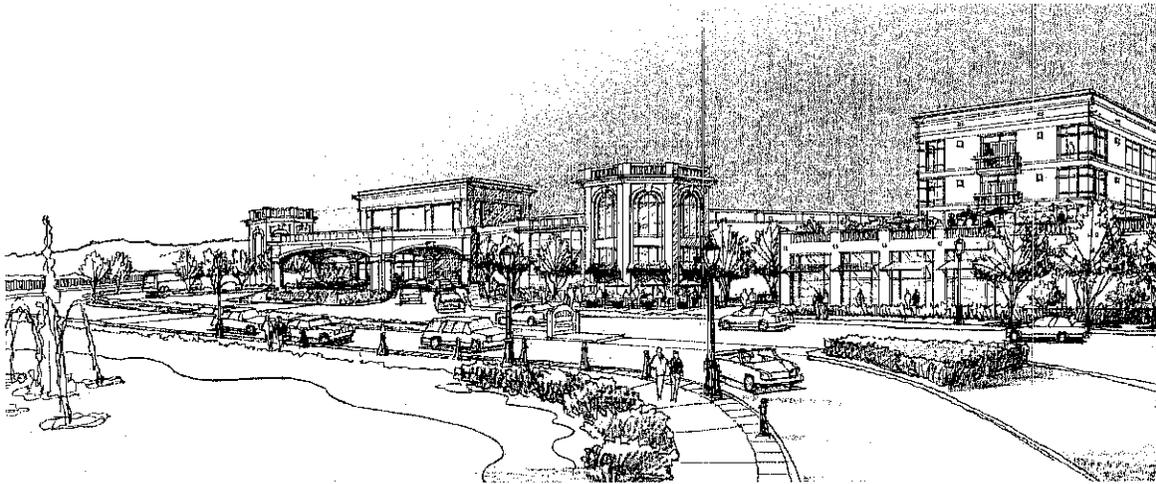


CROSSROADS

GAMING RESORT & SPA

Respecting and Preserving Our Past and Building Our Future



LOCAL IMPACT REPORT

DECEMBER 20, 2005

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LOCAL IMPACT REPORT

INTRODUCTION

The Pennsylvania Race Horse Development and Gaming Act¹ (the "Gaming Act") and its regulations require all applicants for gaming licenses to prepare and file a Local Impact Report. This Report is prepared in compliance with the requirements of the Gaming Law and Regulations. Chance Enterprises, Inc., trading and doing business as Crossroads Gaming Resort & Spa, intends to file an application with the Pennsylvania Gaming Control Board ("GCB") on or about December 28, 2005, in compliance with the regulations and Gaming Act for a proposed "Category 2" slots parlor facility. The Local Impact Report will address various aspects of the project and explain how the project will impact the local community and provide the local communities with a "snapshot" of the proposed project, with particular emphasis on the perceived impact of our project on Straban Township, surrounding municipalities, other public entities and Adams County.

The project is located approximately one-eighth of a mile east of the intersection of U.S. Route 15 and U.S. Route 30 on the north side of U.S. Route 30 and across from the Gateway Gettysburg development. See Exhibit "A". The project site consists of approximately 42 acres at the corner of Smith Road and U.S. Route 30. The U.S. Route 30/U.S. Route 15 interchange is the most improved interchange for highway and traffic access in all of Adams County and has been approved by the U.S. Department of Transportation and the Pennsylvania Department of Transportation for scheduled upgrades to the interchange in the next few years.

The project is designed to be a resort, hotel and spa with a Category 2 slots parlor as authorized by the Gaming Act. The hotel is planned to be four stories in height and have 225 guest rooms, of which 20 will be suites, and the spa will be 30,000 square feet and include saunas, a swimming pool, and other typical amenities for a spa. In addition to surface parking, there will be a four deck parking garage to assure easy access to the facility by its visitors and patrons.

It is noteworthy that there are no comparable spa facilities currently in all of Adams County, and the facilities' 4 restaurants will provide Adams County residents as well as visitors with an array of dining experiences including fine dining.

APPLICANT

The Applicant is Chance Enterprises, Inc., t/d/b/a Crossroads Gaming Resort & Spa or related entity which is co-owned by Chance Enterprises, Inc. and another equity partner soon to be announced. Chance Enterprises, Inc. was formed by ten investors who are virtually all

¹ 4 Pa.C.S.A. §1101, *et seq.*

Pennsylvania residents and individually successful entrepreneurs in various business endeavors. The investors in the project are further identified on Exhibit "B" attached hereto.

The Applicant is headed by David M. LeVan, who serves as its CEO, Chairman of its governing Board of Directors, and Chief Operating Officer, as well. Mr. LeVan is a native of Adams County, and has a great deal of experience in finance and management. Mr. LeVan has previously served as the CEO of Conrail, Inc. until it was sold in 1998 after which he returned to Adams County and together with his wife, Jennifer, he started a successful Harley-Davidson dealership known as Battlefield Harley-Davidson, which is located at Route 30 and Cavalry Field Road in Straban Township, Adams County.

The Applicant will be associating with a qualified manager for its facility who has years of successful experience in operating gaming establishments in various licensing jurisdictions and a well known and highly respected equity partner, whose identity will soon be announced.

THEME OF THE FACILITY

In its vision statement, the Applicant has developed and describes its vision for the project "to create a unique upscale recreational destination in Adams County that helps build the economy, respects, preserves and promotes the region's history and culture and supports a healthy community for people to live, work and raise their families." In a nutshell, Crossroads Gaming Resort & Spa has a mission to be a good member of the community with goals of improving and sustaining the community and not being a burden to the community. In this regard, there will be no emphasis on the history of the region or the Civil War, rather the facility will be designed as a four star resort and entertainment venue with low rise structures which will enhance the surrounding properties and virtually have no visibility or impact on the national park or other historic sites. There is no intention to have the facility appear as a glitzy casino with gaudy or garish lights and signage; rather, the facility will be a well-appointed hotel building with beautiful water fountains and a relaxed and welcoming appearance.

The facility's location at the intersection of U.S. Route 30 and U.S. Route 15 in the highest commercial corridor for the Adams County region is located a substantial distance from any historic areas of the county, all of which is clearly depicted on Exhibit "B" setting forth the location of the facility in relation to the community as a whole.

WEBSITE

Crossroads GRS developed a website in July of 2005 as a resource to the community to provide information about the project and to allay their fears. Adams County is a conservative community and while the issues of gaming may have been debated and answered in the State legislature, local fears and stereotypes remained and needed to be addressed.

The original website was www.gettysburggaming.com. It included facts about our project, a map locating the project, and a rendering of our façade. Supporters were advised how to contact legislators and newspapers to communicate their support. A Question and Answer section addressed most frequently asked questions, such as licensure process, who visits gaming resorts, crime, historic impact, and other concerns of the community. The corporate policies on responsibility to the community and responsible gaming are published. News articles, editorials and letters of support are included. The final section allows people to identify themselves to the

Applicant and comment on the project. Virtually all comments to date have been positive and affirming of the Applicant's project.

Since the renaming of our project, a new website was established -- www.crossroadsgaming.com. It includes the same type of information, but has been embellished with current studies on the economy, social impact, and historic impact. The purpose was not only to allay fears, but to begin to build support in the community.

DEVELOPMENT PLAN

The Applicant has engaged the architectural firm of Cope Linder Architects of Philadelphia, Pennsylvania, the architects of the Borgata Hotel and Casino in Atlantic City, among other projects, to assist the Applicant in the design of the facility and project. The Applicant has also engaged three engineering firms to assist the Applicant in evaluation and design of the site development for the project. The Applicant's engineers include Herbert, Roland & Grubic, Inc., Benatec Associates, Inc. and Grove Miller Engineering, Inc.

Although the project is not yet fully designed from an engineering perspective, much work has been done already to assure compliance with various laws, regulations and ordinances dealing with the development of the land which is envisioned to be a part of the overall project. In this regard, we have attached as Exhibits "C" and "D" a draft of the project's current proposed architectural rendering and "footprint," respectively. It is the Applicant's intention to submit a more complete land development plan and architectural plan to officials of Straban Township in the near future. Please also refer to Section IX of this Report for further comments regarding local land use regulations.

SECURITY AND LAW ENFORCEMENT

The Gaming Act and its regulations contain substantial requirements upon applicants for securing their facilities and keeping them safe in relation to the local community. In this regard, the Applicant intends to be hiring its own security force and also acknowledges that it will be reimbursing the Commonwealth for state troopers to be on the property along with the Applicant's own trained security force who will have to meet rigorous law enforcement and security training and qualifications. The Applicant regards security as its means of assuring the people of Adams County that their lives will not be negatively impacted by the facility.

ENTERTAINMENT

Most people who come for a day or a night out at a gaming establishment go there as a way of finding recreation and a social experience in an environment that they find exciting and as a get-away from their average, every day experiences. The average visitor comes with a friend and couples often come with another couple to the facility as is evidenced by the typical traffic information for these facilities which describe at least two and one-half people per vehicle visiting the facility. As a slot machine only facility, people will be challenged to come up with ways to beat the machine and, thus, their gaming experience is a form of interactive entertainment.

The remainder of this Report will be dedicated to specific subjects about which the gaming regulations require comment in the Local Impact Report. Please refer to the table of contents to assist you in navigating the remainder of this Report.

I. IMPACT ON TRAFFIC

A. Introduction

Crossroads Gaming Resort and Spa (“Crossroads”) has retained the services of Benatec Associates, Inc. and Grove Miller Engineering, Inc. to prepare a Traffic Impact Study (the “Traffic Study”) for the proposed site, which will be provided to you in detail in the next few days. The Traffic Study will describe the existing conditions of roadways immediately adjacent to the site, specifically US Routes 30 and 15. Both of these roadways are classified as Rural Principal Arterial roads. The existing average daily traffic volumes (ADT) on both of these roadways in the area surrounding the site, range between 14,300 and 20,600 vehicles per day, depending on location. Crossroads is proposing access to the site via a site roadway intersecting US Route 30 (opposite the Gateway Gettysburg Site), and a right-out only driveway. Further design criteria will accompany the written study.

B. Basis of Study

Using regression equations the Traffic Study calculated the average weekday and Saturday vehicle trip ends, as well as the PM and Saturday peak hour trips, see the Trip Generation Summary which is attached and marked Exhibit “E”. The calculations also take into account the intersection improvements (widening and signalization) currently being completed, and the fact that at full build-out, the Gateway Gettysburg development is expected to consist of four (4) hotels, a movie theater facility, retail shops, and restaurants, with the initial phase of development to be operational in 2006. The Gateway Gettysburg development trip generation and distribution was also incorporated into the traffic projections. Finally, the study considered PennDOT’s US Route 15/US Route 30 Interchange project, for which construction could begin in 2007 and be completed in 2009.

The trips expected to be generated by Crossroads were distributed onto US Route 30 and the adjacent street network based on the directional distribution of exiting traffic, roads available for travel, and local area traffic generators. Traffic projections were made in order to account for growth in background traffic volumes which may result from other future potential development in the region. The 2005 existing peak hour traffic volumes were projected to the 2008 build year and the 2018 design year conditions using a 1.3 percent annual traffic growth rate. The traffic growth rate was referenced from “Pennsylvania Traffic Data 2004” published by PennDOT’s Bureau of Planning and Research in October 2005.

C. Scope of Study

The Traffic Study includes analyses of the existing 2005 conditions and future conditions both with and without development, in 2008 and 2018, for the following intersections:

US Route 30 and Crossroads Roadway/Gateway Gettysburg Roadway

US Route 30 and US Route 15 Northbound ramps

US Route 30 and US Route 15 Southbound ramps

US Route 30 and US Route 15 Single Point Urban Interchange (Future)

D. Results of Study

Based on the methodology provided in the Transportation Research Board 2000 Highway Capacity Manual, Special Report 209, these intersections' highway capacity operations were evaluated in terms of their level of service (LOS), ranging from LOS "A" to LOS "F", with LOS "A" representing little or no delay and LOS "F" exceeding the practical limitations of available capacity and causing extreme delay. Queue Analyses and Sight distance evaluations were also done for each intersection.

The Traffic Study concludes that signalized capacity analyses for each of the intersections indicates that they are all expected to operate with movements at LOS "D" or better during the 2008 and 2018 design years, with or without the proposed development.

The Traffic Study does not recommend a storage length of greater than 400 feet as a result of the Queue Analyses for these intersections. Additionally, the Sight Distance Evaluation determined that each intersection provided acceptable sight distances.

E. Conclusion

The U.S. Route 15 limited access highway provides exceptional access to the site from major metropolitan areas. The site is located only an hour's drive from the Baltimore beltway (I-695) and only a 75-minute drive from the Washington beltway (I-495). The site is located only a half-hour's drive from a Pennsylvania Turnpike interchange in the Harrisburg metropolitan area.

The Traffic Study concludes that the traffic generated by Crossroads can be adequately served by the existing and the planned highway network with minor improvements. The project will not have any adverse transportation impacts, nor will it have any potentially adverse traffic effect.

II. IMPACT ON LOCAL POLICE AND EMERGENCY SERVICE CAPABILITIES

A. Introduction

The Crossroads Gaming Resort and Spa will be located in Straban Township, Adams County, Pennsylvania. The Director of the Adams County Emergency Services Department provided the following information on police and emergency services available to serve Straban Township:

B. Local Police and Facility Security

The proposed site would be serviced by the Pennsylvania State Police from the Gettysburg Station at 3033 Old Harrisburg Pike in Gettysburg. The police station is located approximately 4.6 miles from the site. Straban Township has no municipal police force. In the Straban Township Comprehensive Plan of 2004, the Plan states: "According to the Lieutenant of the department, they have a sufficient staff of 41 troopers, which provide 24 hours of service, and adequate equipment including patrol cars."

The hotel, spa and gaming facility will also be staffed by its own security force and the Gaming Law requires the Applicant to financially support the staffing of the facility by State Police personnel.

Crossroads regards security as its means of assuring the people of Adams County that their lives will not be negatively impacted by the facility. A strong internal security force will prevent underage age gambling and drinking. It will be incumbent on Crossroads to prevent patrons from drinking to excess, however, in the event someone becomes intoxicated, Crossroads will endeavor to prevent that person from exiting the facility onto the roads of Adams County. Of course, no criminal behavior will be tolerated on the premises.

C. Emergency Service:

1. Fire Service

The proposed site would be serviced by the Gettysburg Fire Department from the fire station at 35 North Stratton Street in Gettysburg. The fire station is located approximately 2.5 miles from the site and is staffed by volunteers. Apparatus currently available to respond to an emergency are listed below:

100 ft. Aerial Truck— capable of accessing up to 5 story building and the facility plans for a four story building at the tallest point.

75 ft. Quint – Engine/pump/75 ft. Aerial with capability of accessing up to 3 - 4 story building.

Engine Truck

Engine/Rescue Truck

Squad/Personnel Carrier

In the event of a large emergency, Gettysburg Fire Department would be assisted by New Oxford Community Fire Company, Biglerville Hose & Truck Co. No. 1 and Bonneauville Community Fire Department. These Departments are all volunteer and are located between 5.5 to 9.5 miles from the site.

2. Ambulance/Advanced Life Support/Air Medical Service

The proposed site would be serviced by the Gettysburg Fire Department from the fire station at 35 North Stratton Street in Gettysburg. The fire station is located approximately 2.5 miles from the site. The Department currently has two ambulances. One ambulance is staffed by two paid Emergency Medical Technicians twenty-four hours a day, seven days a week. The second ambulance is staffed by volunteers on an as needed basis. Secondary ambulance service would be provided by Gettysburg Hospital which currently operates two Advance Life Support (ALS) units. The Hospital is located at 147 Gettys Street in Gettysburg which is approximately 3.1 miles from the site. Air Medical Transport Services would be provided by STAT MedEvac which is based at the York Airport approximately 18 miles from the site.

D. Conclusion

The proposed site is zoned Commercial Highway and the surrounding area is zoned Commercial Highway or Conference Center/Visitors' Center. Commercial development currently as well as in the past has been planned for this area. As shown by the information above, local police and emergency services are all located relatively close to the proposed site. The facility will be staffed by its own security and provide for onsite State Police presence, as well. Therefore, we propose that this project will have no adverse impact to local police and emergency services.

Additionally, the Gaming Act provides for funds to be paid from the Pennsylvania Department of Revenue to the Gaming Control Board to fund grants for local municipal police services. Specifically, section 1408(c), 4 Pa.C.S.A. § 1408(c), provides that annually the sum of \$5,000,000 will be transferred from the State Gaming Fund to the Board for "grants to local law enforcement agencies to enforce and prevent the unlawful operation of slot machines in [the] Commonwealth."

III. ECONOMIC IMPACTS

A. Introduction

The proposed Crossroads Gaming Resort & Spa will generate both economic and fiscal benefits for Adams County. As part of the Application process, Crossroads commissioned a report on the potential impacts of the project. This report was prepared by Stephen S. Fuller, PhD., the Dwight Schar Faculty Chair and University Professor, Director of the Center for Regional Analysis, George Mason University, Fairfax, Virginia. The complete Economic Impact Report ("Economic Report") is attached hereto as Exhibit "F". Dr. Fuller describes in great detail the economic and fiscal impacts of the proposed project both during construction and operations following completion on Straban Township and Adams County. Some of Dr. Fuller's findings regarding fiscal impact on Straban Township are subject to further input and clarification from Township officials, however, the clear message of Dr. Fuller's study is that there will be significant, positive economic and fiscal impacts arising out of the project for the entire community.

B. Economic Impacts

1. Construction

The Economic Impact Report sets for the economic impacts of the construction outlays associated with the proposed development program for Crossroads, and concludes that, the proposed development program would generate \$217.8 million to the Adams County's gross county product over the two-year construction period. This, in turn, would generate new personal earnings and potential consumer spending totaling \$57.4 million to the benefit of Adams County residents and support a total of 1,448 on- and off-site jobs (full-time, year-round equivalent) in the County over this period.

Additionally, Crossroads will contribute \$3.6 million directly to Straban Township for transportation improvements, which will generate a total of \$5.3 million to the County's economy, support 36 jobs and increase personal earnings of County residents by \$1.4 million.

Finally, the project will yield state and local fiscal impacts in the form of personal and corporate income taxes, fees and user charges, real estate taxes and other local revenues. These revenues will exceed the demands on the State, County, and Township expenditures during the construction phase.

2. Post-Construction

Once completed Crossroads will create annual outlays, from daily operations and off-site spending from non-local visitors, projected at \$56.6 million. These include payroll, management, security, maintenance, utilities, supplies and services required to operate the facility during the year. In total, direct spending by Crossroads will generate an additional \$76.1 million in output value to the County's economy; will support 923 new jobs, both on- and off-site within the county; and will generate personal earnings totaling \$21.5 million for County residents.

Additional off-site restaurants, lodging, meals, retail purchases, and other services will generate even more personal earnings and jobs for local residents creating additional purchasing power to the benefit of the whole economy. These economic benefits will recur annually over the lifetime of the proposed Resort.

C. Fiscal Impacts

1. Post-Construction

The fiscal benefits to the County were formulated by taking into account the Adams County 2003 Comprehensive Annual Financial Report and 2005 Budget, and allocating those revenues and expenditures among residential and non-residential uses in the County on either a per-resident or per-worker basis for categories relating to general government services or by local revenue source. Dr. Fuller also reviewed some financial information from Straban Township.

The fiscal impact analysis confirms that all non-residential land uses in Adams County account for approximately 34 percent of the County's annual revenues but only demand approximately 20 percent of all expenditures for County-provided goods and services. Due to the relatively high value of the proposed Crossroad's contribution to the property tax base and its hotel "pillow" tax generation potential on the revenue side and its low demand for County services on the expenditure side, its revenue to expenditure balance would be even greater than the County's other non-residential uses.

2. Other Revenues

Crossroads will also generate property tax revenues in support of the School District and Straban Township, and the gaming revenues will generate annual grants to the benefit of both Adams County and Straban Township. Additionally, earned income taxes and an occupational privilege tax would generate new revenues, which together with the real property tax base increase would represent a 23 percent increase in its 2005 revenue base.

These sources of local revenues would be supplemented by the annual \$450,000 (or more) direct benefit to Straban Township from the Local Share Assessment under the Gaming Act, as well as additional grant money of an estimated \$9.55 million annually for projects in the public interest available to both the County, the Township and local development authorities. A complete memorandum detailing the funds to be received by local government agencies pursuant to the Local Share provisions of the Gaming Act is attached hereto as Exhibit "G".

3. Net Fiscal Impacts

The revenues generated by Crossroads will exceed its expenditure demand on Adams County by a factor of 2; that is, for every \$1 in new expenditure burden placed on Adams County, the County treasury would realize \$3. This figure does not take into account allocations for grant money to the County pursuant to the Gaming Act, hotel tax revenues to the Gettysburg Convention and Visitors Bureau, and hotel taxes generated at off-site hotels from Crossroads visitors.

D. Conclusions

The Crossroads proposal will generate both economic and fiscal benefits for Adams County. In addition to on-time economic impacts, the development of the proposed Resort would generate a fiscal surplus during the construction phase. Following completion of construction and achieving stabilized operations, the local economy will benefit from operating outlays for the Resort, as well as off-site spending of non-resident day and overnight visitors. Had the Resort existed as proposed in 2003, it would have generated a net fiscal benefit of \$648,100 for the County, which will recur and accumulate annually. The County and Township will also be entitled to direct allocations and grants from the funds under the Gaming Act. Finally, benefits will accrue to the County from off-site spending the will further strengthen the economy.

IV. IMPACT ON LOCAL TOURISM, HISTORIC AND CULTURAL

A. Introduction

The Applicant requested Duarte B. Morais, Ph.D., Assistant Professor, Department of Recreation, Park and Tourism Management at the Pennsylvania State University, University Park, State College, Pennsylvania, to prepare a comment paper entitled “Casino Development and Historical Preservation in Gettysburg, PA”. The full comment paper is attached hereto as Exhibit “H”. The comment paper was an independent position based on existing scientific literature and Professor Morais’ experience in tourism and heritage preservation. The paper addresses the popularly held beliefs regarding casino development and particularly details the impacts a properly managed slots parlor would have on tourism and culture in the area of Gettysburg.

B. Attitudes

Professor Morais’ research indicates that generally communities faced with gaming establishment development generally react negatively to the initial rapid changes originated from the development. Then, attitudes gradually improve as local residents adapt, learn more about the positive impacts of the industry, and find ways in which to benefit from it. Furthermore, Professor Morais notes that trade media and mass media articles about the potential impacts of casino development in Gettysburg have helped shape the public’s opinion negatively, and an examination of this material shows that most of this information lacks credibility.

C. Impacts of Slots Parlor

1. Generally

Most authors do not contest the great potential of casinos to generate substantial economic gains. These potential gains and other economic impacts are more fully explained in Exhibit “F” to this Impact Report. Crossroads will also engender social effects, mostly stemming from “compulsive gambling”, which is more fully discussed in Exhibit “I” to this Impact Report. Finally, some authors have reported that when controlling for population size, crime rates tend to either remain the same or to decrease when gaming establishments are developed in an area.

2. Historic Preservation

Drawing from recent studies conducted on casino development in small historic towns, such as Vicksburg, Mississippi, Professor Morais notes that in other jurisdictions, gambling taxes and fees have been used for historic restoration, to improve infrastructure, and to provide grants and low-interest loans to local residents. Additionally, there is empirical data supporting the contention that visitors attracted to the area for gaming, will frequently stay longer to experience other opportunities, such as touring historic, scenic, or recreation sites. Professor Morais has relied on clear empirical data to make his findings.

D. Conclusion

Professor Morais concludes that thorough planning, clear policy and unbiased monitoring can sustain a synergy between the proposed development of a slots parlor and preservation of the historic and cultural significance of the Gettysburg area.

V. PRELIMINARY WATER AND SEWER FEASIBILITY STUDY

The Applicant commissioned a Preliminary Water Feasibility Study ("Water Study") for the site of the proposed Crossroads Resort. The Water Study was prepared by Herbert, Rowland & Grubic, Inc., a licensed engineering firm.

The current estimated demand of the project from the project's architect, Cope Linder Architects, is 150 gallons per minute (gpm). The western portion of the site contains a hydrologic unit that has a median yield of 74 gpm. By placing two or three wells in this shale aquifer Crossroads should be able to meet the demand for the site. Each well will have to be located several hundred feet from each other, and will have an isolation distance of 100 feet. As a median, some wells have a higher yield than others in this area. At least one test well yielded well over 100 gpm.

The Gettysburg Municipal Authority (the "Authority") will be the supplier of water for the facility; however, the facility is committed to providing the Authority with wells that yield well in excess of the Applicant's consumption requirements. Public Sewer service to the site is also provided by the Authority which has adequate capacity to meet the facility's projected requirements.

VI. SOCIAL IMPACTS INCLUDING SUICIDE AND CRIME

The Applicant's research into potential social effects of the proposed resort indicates that there is a lack of a causal link between negative social impacts and the gambling industry. A research memorandum summarizing these findings is attached hereto as Exhibit "I". In short, considerable literature and research exists to support the conclusion that there is no conclusive link between legalized gambling and significant social costs that outweigh economic benefits. In fact, much of the research that claims significant social costs lacks a substantial empirical basis.

A study conducted by Jeremy Margolis in December 1997 found that after review of empirical studies, little documentation existed to link gaming and crime. In fact, his study found that communities with casinos are just as safe as communities without casinos. The studies Margolis relied on included empirical data for Atlantic City, Las Vegas, Biloxi, Mississippi, Illinois, Ontario, Reno, and other various casino locations. Today's gaming industry is protected by government regulation, public ownership, and public opinion, which militate against the infusion of organized crime. For example, the New Jersey Casino Control Commission has reported that a reduction in crime in Atlantic City may be directly associated with an increase in employment opportunities and the implementation of a number of programs to improve police effectiveness.

Jay S. Albanese, professor and chairman of the Department of Criminal Justice at Virginia Commonwealth University in Richmond, conducted an examination of the empirical

evidence regarding casino gambling and white collar crime in 1999. He found that the evidence does not provide proof that casino gambling contributes significantly to trends in embezzlement, forgery, and fraud. Further, Albanese drew on Donald Cressey's study regarding the causes of embezzlement to determine that no single factor causes embezzlement or any other crime. Instead, embezzlement is the result of a person defining a problem as something that cannot be shared with others. If the offender blames the embezzlement on drinking, gambling, or another issue, this is merely the offender's rationalization for the conduct, rather than the cause of it. Thus, Albanese suggests that as gambling becomes defined as a more legitimate activity, it may be easier for compulsive gamblers to seek help and avoid the feeling that their problems cannot be shared and that embezzlement is the only solution.

The Gaming Act directly addresses compulsive gambling through creation of a Compulsive Problem Treatment Fund to be used for public education, awareness and training for compulsive and problem gambling and for the treatment and prevention of compulsive gambling. All slot facilities are mandated to obtain and prominently display throughout the facility a toll-free telephone number to be used to provide persons with information or assistance for compulsive or problem gambling. In addition, the Gaming Control Board regulations call for the establishment of a self-exclusion list from gaming facilities at all licensed facilities. This list would remove self-excluded persons from targeted mailings and other forms of advertising and promotions. Thus, Pennsylvania is positively instituting methods of assistance for compulsive gambling at the onset, which will mitigate the likelihood that problem and/or compulsive gamblers will resort to embezzlement.

Another social ill often attempted to be linked to gambling is bankruptcy. The National Gaming Impact Study Commission has already heard testimony regarding the link between gaming and bankruptcy from Rudy Cerone, an active member of The American Bankruptcy Institute and the immediate Past Chairman of the Bankruptcy Section of the Louisiana State Bar Association. He testified that any increase in consumer bankruptcies had little or nothing to do with gaming. Rather, the increase in bankruptcy filings is due to credit card companies who push their products on consumers and the ease of filing for bankruptcy under the former bankruptcy laws.

Presumed links between gambling and increases in suicide are also without support. The Center for Disease Control and Prevention's study did not find gambling to be a cause of suicide. Other studies have also shown that the risk of suicide for gaming area residents (Atlantic City, Las Vegas and Reno) is no higher than the risk faced by residents of non-gaming areas and the risk of suicide for visitors to gaming areas is no higher than the risk faced by visitors to non-gaming areas. One study which contradicts this conclusion has a number of flaws within the research, including the improper use of the proportionate mortality ratio (PMR) to interpret suicide risks. Finally, Lynne Fullerton, Ph.D., of the University of Nevada and Director of the Suicide Prevention Research Center in Las Vegas, has found no correlation between state legalized gaming and state suicide rates, and reported that ecological studies have been completed in 50 states with no correlation being found between the two.

Any relation between suicide, crimes and other negative social effects to gambling tend to be associated with compulsive and/or problem gamblers. However, it is difficult to link the actions of compulsive gamblers to gambling because of their underlying mental/psychological condition called "co-morbidity", which may be the actual cause of any crime or suicide.

As stated elsewhere in this Impact Report, including Exhibit "F", the gaming industry will be instrumental in the introduction of jobs, tax revenue, and commercial development, and will provide superior job benefits, such as health care and day care programs. Many of those persons to be employed at the Resort, would formerly have been on Welfare or receiving unemployment benefits. As a result, Aid to Families with Dependent Children (AFDC) payments have decreased appreciably in gaming communities. The National Opinion Research Center at The University of Chicago (NORC) found that there is often no adverse change in overall per capita income after the introduction of casinos. New jobs and higher wages will be available for many workers, especially minorities and women.

Crossroads will also provide additional benefits to the community by requiring diversity within hiring and contracting practices of the industry, thus allowing women, minorities and individuals with disabilities to be the primary beneficiaries of the industry. Women-owned and minority-owned businesses are often targeted for contracts with casino operators. The Gaming Act stresses the importance of diversity by requiring the creation and implementation by all licensed casinos of a diversity plan.

In contrast to slot machines, lotteries and other "forms of convenience" gambling such as internet gambling are far more troublesome and have minimal benefits with a greater likelihood of abuse and addiction.

Studies of the effects of gambling on homelessness are inconsistent. In gaming communities, individuals with gambling problems tend to constitute a higher percentage of the homeless population. However, the influx of good entry-level jobs with benefits is a tremendous benefit to homeless workers and to society. The National Gambling Impact Study Commission (NGISC) heard from a number of elected officials from Illinois, Indiana, Atlantic City and Mississippi, who testified that the advent of legalized gambling within their locales contributed to a general increase in the standard of living for the citizens within those communities.

The United States General Accounting Office also conducted a case study of Atlantic City, New Jersey, and found no support for the proposition that gambling increases family problems, crime, and suicide among the general population. When adjusted for the increased population due to tourism, rates of crime, suicide, and embezzlement more closely approximate the state and national levels.

Similar findings have also been found in Vicksburg, Mississippi, where statistics available for the years 1999-2002 show that child victimization rates for Mississippi were below the national level, while divorce rates have not increased, but have remained fairly consistent at a level slightly above the national average. Vicksburg also experienced numerous positive affects. In the years following the introduction of gambling within Vicksburg, the number of visitors to the Vicksburg Battlefield has increased 11 out of the 12 years. Although the population decreased by nearly 200 individuals between 1990 and 2000, nearly 5,000 more individuals within Vicksburg have found employment. The property value for a Vicksburg home in 1993 was \$54,540, and resulted in a \$543 tax. By 2002, such home almost doubled in value. As a result of the casinos in Vicksburg, the city was able to construct and/or obtain a city pool (\$1.7 million dollars), a convention center (\$13 million dollars), the Jackson Street Community Center (\$1.5 million dollars), a new police department, two new fire stations, new fire fighting equipment, a new computer system, expansion of Halls Ferry Park, and other new equipment for

police. Interviews reveal that police officers in Vicksburg do not believe the casinos have caused an increase in crime, and social service programs in Vicksburg do not believe that increases in child abuse, suicide or divorce are related to gambling.

The Crossroads Gaming Resort & Spa pledges that it will generate economic development and tourism within Adams County, provide charitable giving to Adams County non-profit organizations, and participate in community leadership through the Chamber of Commerce and other civic organizations. Given Crossroads Gaming Resort & Spa's dedication to improving the social and economic life of Straban Township, the Gettysburg Borough and Adams County, along with the lack of negative social effects, Crossroads will be a significant benefit to Adams County, its businesses, its visitors, and its citizens.

VII. IMPACT ON JOBS AND HOUSING

A. Jobs

The impact of the Crossroads Resort on jobs and job availability is directly linked with the Economic Impacts of the Resort as set forth in Exhibit "F", prepared by Stephen Fuller, Ph.D. The new on- and off-site jobs supported directly and indirectly by spending for Crossroads' operations and by new visitors to the County will represent a 6.5 percent increase in the County's employment base. After the completion of construction, the operating outlays associated with the Resort's hotel, spa and casino as well as off-site spending of non-resident day and overnight visitors, will add a total of \$224 million annually to the County's gross county product, generate \$62.3 million in new earnings for County residents and support 3,052 new jobs (full-time, year-round equivalent) on site and throughout the County economy. Table 5 of Dr. Fuller's report also indicates that during the construction phase alone, approximately 1,448 jobs will be generated by the project.

The positive effects of casinos on job creation have been seen in other jurisdictions that have hosted gaming facilities, as set forth in Exhibit "I". For example Vicksburg also experienced numerous positive affects in this area. In the years following the introduction of gambling within Vicksburg, the number of visitors to the Vicksburg Battlefield has increased 11 out of the 12 years. Research has indicated that cross-over occurs between visitors to the Battlefield and to the casinos. The positive impact of the casinos on the Vicksburg treasury and employment rate has been striking. Although the population decreased by nearly 200 individuals between 1990 and 2000, nearly 5,000 more individuals within Vicksburg have found employment. Moreover, the influx of good entry-level jobs with benefits is a tremendous benefit to homeless workers and to society.

B. Housing

Crossroads Gaming Resort and Spa will employ an estimated 1,448 full and part-time workers on-site when fully operational. It is estimated that 100 to 200 of the workers will be hotel/spa/casino professionals that may be relocated from outside the Adams County Area. The remaining workers will be recruited from the existing residents of Adams County and surrounding areas.

The U.S. Census Bureau, 2000 Census data shows the make up of the County's 35,141 housing units to be owner occupied housing units (25,861), renter occupied units (7,791) and vacant (2,179 units). The Adams County Office of Planning and Development's Subdivision and Land Development Activity Report, 2004 Year-End Analysis dated February 4, 2005 shows that a total of 1,961 new residential lots/units had been proposed in the year 2004 and a total of 6,497 new residential lots/units had been proposed since the year 2000 within Adams County. The report also states that 709 New Residential Building Permits were issued within the County in the year 2004.

The proposed site is located in Adams County, Pennsylvania that is shown above to contain a large number of housing options with a steady growth of new residential lots/units in recent years. It is assumed that only 7 to 14% of the estimated 1,448 full and part-time workers would be relocated from other areas with the remaining workers coming from Adams County or the surrounding areas. Therefore, Crossroads submits this project will have no adverse impact to the housing within the local area.

VIII. OTHER MUNICIPAL SERVICES OR RESOURCES

It is not expected that the Crossroads Resort will have any negative impact on "other municipal services or resources," as addressed in the Gaming regulations. The refurbishment of Smith Road will be completely paid for by the Applicant. The cost for the Township of maintaining and removing snow from this road will likely be provided by the Applicant.

Crossroads will have an independent private trash removal service, and will provide no additional burden on the Township with respect to solid waste disposal. Any effect that the influx of people to this resort might have on agreements between the Township and private entities who provide service to Township residents, such as a cable service provider, will likely be completely mitigated by the fees received from Crossroads for such services.

IX. ZONING AND LAND USE REGULATIONS

The Applicant's property is situated in the Straban Township Commercial Highway (C-H) zoning district. It is located directly across U.S. Rt. 30 from the Gateway Gettysburg development and the Township's Conference/Visitor's Center zoning district. In accordance with the Straban Township Comprehensive Plan of 2004, the Applicant's proposed use of the property generates the kind of high employment opportunities for area-wide residents, and the Plan goes on to recommend that the economic growth areas of the Township (including the Applicant's site) should be zoned in a flexible manner regarding use designations. The Township's Comprehensive Plan further acknowledges that the "Route 15 and 30 interchange is highly developed and it is multi-functional. Tourism, commercial service and employment center developments have taken over the landscape. This multi-functional zone should be appropriately zoned for the function it serves." Straban Township Comprehensive Plan of 2004, Page 78.

The Township's Comprehensive Plan acknowledges that the Applicant's business type has a location quotient significantly higher than which makes the Applicant's business an "economic base" for the community. Straban Township Comprehensive Plan, Page 34.

The C-H Zoning District of the Township permits a wide variety of business and other uses. Included in the permitted uses, by right or by special exception upon compliance with the criteria of the ordinance, are retail businesses, variety and apparel stores, eating and drinking establishments, hotels, motels, restaurants, accessory uses and buildings customarily incidental to the permitted uses as well as commercial recreational facilities, and shopping centers, by special exception.

The Applicant believes that it qualifies as a permitted use among the uses identified in the Township's Zoning Ordinance and Comprehensive Plan, and the Applicant intends to cooperate with the Township's Board of Supervisors to develop its facility in a manner consistent with a good land use and development standards striving to meet all applicable regulatory standards and requirements of the Township, County and the Commonwealth of Pennsylvania and its administrative agencies and bodies.

CONCLUSION

Crossroads Gaming Resort & Spa sincerely believes that the readers of this Report will begin to appreciate the extent and nature of the project the Applicant has undertaken and the enormous potential for positive impact on the Adams County community as well as Straban Township and other surrounding municipalities. A gaming facility in Adams County will enable the county to better utilize its already existing resources for the tourism community by enabling hotels, motels, restaurants and retail establishments to experience a year round influx of new people. Moreover, the national park and historic sites will receive many new visitors, as well, from the patrons of the Crossroads Gaming Resort & Spa. It is generally recommended by economists and those advising public officials that local communities strive to have a resilient economy based upon various types of businesses and to avoid dependence on one principal source of revenues. Moreover, the tourism business of Adams County, thus far, has been affected by the seasons of the year and has not provided a year round, steady flow of people to the community.

As David M. LeVan has previously said to the local officials of Adams County and Straban Township, the Gaming Law has afforded a unique opportunity to certain regions of the Commonwealth of Pennsylvania to receive an economic shot in the arm. Adams County should receive its fair share and opportunity to participate in this unique and economically stimulating arena.

Although there are always some negatives that come with any substantial project, the Applicant believes that there can be little question or doubt based on years of experience in other communities which have been documented in many of the reports and studies that have been referred to in this Impact Report that the development of a gaming establishment in the Adams County region will have a vastly positive impact on the local community.

Investors

David LeVan

David was born in Gettysburg and received his Bachelor's Degree from Gettysburg College. He went on to earn an Advanced Management Degree from Harvard Business School, spent 10 years with Coopers and Lybrand, and 20 years at Conrail Inc, where he served as president, then CEO and then COB until his retirement in 1998. David currently resides in Gettysburg, where, along with his wife Jennifer, he is a managing partner in Battlefield Harley Davison.

Robert C. Bales

Bob has over 30 years of business and technology experience, launching his first company, Biznet, in 1989. He went on to build the National Computer Security Association into a world-class membership organization. Most recently Bob founded PestPatrol, where he currently serves as CEO.

Barbara Bushey Ernico

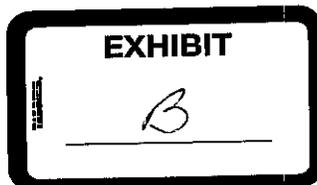
Barbara is President of Charitable Advisory Services, a company she founded in 2000. She has been dedicated to serving her community for years, and serves on the Board of Directors for New Hope Ministries, as a Member of the Mission, Peace and Service Commission at the Grantham Brethren in Christ Church, on the Board of the Retired Senior Volunteer Program of the Capital Region, and as a member of the Junior League of Harrisburg. She was recently elected to the Commission for Women in Cumberland County

Heather Kutz

Heather is a principal in her family's business, Clouse Trucking, a milk handling business with 150 employees which serves more than 1000 dairy farmers in Pennsylvania, Maryland, Virginia and West Virginia.

Alan Hassman

After receiving an Honorable Discharge from the Pennsylvania National Guard, Alan got his start in business by renting and operating a 160 acre farm. He has decades of experience in the restaurant business, currently serving as President of ARH, Inc, Keystone Lodging Enterprises, and the Sycamore Road Association



James Quillen

James is the owner of Quillen Development, located in Hunt Valley, Maryland. James engages in both residential and commercial real estate development involving in excess of 40 projects in the states of Maryland and Pennsylvania.

Peter J. Ressler

Peter is an attorney with Mette, Evans & Woodside in Harrisburg, PA. Peter serves on the boards of many civic organizations in the central Pennsylvania area, and is the former Chairman of the Board of the Central Pennsylvania Allied Arts Fund, which raises more than a million dollars annually in support of local cultural organizations.

Michael Serluco

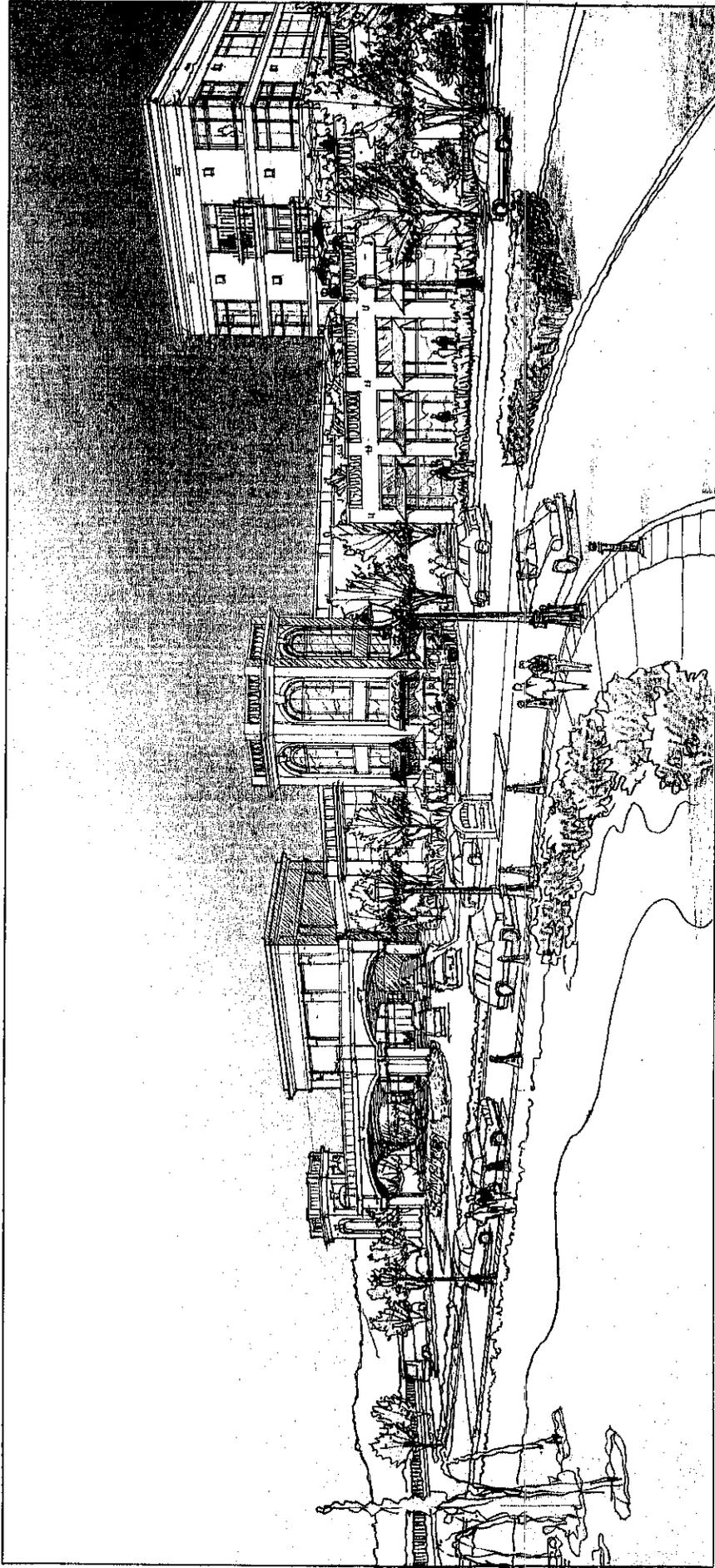
Michael began with a career in real estate and went on to start his own business, Consolidated Properties, over 30 years ago. He maintains a high profile in the community by serving on numerous corporate boards; is a member of the East Shore YMCA, and a police commissioner in the West Shore Regional Police Commission.

Elizabeth A. Eelkema, M.D.

Elizabeth has been Chief of Neuroradiology and MR Imaging at South Hills Radiology Services since 1990. Elizabeth was trained at Mayo Medical School, and worked in Hawaii, Virginia, Minnesota and Iowa before settling here to practice in Pennsylvania.

P. Gary Wienken

Gary is President of Wienken and Associates, a local financial services group. An active member of his community, he and his wife are kept even more active by their four children and eleven grandchildren.

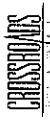


Perspective View

20 July 2005

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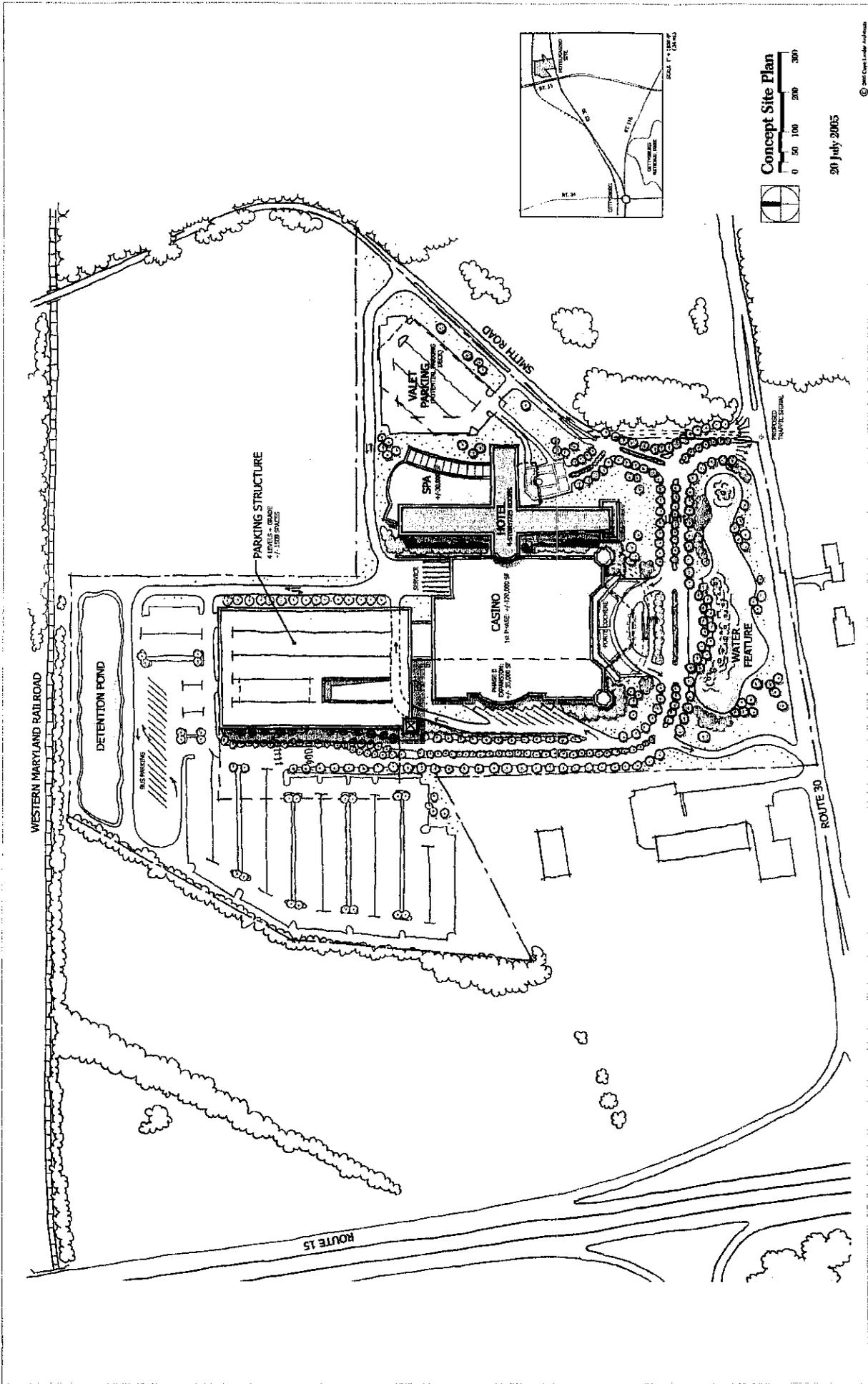
Cope Linder Architects
 21 South 15th Street
 Philadelphia, Pennsylvania 19102
 www.CopeLinder.com



Straban Township, Adams County, Pennsylvania

Chance Enterprises, Inc.
 Harrisburg, Pennsylvania





Concept Site Plan
 0 50 100 200 300

20 July 2005

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 20 South Elmwood Street
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CROSSROADS
 CONSTRUCTION MANAGEMENT

Straban Township, Adams County, Pennsylvania

Chance Enterprises, Inc.
 Hershey, Pennsylvania

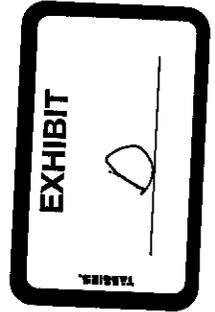
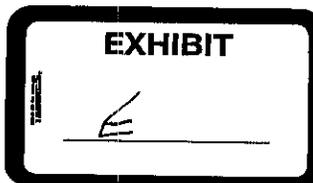


Table 1. Trip Generation Summary - Crossroads Gaming Resort & Spa

Land Use (ITE Code) Size	Average Weekday Vehicle Trips (vpd)	Average Saturday Vehicle Trips (vpd)	PM Peak (vph)		SAT Peak (vph)	
			Enter	Exit	Enter	Exit
Casino						
Casino (*) 3,000 slot machines	11,772	15,900	375	261	764	394
Hotel						
Hotel (310) 225 occupied rooms	2,007	2,363	77	81	91	95
Spa						
Health/Fitness Club (492) 30,000 SF	988	626	62	59	39	37
TOTALS	14,767	18,889	514	401	894	526

*Based on rates provided in the PENNDOT approved Penn National Race Course Expansion traffic impact study (September 2004)



The Impact of the Proposed Gettysburg Gaming Resort & Spa On the Economy of Adams County, PA

Summary of Findings

The proposed Gettysburg Gaming Resort & Spa will generate both economic and fiscal benefits for Adams County. The economic and fiscal impacts of the proposed Gettysburg Gaming Resort & Spa will result from its construction and its operations following completion.

During the construction phase, economic impacts occur in the form of on- and off-site jobs and from their related payroll and the spending and re-spending of these earnings in the local economy. In addition to the construction outlays, the soft costs inclusive of design and engineering services, project management and other professional services will generate new jobs and payroll during the pre-construction period and continuing through the construction period. This payroll and the purchases flowing from construction and related professional activities will generate secondary impacts within Adams County's economy.

With the completion of construction, the Gettysburg Gaming Resort & Spa will generate operating outlays including direct payroll expenditures relating to on-site activities, payments to vendors and other payments to support the day-to-day operations of the facilities. Additionally, new off-site spending by visitors to the Resort for accommodations, retail and food services, and other locally provide goods and services will generate important economic benefits within the County.

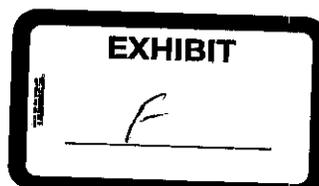
New tax revenues that the post-construction activities will generate to the benefit of Adams County, Straban Township and the School District can be calculated and compared to the new demands for local government expenditures to provide services for the visitors and the on-site jobs associated with the proposed project.

These annual fiscal benefits are in addition to the one-time local taxes generated during the construction period, the contributions made to the Township government for transportation improvements and grants made to Adams County and Straban Township in the form of local share assessments from Gross Terminal Revenue generated by gaming activities.

These economic and fiscal benefits are summarized below in Table 1.

Construction Phase Impacts

During the two-year construction period, the Adams County economy will realize a total of \$217.8 million in added output value, local personal earnings will increase by \$57.4 million, and 1,448 new on-site and off-site year-round, full-time equivalent jobs will be



generated. The contribution of \$3.6 million for off-site transportation improvements will generate additional economic benefits, jobs and personal earnings to the benefit of Adams County residents. In addition to these one-time economic impacts, the development of the proposed Resort would generate a fiscal surplus during the construction phase.

Table 1

Summary of Economic and Fiscal Impacts
(economic impacts in millions of 2005\$)

Project Phases	Total Economic Impact (1)	Personal Earnings (2)	Jobs Generated (3)	Fiscal Benefit
Construction	\$217.8	\$57.4	1,448	n.a.
Off-site*	5.3	1.4	36	n.a.
Post-Construction** Other Local Revenues	\$224.0	\$62.3	3,052	\$0.648 (4) \$12.319

*reflects \$3.6 contribution to Straban Twp for transportation improvements not included in construction totals; **these economic and fiscal benefits recur annually; (1) contribution to Adams County's gross county product; (2) increased income received by residents of Adams County as a result of the direct construction and post-construction outlays; (3) new full-time, year-round equivalent jobs supported (created) on- and off-site as a result of the new spending associated with the construction and post-construction activities associated with the proposed Resort & Spa; (4) fiscal benefit expressed in 2003 dollars reflects surplus of new revenues compared to new demands (expenditures) for Adams County services.

Post-Construction Economic Impacts

Following the completion of construction and achieving stabilized operations, the local economy will benefit from the operating outlays associated with the Resort's hotel, spa and casino as well as the off-site spending of non-resident day and overnight visitors. This spending will add a total of \$224 million annually to the County's gross county product—a 7.7% increase, generate \$62.3 million in new earnings for County residents and support 3,052 new jobs (full-time, year-round equivalent) on site and throughout the County economy—for a 6.5 percent increase to its job base.

Post-Construction Fiscal Impacts

Due to the relatively high value of the proposed Resort & Spa that determines its contribution to the property tax base and its hotel "pillow" tax generation potential on the

revenue side and its low demand for County services on the expenditure side, its revenue to expenditure balance is estimated to generate 198 percent greater revenues than expenditure demand as shown in Table 2.

Table 2

Post-Construction Fiscal Impacts of the Proposed Gettysburg Gaming Resort
& Spa on Adams County, PA
(in 2003 \$s)

Revenues/Expenditures	Proposed Resort & Spa
Revenues Generated	\$974,508
Less New Expenditure Demand	<u>326,446</u>
Net Fiscal Benefit	\$648,062

Sources: 2003 Adams County Comprehensive Annual Financial Report;
2005 Adams County Budget; GMU Center for Regional Analysis

The proposed Gaming Resort & Spa has been shown to be fiscally positive for the County. Had this Resort existed as proposed in 2003, it would have generated new revenues (by on-site visitor spending, property value, and other local taxes and fees) totaling \$974,500 compared to the new demands the Resort would have placed on the County for services estimated to total \$326,400 resulting in a net fiscal benefit of \$648,100. These economic and fiscal benefits will recur and accumulate annually.

In addition to the “regular” revenue stream accruing to Adams County associated with the Resort & Spa (Table 2), it will generate property tax revenues in support of the School District and Straban Township. The School District will realize an estimated \$2.17 million annually from the increase in the real property base and an estimated \$28,400 in new revenues will accrue to Straban Township

Furthermore, the gaming revenues will generate annual grants to the benefit of both Adams County and Straban Township totaling \$10 million annually. Additional grants may be returned to the County and Township totaling an estimated \$6 million annually from Gross Terminal Revenue received by the Department of Community and Economic Development.

Other unquantified fiscal benefits accruing to the County will result from off-site spending of the estimated 2.2 million day visitors and 1 million overnight visitors that will further strengthen the local economy and the County’s fiscal base.

**The Impact of the Proposed Gaming Resort & Spa On the
Economy of Adams County, PA**

**Prepared for
Chance Enterprises**

By

**Stephen S. Fuller, PhD.
Dwight Schar Faculty Chair and University Professor
Director of the Center for Regional Analysis
George Mason University
Fairfax, Virginia**

December 2005

The Impact of the Proposed Gaming Resort & Spa On the Economy of Adams County, PA

Introduction

The economic and fiscal impacts of the proposed Gaming Resort & Spa will result from its construction and its operations following completion. During the construction phase, economic impacts occur in the form of on- and off-site jobs and from their related payroll and the spending and re-spending of these earnings in the local economy. In addition to the construction or hard costs, the soft costs inclusive of design and engineering services, project management and other professional services will generate new jobs and payroll during the pre-construction period and continuing through the construction period. This payroll and the purchases flowing from construction and related professional activities will generate secondary impacts within Adams County's economy.

With the completion of construction, the Gaming Resort & Spa will generate operating outlays including direct payroll expenditures relating to on-site activities, payments to vendors and other payments to support the day-to-day operations of the facilities. Additionally, new off-site spending by visitors to the Resort for accommodations, retail and food services, and other locally provide goods and services will generate important economic benefits within the County.

The economic impacts of the proposed Gaming Resort & Spa can be calculated by using the Regional Input-Output Model developed by the U.S. Department of Commerce's Bureau of Economic Analysis. The total impact of this new spending on the County's gross county product (the value of goods and services produced), its impacts on the personal income of residents living in Adams County, and the jobs it will support locally can be determined by using these multipliers.

New tax revenues that the post-construction activities will generate to the benefit of Adams County, Straban Township and the School District can be calculated and compared to the new demands for local government expenditures to provide services for the visitors and the on-site jobs associated with the proposed project. This comparison of revenues and expenditures that would be generated had the proposed project existed during the last budget cycle yields its net fiscal impact. These annual fiscal benefits are in addition to the one-time local taxes generated during the construction period, the contributions made to the Township government for transportation improvements and grants made to Adams County and Straban Township in the form of local share assessments from Gross Terminal Revenue generated by gaming activities.

The Economic Impact of the Proposed Gaming Resort & Spa

The proposed development program for the project to be built on a 42-acre site includes a spa of 30,000 square feet, a 225-room hotel and a casino totaling 120,000 square feet. Additionally, a 1,500-car parking garage will be constructed on site along with

landscaping, water features and other amenities and infrastructure improvements appropriate for the gaming resort. Also included would be a range of restaurant, retail, and other supporting services typical of a gaming resort and spa complex. It is estimated that the Resort & Spa will employ 1,429 full- and part-time workers on site when fully operational.

Construction Impacts

The economic impacts of the construction outlays associated with the proposed development program for the proposed Gaming Resort & Spa are presented in Table 1.

Table 1

The Construction Impacts of the Proposed Gaming Resort
& Spa on the Adams County, PA Economy
(in millions of 2005\$s)

Project Proposal	Direct Outlays (1)	Total Output (2)	Personal Earnings (3)	Jobs Generated (4)
Hard Costs				
Site Development	\$5.7	\$8.40	\$2.14	57
Spa	9.8	14.51	3.70	98
Hotel	32.0	47.39	12.07	320
Casino	45.0	66.64	17.00	450
Parking Garage	18.9	28.00	7.13	189
Landscaping/Paving	6.4	9.48	3.58	64
Contingency	12.1	17.92	4.56	121
Total Hard Costs	\$129.9	\$192.34	\$50.18	1,299
Soft Costs				
A&E Services	\$5.0	\$6.28	\$1.43	34
Other Services	4.7	7.06	3.11	51
Fees/Permits	8.6	12.16	2.65	64
Total soft Costs	\$18.3	\$25.50	\$7.19	149
Totals	\$ 148.2	\$217.84	\$57.37	1,448

Sources: Cope Linder Architects; GMU Center for Regional Analysis; U.S. Department of Commerce, Bureau of Economic Analysis

(1) excludes land costs. (2) contribution to County's gross county product over construction period. (3) increase in earnings of County residents.

(4) full-time, year-round job equivalent

The impact of the proposed development program for the Gaming Resort & Spa would generate \$217.8 million to the County's gross county product over the two-year construction period. These construction outlays would generate new personal earnings and potential consumer spending totaling \$57.4 million to the benefit of Adams County residents and support a total of 1,448 on- and off-site jobs (full-time, year-round equivalent) in the County over this period.

Additional economic benefits will result from the \$3.6 million contributed to Straban Township for transportation improvements. If these funds are used for construction, they will generate to total of \$5.3 million to the County's economy, support 36 jobs and increase the personal earnings of County residents by \$1.4 million.

The state and local fiscal impacts generated during the construction period will include personal and corporate income taxes, fees and user charges, real estate taxes and others local revenues. These revenues will exceed the demands placed on State, County, and Township expenditures during the construction phase of the proposed Gaming Resort resulting a net fiscal benefit.

Post-Construction Economic Impacts

The annual economic and fiscal impacts associated with the proposed development program for the Gaming Resort & Spa, following completion of its construction, will result from outlays for the operations of the spa, hotel and casino and from the new off-site spending potential associated with non-local visitors attracted to the Resort. These outlays will generate indirect and induced effects within the County's economy including new personal earnings for County residents and new jobs. These economic impacts are summarized in Table 2.

Annual outlays by the Gaming Resort & Spa are projected to total \$56.6 million annually. These outlays include all payroll, management, security, maintenance, utilities, supplies and services required to operate the facilities over a one-year period. This spending for goods and services, of which approximately 60 percent will go for wages and salaries and fringe benefits, will support on- and off-site jobs in Adams County directly as well as indirectly as payroll outlays are re-spent in the local economy for consumer goods and services. These outlays also include payments to local vendors contracted to support the Resort's gaming, restaurant, retail and other guest services. In total, this direct spending by the Resort will generate an additional \$76.1 million in output value to the County's \$2.91 billion economy (2005 \$s). This new spending will support 923 new jobs (full-time, year-round equivalent) on- and off-site within the County and generate personal earnings totaling \$21.5 million for County residents.

The spending of new visitors attracted to Adams County by the Gaming Resort & Spa will be a major source of the direct outlays benefiting local businesses on a recurring annual basis. The "stabilized" annual visitor volume is projected to total 3.2 million non-Adams County residents (accounting for multiple visits over a year). Adams County

residents are excluded from the economic impact calculation as only net new spending in the County attracted from beyond its borders is counted as “new” economic impact.

Of the 3.2 million annual out-of-County visitors, 1.022 million will stay overnight in local hotels with 114,975 of these overnight visitors staying on-site in the Resort Hotel. It is assumed that these over-night visitors will average two persons per room occupancy and that the hotel will average 70 percent occupancy on an annualized basis. The remaining 907,025 overnight visitors will seek accommodations off-site representing a demand for 453,512 room nights and spending potential estimated at \$63.5 million annually for lodging, meals, retail purchases, and other services.

Table 2

Post-Construction Impact of the Proposed Gaming Resort & Spa
On the Adams County Economy*
(in millions of 2005\$)

Types of Spending	Direct Outlays (1)	Total Output (2)	Personal Earnings (3)	Jobs Generated (4)
Operating Costs for Hotel, Spa & Casino	\$56.6	\$76.1	\$21.5	923
Visitor Spending**				
Day Visitors	43.7	61.4	16.9	998
Overnight Visitors				
Hotels	40.8	54.9	15.5	665
Food/Retail	22.7	31.6	8.4	466
Total Visitor Spending	\$107.2	\$147.9	\$40.8	2,129
Totals	\$163.8	\$224.0	\$62.3	3,052

Source: PKF Consultants; GMU Center for Regional Analysis; U.S. Department of Commerce, Bureau of Economic Analysis

*impacts recur annually ** Off-site and excludes Adams county residents

(1) direct annual non-capital expenditures; excludes cost of slot machines.

(2) sum of direct and indirect dollar contribution to County’s total value of goods and services produced within its borders. (3) wage and salary payments

received by residents of Adams County as a result of the direct outlays to operate the Resort and & Spa and spending by new visitors attracted to the

County; (4) full-time, year-round equivalent jobs generated or supported on-site and elsewhere in the County as a result of the new direct outlays.

The visitor spending potential generated by the large number of day and overnight visitors attracted to Adams County by the Gaming Resort would increase total local spending for restaurant, retail and other consumer goods and services by \$147.9 million

annually, support 2,129 new jobs (full-time, year-round equivalent) in the County and generate a total of \$40.8 million in new personal earnings for local residents creating additional purchasing power to the benefit of the local economy. These economic benefits will recur annually over the lifetime of the proposed Resort.

In total, the \$224.0 million contribution to Adams County's gross county product of \$2.9 billion (in 2005\$) would represent a 7.7 percent increase in output value on an annual recurring basis. The new on- and off-site jobs supported directly and indirectly by spending for Resort operations and by new visitors to the County will represent a 6.5 percent increase in the County's employment base.

Post-Construction Fiscal Impacts: Adams County

To calculate the fiscal impacts of the proposed Gaming Resort & Spa requires its revenue and expenditure implications to be estimated as if it existed and actually generated revenues and placed demands on the County's budget in the current period. The current distribution of County revenues and expenditures was developed from the Adams County 2003 Comprehensive Annual Financial Report and 2005 Budget. These revenues and expenditures were allocated among residential and non-residential uses in the County on either a per-resident or per-worker basis for categories relating to general government services or by local revenue source (for detailed breakdown see Appendix Table 1. In the absence of assessed valuation for the Resort, real estate tax revenues were based on construction and land values.

The results of this fiscal impact assessment are presented in Table 3. These fiscal benefits include only the portion of the "pillow" tax generated by the proposed on-site hotel that would accrue to the County treasury; an additional \$116,412 would be generated for the Gettysburg Convention and Visitors Bureau. Additional revenues would accrue to the School District from the property tax levy and to the County and Straban Township in the form of local Share Assessments from Gross Terminal Revenue generated by gaming activities, as outlined in the following section, yielding fiscal benefits in addition to the fiscal benefits identified in Table 3.

The fiscal impact analysis confirms that all non-residential land uses in Adams County account for approximately 34 percent of the County's annual revenues but only demand approximately 20 percent of all expenditures for County-provided goods and services. Due to the relatively high value of the proposed Resort & Spa that determines its contribution to the property tax base and its hotel "pillow" tax generation potential on the revenue side and its low demand for County services on the expenditure side, its revenue to expenditure balance would be even greater than the County's other non-residential uses. Where typical non-residential uses in Adams County generate 71 percent more revenues than they cost the County in expenditure demand for services, the proposed Resort & Spa is estimated to generate 198 percent greater revenues than expenditure demand.

Table 3

Post-Construction Fiscal Impacts of the Proposed Gaming
Resort & Spa on Adams County, PA
(in 2003 \$s)

Revenues/Expenditures	Proposed Resort & Spa
Revenues Generated	\$974,508
Less New Expenditure Demand	<u>326,446</u>
Net Fiscal Benefit	\$648,062

Sources: 2003 Adams County Comprehensive Annual Financial Report;
2005 Adams County Budget; GMU Center for Regional Analysis

Post-Construction Fiscal Impacts: Other Revenues

In addition to the “regular” revenue stream accruing to Adams County associated with the Resort & Spa (Table 3 and Appendix Table 1), it will generate property tax revenues in support of the School District and Straban Township and the gaming revenues will generate annual grants to the benefit of both Adams County and Straban Township. The School District will realize an estimated \$2.17 million annually from the increase in the real property base and an estimated \$28,400 in new real estate revenues will accrue to Straban Township. Additionally, the earned income tax will add \$170,000 to Straban Township’s revenue base and \$408,000 for the School District. The Township will also benefit from the occupational privilege tax; with an estimate 1,429 employees this tax will generate \$14,290 in new revenues. The estimated increases in these three Township revenue sources alone would represent a 23 percent increase in its 2005 revenue base.

In addition to these local revenues, a total of \$10 million annually will be distributed to the County and Township in the form of the local Share Assessment from Gross Terminal Revenue. Straban Township will benefit annually by an estimated \$450,000 and Adams County will receive an estimated \$9.55 million annually from this local Share Assessment.

These new revenues will substantially represent “net” fiscal benefits as there will be only limited associated increases in local expenditure demand generated by the proposed Resort & Spa to be directly offset by these new revenues beyond the expenditure demand already identified in the fiscal analysis for Adams County as reported in Table 3 and Appendix Table 1. These additional “new” fiscal benefits are summarized in Table 4:

Summary of Net Fiscal Impacts

The revenues generated by the proposed Resort & Spa will exceed its expenditure demand on Adams County by a factor of 2; that is, for every \$1 in new expenditure

burden that the Resort & Spa would place on Adams County, the County treasury would realize \$3. This fiscal benefit excludes all local grants from the Local Share Assessment (\$10 million), hotel tax revenues generated to the direct benefit of the Gettysburg Convention and Visitors Bureau (\$116,412) and all new hotel taxes generated at off-site hotels from visitors to the Resort & Spa (estimated to total \$1.2 million annually). Straban Township will realize increased revenues from a range of sources including property taxes (\$28,350), earned income taxes (\$170,000) and occupational privilege taxes (\$14,290). Additionally, the Gettysburg School District will benefit from increased real estate tax revenues (\$2.17 million) and gains in earned income tax revenues (\$408,000).

Table 4

Additional Annual Revenue Flows Generated by
The Proposed Crossroads Resort & Spa
(in thousands of 2005 \$s)

Additional Revenue Sources	Proposed Resort & Spa
Straban Township	\$224.8
Property Tax	\$28.4
Earned Income Tax	\$170.0
Occupational Privilege Tax	\$14.3
Gettysburg Convention and Visitors Bureau	\$116.4
School District	\$2,582.4
Property Tax	\$2,174.4
Earned Income Tax	\$408.0
Local share Assessment	\$10,000.0
Straban Township	\$450.0
Adams County	\$9,550.0
Total Additional Annual Revenues	\$12,923.6

Sources: Straban Township Annual Audit and Financial Report, Adams County Financial Statements, Chance Enterprises, LLC, GMU Center for Regional Analysis

This net fiscal benefit would have totaled \$648,062 if the proposed Resort & Spa were fully operational in FY 2003. While Adams County's tax rates (e.g., property tax millage increased from 9.3523 in 2003 to 11.2991 in 2005) and may change in future years as will the service mix and levels of services, the magnitude of this fiscal benefit will hold in real dollar terms going forward or may even grow. Most importantly, this fiscal benefit will recur annually.

Conclusions

The proposed Gaming Resort & Spa will generate both economic and fiscal benefits for Adams County. These economic and fiscal benefits are summarized below in Table 5. During the two-year construction period, the Adams County economy will realize a total of \$217.8 million in added output value, local personal earnings will increase by \$57.4 million, and 1,448 new on-site and off-site jobs will be generated. The contribution of \$3.6 million for off-site transportation improvements will generate additional economic benefits, jobs and personal earnings to the benefit of Adams County residents. In addition to these one-time economic impacts, the development of the proposed Resort would generate a fiscal surplus during the construction phase.

Following the completion of construction and achieving stabilized operations, the local economy will benefit from the operating outlays associated with the Resort's hotel, spa and casino as well as the off-site spending of non-resident day and overnight visitors. This spending will add a total of \$224 million annually to the County's gross county product—a 7.7% increase, generate \$62.3 million in new earnings for County residents and support 3,052 new jobs (full-time, year-round equivalent) on site and throughout the County economy—for a 6.5 percent increase to its job base.

Table 5

Summary of Economic and Fiscal Impacts
(economic impacts in millions of 2005\$s)

Project Phases	Total Economic Impact (1)	Personal Earnings (2)	Jobs Generated (3)	Fiscal Benefit
Construction	\$217.8	\$57.4	1,448	n.a.
Off-site*	5.3	1.4	36	n.a.
Post-Construction**	\$224.0	\$62.3	3,052	\$0.648 (4)
Other Local Revenues				\$12.924

Sources: Tables 1, 2 and 3. *reflects \$3.6 contribution to Straban Twp for transportation improvements on included in construction totals; **these economic and fiscal benefits recur annually; (1) contribution to Adams County's gross county product; (2) increased income received by residents of Adams County as a result of the direct construction and post-construction outlays; (3) new full-time, year-round equivalent jobs supported (created) on- and off-site as a result of the new spending associated with the construction and post-construction activities associated with the proposed Resort & Spa; (4) fiscal benefit expressed in 2003 dollars reflects surplus of new revenues compared to new demands (expenditures) for Adams County services.

The proposed Gaming Resort & Spa has been shown to be fiscally positive for the County. Had this Resort existed as proposed in 2003, it would have generated new revenues (by on-site visitor spending, property value, and other local taxes and fees) totaling \$974,500 compared to the new demands the Resort would have placed on the County for services estimated to total \$326,400 resulting in a net fiscal benefit of \$648,100. These economic and fiscal benefits will recur and accumulate annually.

Additionally, the proposed Gaming Resort & Spa will generate significant magnitudes of net new revenue to the benefit of the School District as well as major annual local grants from the Local Share Assessment to the benefit of the Straban Township and Adams County totaling \$10 million annually. Additional grants may be returned to the County and Township totaling an estimated \$6 million annually from Gross Terminal Revenue received by the Department of Community and Economic Development. Other unquantified fiscal benefits accruing to the County will result from off-site spending of the estimated 2.2 million day visitors and 1 million overnight visitors that will further strengthen the local economy and the County's fiscal base.

Appendix Table 1

Fiscal Impact of the Proposed Resort & Spa on Adams County
 Revenues and Expenditures By Residential and Non-Residential Sources, FY 2003
 (in millions of 2003 \$s)

Revenue Sources	Total	Residential	Non-Residential	Resort & Spa
Revenues				
Property Taxes	\$16.486	\$11.046	\$5.439	\$0.576
Per Capita Taxes	.303	.303		
Hotel Taxes	.852		.852	0.039
Investment Earnings	.424	.284	.140	0.004
Transfers	---			
Miscellaneous	.715	.479	.236	0.007
Charges for Services	15.198	10.182	5.016	0.149
Grants	19.646	13.162	6.484	0.192
Capital Contributions	.765	.512	.253	0.008
Total Revenues	\$54.388	\$35.968	\$18.420	\$0.974
Expenditures				
General Government				
Administration	\$3.956	\$2.653	\$1.303	\$0.039
Judicial	5.562	4.450	1.112	0.033
Public Safety	8.658	5.801	2.857	0.085
Public Works	.606	.406	.399	0.012
Human Services	17.056	13.645	3.411	0.101
Culture/Recreation	1.934	1.838	.096	0.003
Conservation/Development	3.232	2.165	1.067	0.032
Debt Service	1.848	1.478	.370	0.011
County Home	9.179	9.179	---	---
911	1.068	.716	.352	0.010
Total Expenditures	\$53.104	\$42.331	\$10.773	\$0.326
Surplus (deficit)	\$1.284	(\$6.363)	\$7.647	\$0.648

Sources: Adams County Financial States, Year Ended December 31, 2003; GMU Center for Regional Analysis

LAW OFFICES OF
METTE, EVANS & WOODSIDE

MEMORANDUM

TO: Commissioners of Adams County, Pennsylvania
Board of Supervisors of Straban Township, Adams County, Pennsylvania
FROM: Jeffrey A. Ernico
DATE: November 28, 2005
RE: Chance Enterprises: Local distribution under Section 1403 of Gaming Act

I. Introduction

The following memo outlines our position regarding the distribution of Local Share Assessment Revenues under the Pennsylvania Race Horse Development and Gaming Act¹ (the "Gaming Act"), as applicable to Straban Township (the "Township") and Adams County (the "County"), where Chance has proposed a Category 2 casino facility.

II. Legislative History

The Gaming Act was first proposed to the Pennsylvania Legislature as House Bill 2330 of 2004 ("HB 2330") and was introduced on February 3, 2004. It was titled "An Act Providing for the Duties of the Pennsylvania State Police Regarding Criminal History Background Reports for Persons Participating in Harness and Horse Racing." At this point in time, the bill dealt exclusively with the State Police providing support to the State Harness and Horse Racing Commissions by performing criminal history checks and the verification of fingerprints of applicants for licensure under the Race Horse Industry Reform Act of 1981. It was one page in length. (H.B. 2330 Printer's No. 3251).

Thereafter, the bill went through three considerations in the House and two considerations in the Senate. On July 1, 2004, the bill was presented to the Senate for a third and final consideration. In the Senate, Senator Tomlinson offered Amendment No. A3055 which

¹ 4 Pa.C.S.A. § 1101, *et seq.*,



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amended HB 2330. HB 2330 was then given a new printer number, Printer's No. 4272 (SLJ No. 45). Additionally, the bill's title was changed to express the multiple amendments made to the bill. These amendments were extensive, increasing the length of the bill from one page to 145 pages which included seven chapters and 86 sections. The bill as amended included the creation of the Pennsylvania Gaming Control Board, the issuance of gambling licenses authorizing the creation of variety of slot machine casinos, the generation and distribution of revenues from the licenses, and the creation of numerous funds.

After a number of unsuccessful attempts to amend the bill further, the bill was passed back to the House for acceptance or rejection. The bill was passed at approximately 2:00 a.m. on Friday July 2, 2004 (which was still considered the July 1, 2005 legislative session for purposes of computing legislative days). On July 2, 2004, HB 2330 was sent to the House with a Senate message and was referred to the House Rules Committee. On Saturday July 3, 2004, HB 2330 was reported out of the House Rules Committee, submitted to a vote in the House on a committed basis, was passed, and was signed in the House. On Sunday July 4, 2004, the bill was signed in the Senate. Governor Edward Rendell signed the bill into law on Monday, July 5, 2004, as Act 71 2004. There is no interim legislative history from which to draw conclusions about the intent of the Legislation.

III. Discussion

A. Distributions to the County

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There is no dispute that the proposed licensed facility will be required by the Department of Revenue² to pay 4% of its GTR³ from slot machines in operation at its facility into a separate State Gaming Fund (the "Fund")⁴ within the State Treasury.⁵ This portion of the Fund is referred to by the Gaming Act as the "local share assessment".

Depending of the class of county involved in hosting the Category 2, the Gaming Act provides for the differing distributions from the Fund, as shown in the following chart:

² The 'department', as that term is found in §1403 of the Gaming Act is defined by the Act as 'the Department of Revenue of the Commonwealth.' 4 Pa.C.S.A. §1103.

³ A GTR is defined as:

The total of all the wagers received by a slot machine minus the total of:

(1) Cash or cash equivalents paid out to patrons as a result of playing a slot machine which are paid to patrons either manually or paid out by the slot machine.

(2) Cash paid to purchase annuities to fund prizes payable to patrons over a period of time as a result of playing a slot machine.

(3) Any personal property distributed to a patron as the result of playing a slot machine. This does not include travel expenses, food, refreshments, lodging or services. 4 Pa.C.S.A §1103.

⁴ 4 Pa.C.S.A. §1403(a).

⁵ 4 Pa.C.S.A. §1403(b).

Initial County Distributions
4 Pa. C.S.A. §1403(c)(2)
Total of 4% of GTR from facility per year deposited in Fund
This addresses the County entitlement only

1st Class
§1403(c)(2)(iii)(A)
Only Philly, so N/A (All 4% GTR to county w/no limitation on use.)

3rd Class
§1403(c)(2)(iii)(D)
▼(e.g., Beaver Falls; Rep. Mike Veon-D, sponsored Bill)
1% GTR to county w/ no limitation on use; 1% GTR to county for municipal grants (health & human services §1403(c)(2)(v))

2nd Class (1) (Allegheny)
§1403(c)(2)(iii)(B)
2% GTR directly to county w/ no limitation on use
Note: (2nd Class Twp Population > 10,000: Moon, N. Fayette, S. Park)

4th Class
§1403(c)(2)(iii)(E)
2% GTR to DCED for grants to county or authorities for grants for economic development projects

2nd Class A (3)
§1403(c)(2)(iii)(C)
1% to county w/ no limitation on use; 1% GTR to county for grants to municipalities (health & human services infrastructure §1403(c)(2)(v))

5th-8th Class
§1403(c)(2)(iii)(F)
2% GTR to DCED for grants to county and contiguous counties & authorities for economic development projects

For Adams County, a county of the Sixth Class hosting a Category 2, the distribution from the Fund will occur as follows:

(F) . . . 2% of the GTR from the licensed facility shall be deposited into a restricted account established by the Department of Community and Economic Development (“DCED”). This money is to be used *exclusively* for grants *to the county, to contiguous counties or redevelopment authorities* within the county or contiguous counties *for grants for economic development projects, community improvement projects, other projects in the public interest and reasonable administrative costs*. Grants made under this clause may be used as local matching funds for other grants or loans from the Commonwealth.⁶ (Emphasis added).

4 Pa.C.S.A. § 1403(c)(2)(iii)(F).

This subsection provides only for the distribution of 2% of the total 4% GTR in the Fund.

The 2% GTR is transferred from the Fund into a restricted account at DCED. This restricted account can then only be used by DCED for grants directly to Adams, York, Cumberland and Franklin counties, or the redevelopment authorities within those counties. By using the word “or” the legislature invested DCED with discretion as to exactly how to administer the grants.

DCED will apparently not be required to issue grants to any one of the entities listed. The allocation under this provision will depend on the DCED’s basis for consideration of grant projects. Thus, it is possible for Adams County to receive some or all of the grant money.

At first blush, it would appear that the intent of this provision, which provides for grants to counties neighboring a 5th-8th class county hosting a facility, was to prevent small or underdeveloped counties from receiving an entire 2% GTR distribution, while other counties potentially affected by the facility received no compensation. However, this interpretation is flawed because this provision does not require the distributions from the DCED to be in any way

⁶ 4 Pa.C.S.A. §1403(c)(2)(iii)(F).

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related to or associated with the gaming facility. Neither can it be said that this provision has any relation to the regulation of gaming in Pennsylvania, other than that the source of revenues is a result of that regulation. Rather, the purpose of this provision appears to be to generally distribute gaming revenues for economic development and other public projects within a particular region of the Commonwealth.

Therefore, unless DCED adopts a system of allocation that requires consideration of the need of a particular county or authority arising from the operation of the facility, the entire distribution under §1403(c)(2) is subject to attack under the recent Pennsylvania Supreme Court decision of Pennsylvanians Against Gambling Expansion Fund, Inc., et al. v. Commonwealth of Pennsylvania, 2005 Pa. LEXIS 1318 (Pa. 2005).

B. Distributions to Local Municipality

1. The amount of the initial distribution or allocation to the municipality is undisputed, but the allocation of the Residual Funds is unclear.

The second allocation envisioned by Section 1403 provides, at least in some instances, for a 2% GTR allocation directly to a local municipality. In the case of Straban Township, a Township of the Second Class, the appropriate provision is §1403(c)(3)(v), which provides in part:

(3) From the local share assessment established in subsection (b), make quarterly distributions among the municipalities, . . . hosting a licensed facility . . . :

(v) To a township of the second class hosting a licensed facility or facilities, other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, of all licensed facilities located in the township subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004 Any remaining money shall be distributed in accordance with paragraph (2) based upon

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the county where the licensed facility or facilities is located. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the licensed facility or facilities in the township shall remit the difference to the municipality.⁷

It is clear, on the face of this provision, that Straban Township should receive, directly from the Fund and/or the Facility, as the case may be, a minimum of \$10 million every year. Additionally, it is entirely possible that the 2% GTR allocated to the Township could be in excess of \$10 million. However, of this allocation the Township is only permitted to retain an amount equal to half of its yearly budget, which was approximately \$900,000 in the year 2003-2004,⁸ or approximately \$450,000. All of the residual money from the 2% GTR or \$10 million is to be distributed in accordance with the provisions of paragraph (2) of §1403. It is here that the Gaming Act becomes ambiguous and requires interpretation, because it is unclear exactly how the remitted remainder funds of the 2% GTR municipal allocation (hereinafter the "Remainder Funds") were intended to be distributed.

One interpretation would have the Remainder Funds allocated to DCED under subparagraph (2)(iii)(F), because §1403(c)(3)(v) states that distribution is to be based on the county where the facility is located. This is interpreted to mean distribution in the same manner as the 2% GTR county distribution as discussed above. The contrary interpretation suggests that the Residual Funds should instead be distributed under the provisions of subparagraph (2)(v), as money designated for municipal grants within a county, not otherwise specified for distribution under the Gaming Act. While both positions agree that the provisions of paragraph (2) control

⁷ 4 Pa.C.S.A. §1403(c)(3)(v).

⁸ Daily Record/Sunday News, "Who'll profit from slots?", Michelle Starr, May 8, 2005.

distribution of Residual Funds, there is disagreement as to which subparagraph controls in this specific instance: (2)(iii) or (2)(v).

2. The Residual Funds should be considered “money designated for municipal grants within a county” under Section 1403 (c)(2)(v).

The only provision of paragraph (2) that expressly deals with funds that are not “otherwise specified” is subparagraph (2)(v), which provides as follows:

(v) Unless otherwise specified, for the purposes of this paragraph money designated for municipal grants within a county, other than a county of the first class, in which a licensed facility is located shall be used to fund grants to the municipality in which the licensed facility is located, to the county in which the licensed facility is located and to the municipalities which are contiguous to the municipality in which the licensed facility is located and which are located within the county in which the licensed facility is located. **Grants shall be administered by the county through its economic development or redevelopment authority in which the licensed facility is located. Grants shall be used to fund the costs of human services, infrastructure improvements, facilities, emergency services, health and public safety expenses associated with licensed facility operations.** If at the end of a fiscal year uncommitted funds exist, the county shall pay to the economic development or redevelopment authority of the county in which the licensed facility is located the uncommitted funds.⁹

As there is no definition for “municipal grants” in the Gaming Act, the statute must be interpreted using the plain meaning or common usage of the terms. The opposition has focused upon the phrase, “designated for municipal grants within a county” in subparagraph (2)(v), and characterizes this as a “term of art”, which would limit application of this provision only to funds specifically referred to by the same phrase elsewhere in paragraph (2). In other words, as set forth in above chart, under this interpretation, subparagraph (2)(v) could only possibly apply to counties of the 2nd Class-A and 3rd Class. It is unclear why, if this phrase truly were intended to apply only to these counties, the legislature chose to set it out in a separate subparagraph of

⁹ 4 Pa.C.S.A. §1403(2)(v).

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paragraph (2), rather than simply including it within the confines of the provisions relating only to those counties. Additionally, it should be noted that subparagraph (2)(v) is the only provision in §1403 that specifically limits allocation of money to items “associated with licensed facility operations.”

Section 1403(c)(3)(v) does not specifically state that residual money from the budgetary limitation on a 2nd Class township must fall under subparagraph (2)(iii)(F). The only language even suggesting that this would be the case is the requirement that it be “distributed in accordance with paragraph (2) based upon the county where the licensed facility or facilities is located.” However, since subparagraph (2)(v) could be interpreted to include any and all counties listed in paragraph (2), this directive is ambiguous at best.

Where a statutory provision is ambiguous, the intention of the Legislature can be ascertained through the object to be obtained. 1 Pa.C.S.A §1921. Unlike the distributions applicable to counties in subparagraph (c)(2), the allocation provisions for local municipalities of subparagraph (c)(3) appear to be intended to provide funds to the local governments potentially affected by facility operations.

There are a number of other types of municipalities, in addition to Second Class Townships, that are subject to budgetary limitations under the Gaming Act.¹⁰ If these

¹⁰ These include:

- 1403(c)(3)(ii) - city of 2nd Class A (Scranton)
- 1403(c)(3)(iii) - city of 3rd Class
- 1403(c)(3)(iv) - Township of the 1st Class
- 1403(c)(3)(vi) - Boroughs

municipalities were also located in a county of the 6th class, their Residual Funds would also be subject to the provisions of either subparagraph (2)(iii)(F) or (2)(v). The Legislature could have easily anticipated this and provided in (2)(iii)(F) for the deposit of residual amounts from a host municipality along with the enumerated 2% GTR. Instead, the Legislature only specified that 2% GTR is to be distributed under subparagraph (2)(iii)(F). Therefore, since allocation of these municipal funds is not otherwise specified, they should fall under the provisions of Section 1403(c)(2)(v) of the Gaming Act.

Simply because Subsection (c)(3)(v) states that distribution shall be made "in accordance with paragraph (2) based upon the County where the licensed facility or facilities is located," it does not necessarily mean that the funds must be deposited in the restricted account established by DCED under Subsection (c)(2)(iii)(F). Rather, it is just as likely, if not more so, that it was intended that the money be distributed under Subparagraph (2)(v) which provides, "unless otherwise specified, for the purposes of the paragraph money designated for municipal grants within a County, other than a County of the First Class, in which licensed facilities are located shall be used to fund grants to the municipality in which the licensed facility is located..." This result is logical in light of the purpose of the original 2% of the GTR allocation, and does not require an interpretation which adds provisions to the statute.

3. The purpose of local share provision for municipalities is to directly address the impacts associated with the facility operations

-
- 1403(c)(3)(vii) - Incorporated towns
 - 1403(c)(3)(viii) - Any municipality hosting Category 3 facility

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As it stands, there is no reason to think that Residual Funds cannot be considered unspecified money for municipal grants within a county under Section 1403(c)(2)(v). Adopting this interpretation will allow these funds to be shared between not only the local municipality and the county, but also the municipalities which are neighbors of the host municipality. These government entities, which are potentially directly affected by the location of a casino facility, are not provided for at all by any other provision in §1403. To ignore these local municipalities, while allocating additional money for economic development, would be to ignore the legislative mandate in the Gaming Act stating that the **“primary objective of this part to which all other objectives and purposes are secondary is to protect the public . . .”** 4 Pa.C.S.A. §1102.

If the contrary interpretation is accepted, a Category 2 facility could only be located in one of fourteen (14) counties within the Commonwealth for subparagraph (2)(v) to apply. If a Category 2 facility were located in any of the other fifty-three (53) counties, there will be no express limitation that any of the revenue allocated for grants be even “associated with the facility.” This interpretation erodes the purpose of even having 2% GTR be considered a “local share,” since there is little local allocation at all. If this was the intent of the Legislature, it could have just as easily provided for a municipality to receive only an amount equal to 50% of its 2003-2004 budget. However, by first calling for distribution of 2%, and even providing an express minimum of \$10 million, the legislature sought to ensure that enough money would be allocated for local municipal purposes. To then apply the Residual Funds to a completely separate purpose, potentially unrelated to the casino at all, is simply counterintuitive.

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4. Allocating additional funds to the DCED under subparagraph (2)(iii)(F) results in confusion and is unfair.

If the Residual Funds are allocated to DCED under subparagraph (2)(iii)(F), and subparagraph (2)(v) were interpreted as only applying under provisions with the precise phrase "municipal grants within a county", the result is both confusing and unfair. Section 1403(c)(2)(iii)(F), on its face, provides only for an allocation of a total of 2% GTR to DCED, and it does not provide for a distribution to the DCED greater than the 2% of GTR. In construing a statute, courts will ascertain and give effect to legislative intention as expressed in the language of the statute, and cannot, under their powers of construction, supply omissions to the statute, especially where it appears that matter may have been intentionally omitted. 1 Pa.C.S.A. §1 1903; Kusza v. Maximonis, 70 A.2d 329, 363 Pa. 479 (1950). Furthermore, where certain things are designated in a statute, all omissions are to be understood as exclusions. Com. v. Ostrosky, 2005 W.L. 14987 (Super. 2005). Therefore, we cannot read words into (2)(iii)(F) that would allow more than 2% GTR to be to given to DCED.

Even if we were able to read words into subparagraph (2)(c)(iii)(F), allowing for a share greater than 2% GTR to go to DCED, it is unclear how the Residual Funds would be thus applied. Are only 2% of the Residual Fund to be applied, or the entire amount? Take, for example, a Category 2 facility located in a County of the 3rd Class and Township of the Second Class. The Second Class Township is subject to a budgetary restriction. Any residual money would be distributed according to Section 1403(c)(2)(iii)(D), which initially provides for 1% of the GTR to the county directly, and 1% of the GTR to be used to fund municipal grants. But

exactly how would the residual money be distributed? A simple 50-50 split between the two allocations might seem to be appropriate, but it is questionable whether that interpretation can be reconciled with the express language of the provision. Even more confusing; would Residual Funds from a Second Class Township in a 3rd Class County be distributed fifty-fifty between the county and local municipal grants, or 1% directly to the county and 1% to county for municipal grants? These questions would simply be avoided if Residual Funds were considered to be unspecified money for municipal grants within a county under subparagraph (2)(v).

It is notable that for the provisions §1403 using the exact language of “municipal grants within a county” (for either counties of the 2nd Class-A or 3rd Class) the original 2% GTR for the County allocation is to be split, with 1% going directly to the county hosting the facility without any limitation, and a second 1% of GTR allocated for the purpose of local municipal grants within the county under (2)(v). In other words, these sections allow for county and local municipalities to use either direct or grant money for projects actually associated with the licensed facility, if they choose, in addition to the budget restricted allocation to the municipality. However, township’s in counties of the 5th through 8th Classes would have no such mechanism, in excess of the budget restricted municipal allocation.

Where a county of the 3rd Class is hosting a Category 1 facility at a harness racetrack, the DCED receives a full 2% GTR allocation of the Local Share immediately, but it is limited to using these funds exclusively for grants for health, safety and economic development projects to municipalities within the county where the licensed facility is located. 4 Pa.C.S.A. §§ 1403(c)(2)(i)(D). Of the provisions in the county allocation portions of the Gaming Act that

direct money to be paid exclusively to benefit local municipalities, only Section 1403(c)(2)(v) requires that the money be used to fund costs of “human services, infrastructure improvements, facilities, emergency services, health and public safety expenses associated with licensed facility operations associated with licensed facility operations.” 4 Pa.C.S.A. § 1403(c)(2)(v). It is unclear why these counties would be singled out for specific grants to counter the actual effects of a licensed facility, while counties of the First, Second, Fourth, and Fifth through Eighth, do not specifically earmark funds for this purpose.¹¹

4. Should the Gaming Act be amended to clear up the ambiguity, and provide for allocation of Residual Funds through subparagraph (2)(v)?

One might argue that the easiest solution to resolving this debate, and providing a result that satisfies everyone is to amend the Gaming Act. The appropriate language could be added to clarify the Act at a number of different places. One method is illustrated in the blacklined revision of §1403(c)(3)(v) below:

(v) To a township of the second class hosting a licensed facility or facilities, other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, of all licensed facilities located in the township subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index for All Urban

¹¹ Philadelphia is the only First Class County, which is specifically excepted from 1403(c)(2)(v), presumably because a licensed facility in a First Class County receives the full 4% GTR from the Local Share. There are no distributions to a City of the First Class (Philadelphia), under §1403(c)(3), because this and because the city and county encompass the same area. On the other hand, Allegheny County is the only Second Class County but is only allocated 2% GTR of the Local Share. The remaining 2% GTR of the Local Share is distributed to municipalities in the county based upon §1403(c)(3) which, for all municipalities other than a city of the Second Class (Pittsburgh), are subject to the same budgetary limitation on distribution.

Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area, for the most recent 12-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics, immediately prior to the date the adjustment is due to take effect. Any remaining money shall be distributed in accordance with paragraph (2) ~~based upon the county where the licensed facility or facilities is located.~~ (v) as money designated for municipal grants within a county. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the licensed gaming entity operating the licensed facility or facilities in the township shall remit the difference to the municipality.

By amending the Act as noted above, the potential beneficiaries of the Residual Funds are the host county, the host municipality, and contiguous municipalities within the host county. In addition, the funds will be directed toward projects associated with the licensed facility, rather than within the discretion of the DCED and potentially completely unrelated to the facility. The County also would have direct control over these funds and administer grants through a development authority.

A second option is to add language to §1403(c)(2)(iii)(F), allowing for the money to be used to fund municipal grants within a county. While this would certainly, in practice, prevent a substantial portion of the money from going to the municipality directly, it is equally unlikely to achieve the result of funneling additional funds to the County. The award of grants would still be within in DCED's discretion and the likelihood of the County receiving those grants would be similar to its entitlement to the initial 2% GTR allocation. In short, this method does not achieve the result of guaranteeing more local money, and may not even be necessary, given the broad language in subparagraph (2)(iii)(F) allowing funds to be used for "projects in the public

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interest”. In the end the amendatory language to §1403(c)(3)(v) would yield the best result and would be the easiest solution.

6. Allocating nearly all the funds to DCED may expose Section 1403 to further attack under the recent Supreme Court decision on the single subject of the Gaming Act.

Finally, an interpretation that allocates nearly all of the local share assessment funds to DCED, and does not contain any language associating or limiting allocation of money to the effects of a facility, could expose the provisions of Section 1403 to attack under the Pennsylvania Supreme Court’s recent decision in Pennsylvanians Against Gambling Expansion Fund, Inc., et al. v. Commonwealth of Pennsylvania, 2005 Pa. LEXIS 1318 (Pa. 2005).

In this decision, the Supreme Court invalidated a number of provisions of the Gaming Act for violating Article II, Section 3 of the Pennsylvania Constitution, the requirement that legislation can only be enacted on one single subject at a time, and legislation cannot be “log-rolled” together. Id. at 37. The court stated that the “use of a single legislative enactment as a vehicle to generate and disburse funds among a wide variety of interests untethered to an overarching subject and unchecked by any other safeguard, in our view, leaves too great a potential for abuse to withstand Article III, Section 3 scrutiny . . . [I]n such circumstances, even with the affordance of all due deference to the Legislature, the involvement of unrelated subject matter is simply too great for it to be fairly regarded as incidental or collateral to the main subject matter.” Id. at 30.

While the Court focused on provisions calling for disbursements and payments under Sections 1407, 1408, and 1409 of Chapter 14 of the Gaming Act, the Court’s reasoning appears

to be applicable to Section 1403 payments and distributions, if those provisions are challenged. The Court allowed the distributions in Section 1407(b) and (d) because, although the uses provided for in those sections “have no apparent relation to the subject of the regulation of gaming and thus would fail scrutiny under [Commonwealth, ex rel. Bell v. Powell, 249 Pa. 144, 94 A. 746 (Pa. 1915)], the Legislature’s express prescription for a subsequent appropriation through a subsequently enacted budget implicates the Article III, Section 11 safeguard, and on this basis, we declined to deem the provision constitutionally infirm based on its enactment via the Gaming Act.” In the matter under discussion dealing with the interpretation of §1403, there is no appropriation through a subsequently enacted budget envisioned. Rather, §1403 appears to provide for outright transfers from the Gaming Fund directly to DCED or local municipalities in the nature of continuing appropriations that appear to be self-executing.

These appropriations are not dissimilar to the transfers to the Volunteer Fire Company Grant Program and the Forest Reserves Municipal Financial Relief Law under §1408 of the Gaming Act, which the Court struck down. Id. at 37; 4 Pa.C.S. § 1408. The Property Tax Relief Fund, for local property and wage relief as specified by law, only survived because disbursement of funds was via the separate legislation embodied in the Homeowner Tax Relief Act. Id.; 4 Pa.C.S. § 1409.

Specifically, the Court found that “[w]hile two of the distributions pursuant to these sections by their terms are clearly germane to the regulation of gaming, i.e., the Compulsive Problem Gambling Treatment Fund, 4 Pa.C.S. § 1408(c), the remaining provisions contained in Sections 1408 and the provisions contained in 1409 involve a disbursement of funds for *uses*

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bearing a source-only relation to the single subject of the regulation of gaming, and thus, fail subject-relation scrutiny under Powell. Since Sections 1408(b) (the transfers to the Volunteer Fire Company Grant Program) and 1408(d) (transfers to recipients of benefits under the Forest Reserves Municipal Financial Relief Law) entail outright distributions in the nature of continuing appropriations that appear to be self executing, we find their promulgation as part of the Gaming Act to be violative of Article III, Section 3's single subject requirement.¹² Id. at 38-39. (emphasis added).

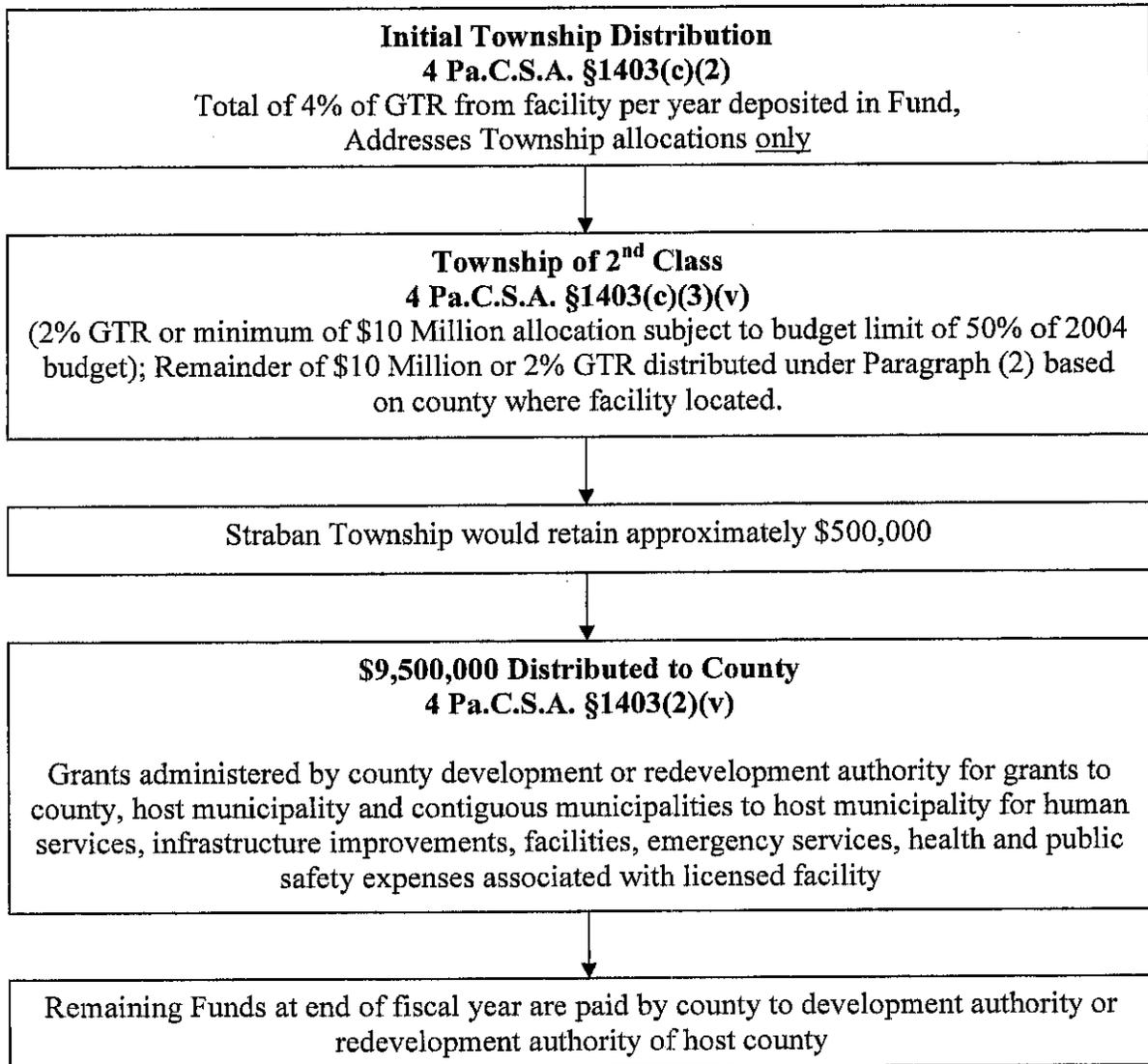
Most of the allocations found in §1403 call for outright distributions in the nature of continuing, self-executing appropriations, either to DCED, local municipalities and/or county governments. Therefore, unless it can be shown that these bear more than a "source-only relation" to the Court announced single subject of the Gaming Act, that the Court described as "the regulation of gaming," this allocation would violate Article III, Section 3 of the Pennsylvania Constitution. Id. at 20. The Gaming Act's allocations to be administered by the DCED allow for grants for "economic development projects, community improvement projects, other projects in the public interest and reasonable administrative costs". Such grants are in no way associated with the regulation of casinos or gaming. Therefore, it is questionable whether these provisions could survive a constitutional challenge. Furthermore, an interpretation of the Gaming Act that takes over 90% of the 2% GTR originally allocated to a local municipality and the surrounding municipalities, and redistributes it to DCED for the purposes of economic

¹² The court also upheld the Property Tax Relief Fund distributions under Article III, Section 3 because "actual disbursement of funds is via the separate legislation embodied in the Homeowner Tax Relief Act", id., which yielded sufficient protections.

development projects potentially unrelated to the gaming facility, does not in any way further the single subject of the Gaming Act.

III. Conclusion

The best interpretation of the local municipal allocation provisions of the Gaming Act found in §1403(c)(3)(v), is that depicted in the following chart:



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This interpretation comports with the clear purposes of the direct municipal allocation while simultaneously allowing surrounding communities potentially affected by the facility to share in the revenues generated by the Act. Unlike other provisions of §1403(c)(2), subparagraph (2)(v) provides grant money to for projects associated with the facility. The county also is entitled to receive funds and controls the distribution of the Residual Funds.

PENNSTATE



Department of Recreation Park and Tourism

Comment Paper

Casino Development and Historical Preservation In Gettysburg, PA

Paper written by:

Duarte B. Morais, Assistant Professor
Department of Recreation, Park and Tourism Management

November 21, 2005



1. Introduction

The proposed development of a casino in Gettysburg has elicited strong reactions from interest groups, the public, and the media. A cursory examination of selected sources reveals that many comments are based upon outdated or biased information. Therefore, this paper attempts to give an independent position based on existing scientific literature and in the author's experience in tourism and heritage preservation.

The growing body of literature focused on gambling tourism suggests that communities are intrinsically resistant to change and that, as a result, most casino development initiatives are initially met with apprehension. Further, the literature shows that the best predictor of individuals' support for casino development is their perception of how casinos will affect them personally. Considering the complexity of real casino impacts, most individuals have very limited de facto understanding of how casino development may benefit or hurt them. As a result, individuals' pre-development attitudes to casinos are shaped mainly by media coverage.

Popular belief holds that casino development is a lesser evil needed for the revitalization of economically depleted areas. However, research shows that the impacts of casinos in host communities are a lot more complex and dynamic than commonly proposed. The ability of casinos to create jobs and public revenues in the form of taxes and fees is seldom contested and is generally supported by research findings. Further, research also suggests that when controlling for variables like unemployment levels and adjusted population size, casino development is not associated with crime or other social problems.

Due to Gettysburg's importance to America's national identity it is important to also consider the cultural impacts casino development may bring to the region. Based on the available research from limited stakes gambling in historic towns in the West and from riverboat gambling in the Mississippi, it is evident that casino development may indeed

result in significant cultural impacts in the host region. Specifically, casino development has contributed to historic preservation because sizeable public revenues accrued from gambling taxes and fees were used to fund historic preservation and because a portion of gamblers tend to visit historic attractions surrounding the casino. However, it is evident that casino development will only contribute to these desirable cultural/historic impacts when properly planned and managed.

2. Attitudes Toward Casino Development

There is a large body of literature examining how host communities react to the development of casinos (Lee and Back 2003). For example, Lee and Back studied what factors affected the attitudes South Korean residents had about tourism development near their communities. Carmichael (2000) studied the attitudes local residents developed towards the Foxwoods casino in Connecticut. Perdue et al (1999) examined resident attitudes towards casinos in five small gaming communities Colorado and South Dakota at different stages of gaming development. Residents' attitudes towards casino development is an important topic of research because most authors believe that local community support is necessary for long-term sustainable success of the industry.

The systematic examination of casino development in such varied locations has resulted in very different results. However, most authors now agree that attitudes towards casino development follow a predictable pattern through time. Namely, Perdue et al. (1999) explain that most communities react negatively to the initial rapid changes originated from casino development. Then, attitudes gradually improve as local residents adapt, learn more about the impacts of the industry, and find ways in which to benefit from it. This model was also supported by Davis and Morais (2004) when examining residents' attitude toward tourism in Williams, Arizona but they noted that attitudes will only gradually improve if they are indeed increasingly able to influence and benefit from the industry.

Individuals' support for casino development depends on their perceived ability to benefit from it directly or indirectly.

Consistent with this argument, most tourism authors believe that attitudes toward casino development depend on each individual's perceptions about how they will directly or indirectly be impacted from casino development (Eadington 1986). These beliefs are reflected in a variety of factors. For example, Carmichael (2000) reported that respondents from three towns neighboring the Foxwoods casino in Connecticut who favored the casino tended to believe that the casino was reducing unemployment, to be

homeowners, to work in tourism, and to believe that the casino was not hurting the environment. Moreover, these beliefs are based on information experienced first hand and (especially in initial stages) on information disseminated through the mass media. As a result, some authors have examined media coverage of the impacts of casino development (Nickerson 1995). The importance of the mass media in shaping public opinion is widely accepted in various disciplines but it has not been adequately examined in the context of casino development. Therefore, it would be strongly advisable to build on Nickerson's work to further examine how issues related to casino development are represented in the media and how they affect public opinion.

An examination of trade media and mass media articles about the potential impacts of casino development in Gettysburg reveals that most of the information reported lacks credibility. Therefore, the following section provides a summary of the existing academic research regarding the impacts of casino development.

Lessons for Gettysburg:

- Communities intrinsically resist the fast change typically brought by casino development. Individuals' attitudes improve when they become gradually accustomed and involved with the casino operation;
- Individuals' support for casino development depends on their perceived ability to benefit from it directly or indirectly;
- Pre-casino development attitudes are strongly influenced by the media – media accounts are biased.



3. Impacts of Casino Development

Similar to community attitudes towards the introduction of gambling, many researchers have spent much effort investigating the socio-economic impacts of casino development (Felsenstein et al. 1999). As with other proposed tools for economic development, casinos are seen as potential engines for the generation of jobs and taxes (Long 1995). However, due to their specific nature, casinos are also credited with stalling economic leakage caused by local residents traveling to surrounding regions in search for recreation. Conversely, casino development is often equated with costly social problems and infrastructure development (Teske and Sur 1991).

Most authors do not contest the great potential of casinos to generate substantial economic gains. Indeed, there is mounting empirical evidence that casinos contribute significantly to the regeneration of local economies by creating jobs (Dense and Barrow 2003; Felsenstein and Freeman 2001; Gerlach 1996; Room et al. 1999), taxes and fees (Ackerman 1996; Long 1995), property taxes and values (Teske and Sur 1991). However, the literature reveals that the economic benefits yielded by casinos are not always equitably distributed among the local community. For example, Teske and Sur (1991) reported that while most infrastructure costs of casino development in Atlantic City occurred downtown, the bulk of indirect economic impacts caused by new employment were concentrated in the suburbs where the majority of casino employees resided (such as income tax, home values and retail revenues). Furthermore, the direct impacts of casino visitation are typically absorbed by the gambling industry, because casino visitors do not tend to spread their expenditures with establishments outside the casinos (Teske & Spur 1991). Therefore economic benefits from casino development tend to be limited to taxes and fees paid to government agencies and indirect impacts resulting from increased employment.

Along with the increased interest in using gambling for regional economic revitalization, there has been a growing debate over the social and ethical problems associated with



gambling. For example, opponents to gambling propose that casino development may promote increased divorce and personal bankruptcy rates due to compulsive gambling. Nichols et al. (2000) reported that a select number of counties with recently introduced casinos registered higher personal bankruptcy rates than a set of control counties. However, de la Viña and Bernstein (2002) explain that this may be due to the notion that counties with economic problems are more likely to develop casinos and as a result the higher personal bankruptcy rates reported by Nichols are caused by the region's economic problems. Indeed, longitudinal studies have revealed that the introduction of gambling in communities is not paralleled with increases in bankruptcy rates (Treasury Department 1999 and National Opinion Research Center as cited in de la Viña & Bernstein 2002).

Crime is usually also expected to rise with the introduction of gambling in a community (Long 1995). "Public intoxication, disorderly conduct, traffic violations, bad checks and petty theft seem to be the most prevalent" (Long 1995, p. 195). However, some authors have reported that when controlling for population size, crime rates tend to either remain the same or to decrease (Albanese 1985, as cited in Chang 1996). Long (1995), for example, reported that studies in Colorado, Virginia and Massachusetts revealed no increases in crime associated with gambling. Chang reported that "there was no increase in crime rates during the first two years of casino operations" in Biloxi, Mississippi (1996, p. 131). Phipps (2004) also reported that findings from a longitudinal study in Windsor, Canada revealed the opening or closing of casinos did not affect crime rates in adjacent neighborhoods.

Crime rates tend to either remain the same or to decrease.

Lessons for Gettysburg:

- Casino will likely benefit the region economically due to increased employment and taxes/fees. Therefore, the local community should prepare its population to capture most of the new jobs generated and should plan for judicious utilization of revenues from taxes and fees;
- Investment of public earnings from gambling in infrastructure and services (e.g., police, counseling, job training) may result in leveled or reduced rates of crime;



4. Impacts on Historic Preservation

Contrasting with the large body of literature examining the socio-economic impacts of casino development, there has been less empirical work conducted in the cultural impacts of this form of tourism. Nevertheless we can draw some lessons from recent studies conducted on casino development in small historic towns, from a study of visitors to Vicksburg National Park and neighboring casinos, and from comments regarding Native American casino development.

Limited stakes gambling in historic towns in Colorado and South Dakota was authorized with the objective of generating economic revenues necessary for historic preservation (Long 1995). Overall, the towns selected for this form of casino development have registered significant economic growth with fast rises in employment, tax revenues and restoration of previously threatened historic buildings (Colorado Historical Society 2004). However, in some towns there have been significant social, cultural and environmental costs. Namely, many residents complain of traffic, poor parking, loss of community identity and escalating prices of commercial real estate (Ackerman 1996; Long 1995). This balance between economic gains and social costs has not been consistent across all the towns. Namely, Long (1995) reported that Deadwood, South Dakota may be used as a benchmark for future policy. For example, gambling taxes and fees are collected by the city and administered by the Deadwood Historic Preservation Commission. The commission uses the funds for historical restoration, to improve support infrastructure, and to provide grants and low-interest loans to local residents (Ackerman 1996).

The commission uses the funds for historical restoration.

Riverboat gambling contrasts with the limited stakes gambling in mountain towns because riverboats are not as integrated within living communities (Long 1995). Nevertheless, riverboat casinos do co-exist with significant natural and cultural resources/attractions. Indeed, some have argued that "visitors attracted to the [Upper Mississippi River corridor] for gaming, will frequently stay longer to experience other



opportunities, such as touring historic, scenic, or recreation sites" (Black et al. 1999, p. 59). This assertion was confirmed by a study of the profile of visitors to Vicksburg, Mississippi (Southern Travel Data 1999). The research firm reported that among respondents interviewed in local casinos, many reported to also visiting Vicksburg's historic/cultural attractions. Namely, 17.8% visited the Vicksburg National Military Park 11.1% visited historic homes and 6.7% visited local museums. In addition, several of the respondents visited downtown (13.3%) and shopped in local retail establishments (11.1%). Therefore it is likely that a small but meaningful proportion of gamblers attracted by a possible casino in Gettysburg would visit the National Battlefield Park and patronize other local tourism attractions.

Many visitors reported visiting Vicksburg's historic attractions.

Lessons for Gettysburg:

- Fees and taxes from gambling should be used to support historic preservation;
- Casino should not shock with the rural landscape idealized for the park – observation tower was removed because it did shock with the landscape;
- Some revenues should be channeled for historic preservation – through a new historic society or through existing preservation groups;
- Approximately 15% to 20% of casino visitors will visit Gettysburg national Battlefield Park and other local attractions bringing economic benefits but creating increased pressures in the infrastructure.



5. Conclusions

Gettysburg is a region that elicits great national interest because its story is central to America's identity. Accordingly, tourism in Gettysburg is often seen as a means to educate the population about the nation's values. However, history, in Gettysburg and elsewhere, is fluid, dynamic and coconstructed by several groups that want their version of the story to be told (Chronis 2005). Therefore, Gettysburg is not only the place of a notoriously important battle in July of 1863 but also a place where, everyday, individuals "fight" to influence how this important story is told.

While complete preservation of cultural and environmental heritage is untenable in today's socio-political context, unplanned and uncontrolled commercialization typically favors short term profits and seldom results in desirable long term sustainability. Therefore, it is hoped that the current debate over casino development in Gettysburg will result in a decision that will favor the casino's potential to improve the local community's quality of life and foster the preservation of the region's important historic heritage. Thorough planning, clear policy and unbiased monitoring are necessary for a sustained synergy between development and preservation. Therefore, this paper attempts to bring objectivity and unbiased information to the ongoing discussion about casino development in Gettysburg. Further, the contrast between unfounded claims in the media and the information summarized in this paper should be seen as evidence of the need for additional independent research on this topic and as an incentive for in-depth research to be conducted in this specific region.



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LAW OFFICES OF
METTE, EVANS & WOODSIDE

MEMORANDUM

**TO: Commissioners of Adams County, Pennsylvania
Board of Supervisors of Straban Township, Adams County, Pennsylvania**
FROM: Jeffrey A. Ernico
DATE: December 20, 2005
RE: Social Impact of Gambling

Considerable literature and research exists to support the conclusion that there is no conclusive link between legalized gambling and significant social costs that outweigh economic benefits. In fact, much research that touts significant social costs lacks substantial empirical basis.¹ Bill Eadington, Professor of Economics at the University of Nevada at Reno, stated during the National Gambling Impact Study Commission Meeting that the following "headline" claims lack substantial empirical basis: (1) for every job created in the casino industry three are lost elsewhere in the economy; (2) 40% of all white collar crime is attributable to compulsive gambling; and (3) the cost to society from compulsive gambling is between \$15,000 to \$35,000 per year per compulsive gambler.² Eadington states that "if these claims were true, then we would be seeing very obviously major public sector manifestations of these costs, as we have seen a substantial increase in gambling."³ Despite the paucity of competent and definitive research on this topic, I will discuss the substantiated research studies to demonstrate the lack of causal link between negative social impacts and the gambling industry.

A study conducted by Jeremy Margolis in December 1997 found that after review of empirical studies, little documentation existed to link gaming and crime.⁴ In fact, his study found that communities with casinos are just as safe as communities without casinos.⁵ The studies Margolis relied on included empirical data for Atlantic City, Las Vegas, Biloxi, Mississippi, Illinois, Ontario, Reno, and other various casino locations.⁶ In fact, he examined numerous studies that support the notion that legalized gambling does not necessitate an increase in crime.⁷ Margolis also states that organized crime is neither present nor influencing the

¹ Bill Eadington, Press Conference, American Gaming Association, Professor of Economics, University of Nevada at Reno, at the National Gambling Impact Study Commission, Chicago, Illinois, May 21, 1998.

² *Id.*

³ *Id.*

⁴ Jeremy Margolis, *Casinos and Crime: An Analysis of the Evidence 1* (Dec. 1997).

⁵ *Id.*

⁶ *Id.* at 7-15.

⁷ *Id.*



modern regulated gaming industry.⁸ Today's gaming industry is protected by government regulation, public ownership, and public opinion, which militate against the infusion of organized crime.⁹

The New Jersey Casino Control Commission has reported that a reduction in crime in Atlantic City may be directly associated with an increase in employment opportunities and the implementation of a number of programs to improve police effectiveness.¹⁰ Section 1403(C)(2)(III)(F) of the Pennsylvania Race Horse Development and Gaming Control Act¹¹ provides grants to host counties for "projects in the public interest" and, in addition to any state initiatives, the host county will receive a grant to help the police, as per Section 1408(C).

Jay S. Albanese, professor and chairman of the Department of Criminal Justice at Virginia Commonwealth University in Richmond, conducted an examination of the empirical evidence regarding casino gambling and white collar crime in 1999.¹² He found that the evidence does not provide proof that casino gambling contributes significantly to trends in embezzlement, forgery, and fraud.¹³ Albanese examined the white collar crime rates in the nine largest casino markets (for example, Las Vegas, Atlantic City, Vicksburg), in the country.¹⁴ His analysis provided that there have been more net decreases over time than net increases within the nine cities in arrests for embezzlement, forgery and fraud.¹⁵ In comparison to national rates, casino jurisdictions reported significant decreases in arrests for forgery and fraud, whereas the nation as a whole experienced considerable increases during the eight year period he examined.¹⁶ Further, Albanese drew on Donald Cressey's study regarding the causes of embezzlement to determine that no single factor causes embezzlement or any other crime.¹⁷ Instead, embezzlement is the result of a person defining a problem as something that cannot be shared

⁸ *Id.* at 2.

⁹ *Id.*

¹⁰ American Gaming Association, Casino Gaming in America: Key Findings of the National Gambling Impact Study Commission 16 (1997-99) [hereinafter Key Findings].

¹¹ 4 Pa. Cons. Stat. § 1101 *et seq.* (2005).

¹² Jay S. Albanese, Ph.D., Casino Gambling and White-Collar Crime: An Examination of the Empirical Evidence (Aug. 1999).

¹³ *Id.* at 3.

¹⁴ *Id.* at 5.

¹⁵ *Id.* at 12.

¹⁶ *Id.* at 14.

¹⁷ *Id.* at 16.

with others.¹⁸ If the offender blames the embezzlement on drinking, gambling, or another issue, this is merely the offender's rationalization for the conduct, rather than the cause of it.¹⁹ Thus, Albanese suggests that as gambling becomes defined as a more legitimate activity, it may be easier for compulsive gamblers to seek help and avoid the feeling that their problems cannot be shared and that embezzlement is the only solution.²⁰

The Pennsylvania Race Horse Development and Gaming Control Act seeks to address compulsive gambling problems. Section 1509(B) creates the Compulsive Problem Treatment Fund. Under Section 1408(A), the greater of \$1.5 million, or .001 x the total gross terminal revenue of all active and operating slot machine facilities is required to be placed annually into the Fund. The Fund is to be used for public education, awareness and training for compulsive and problem gambling and for the treatment and prevention of compulsive gambling. Pursuant to Section 1509(C), all slot facilities must obtain and prominently display throughout the facility a toll-free telephone number to be used to provide persons with information or assistance for compulsive or problem gambling. In addition, Section 1516 requires the Gaming Control Board to adopt regulations for the establishment of a self-exclusion list from gaming facilities at all licensed facilities. This list would remove self-excluded persons from targeted mailings and other forms of advertising and promotions. Thus, Pennsylvania is positively instituting methods of assistance for compulsive gambling at the onset, which may help to convince problem and/or compulsive gamblers that embezzlement is not the solution to their problems.

Another social ill often linked to gambling is bankruptcy. The National Gaming Impact Study Commission heard testimony regarding the link between gaming and bankruptcy during its Commission meetings.²¹ Rudy Cerone, active member of The American Bankruptcy Institute and the immediate Past Chairman of the Bankruptcy Section of the Louisiana State Bar Association, reported that an increase in consumer bankruptcies had little or nothing to do with gaming.²² The true source of bankruptcy was the increase in credit card companies who push their products on consumers and the ease of filing for bankruptcy under the former bankruptcy laws.²³

In furtherance of our position, The National Gambling Impact Study Commission Report states that the Center for Disease Control and Prevention conducted a study and did not find

¹⁸ *Id.*

¹⁹ *Id.* at 17.

²⁰ *Id.*

²¹ Key Findings, *supra* note 10, at 16.

²² *Id.*

²³ *Id.* at 16-17.

gambling to be a cause of suicide.²⁴ Richard McCleary and Kenneth Chew conducted a study on the link between suicide and gambling in U.S. counties and metropolitan areas, and concluded that the risk of suicide for gaming area residents (Atlantic City, Las Vegas and Reno) is no higher than the risk faced by residents of non-gaming areas.²⁵ Further, the risk of suicide for visitors to gaming areas is no higher than the risk faced by visitors to non-gaming areas.²⁶ A study by David P. Phillips and his colleagues seemed to contradict the findings of McCleary and Chew.²⁷ Phillips *et al.* found a strong common significant relationship between suicide and casino gambling.²⁸ However, there are a number of flaws within the research, including the use of the proportionate mortality ratio (PMR) to interpret suicide risks.²⁹ The PMR is defined as “the ratio of suicide deaths to total deaths”.³⁰ Such a calculation, however, is not an appropriate rate.³¹ The following example illustrates the need for a computation of a rate: “the fact that Florida has relatively more visitor traffic fatalities than Wyoming may not imply that driving in Florida is riskier than driving in Wyoming or that Florida’s tourists are worse drivers than Wyoming’s. On the contrary, it is more likely that Florida has more visitor traffic fatalities than Wyoming because it has more visitors.”³² When the suicide rate, rather than the PMR, for Las Vegas is calculated, there is evidence that gaming area residents of Las Vegas are at no higher risk for suicide than residents of non-gaming areas.³³

Further, Lynne Fullerton, Ph.D., of the University of Nevada and Director of the Suicide Prevention Research Center in Las Vegas, has found no correlation between state legalized gaming and state suicide rates.³⁴ She reported that ecological studies have been completed in 50

²⁴ National Gambling Impact Study Final Report 7-26 (June 1999) [hereinafter NGISC Report].

²⁵ Richard McCleary, Ph.D. & Kenneth Chew, Ph.D., *Suicide and Gambling: An Analysis of Suicide Rates in U.S. Counties and Metropolitan Areas 1* (Sept. 1998).

²⁶ *Id.*

²⁷ *Id.* at 5.

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² *Id.* at 4.

³³ *Id.* at 1.

³⁴ Comments made by Lynne Fullerton-Gleason, Ph.D., University of Nevada to Barbara Ernico.

states with no correlation being found between the two.³⁵ Thus, she claims that any relationship is mythical.³⁶

Suicide, crimes and other negative social effects tend to be associated with compulsive and/or problem gamblers.³⁷ However, it is difficult to link the actions of compulsive gamblers to gambling because of the underlying mental/psychological problems that the compulsive gambler also suffers from.³⁸ This condition is known as “co-morbidity”.³⁹ Thus, it is difficult to prove that compulsive gambling, and not an underlying mental illness, is the cause of crime and suicide.⁴⁰

An analysis of the social impact of gambling is not complete without a complimentary analysis of the economic effects of gambling.⁴¹ In contrast to Earl L. Grinols’ theme within his article “Cutting the Cards and Craps: Right Thinking About Gambling Economics,”⁴² social and economic impacts are not easily severable. For example, employment is both an economic and a social benefit.⁴³ The casino industry has been instrumental in the introduction of jobs, tax revenue, and commercial development.⁴⁴ The gaming companies also provide superior job benefits, such as health care and day care programs.⁴⁵ Further, the casino industry has provided many jobs to individuals formerly on Welfare or receiving unemployment benefits.⁴⁶ As a result, Aid to Families with Dependent Children (AFDC) payments have decreased appreciably in gaming communities.⁴⁷ The National Opinion Research Center at The University of Chicago (NORC) found that there is often no change in overall per capita income after the introduction of

³⁵ *Id.*

³⁶ *Id.*

³⁷ *See generally* NGISC Report, *supra* note 24, at 7-3.

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² Earl L. Grinols, Cutting the Cards and Craps: Right Thinking About Gambling Economics (Dec. 21, 2001).

⁴³ NGISC Report, *supra* note 24, at 7-3.

⁴⁴ Key Findings, *supra* note 10, at 11.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

casinos because the increases are offset by reduction in welfare and transfer payments as unemployed individuals become employed through the casinos.⁴⁸ “Economic Impacts of Gaming in the United States, Volume II: Microstudy” examined the following gaming jurisdictions: Gulfport/Biloxi, Mississippi; Shreveport/Bossier City, Louisiana; and Joliet, Illinois.⁴⁹ The study found that gaming brought a surge in retail sales and tax revenues within the communities and a decline in public assistance.⁵⁰ New jobs and higher wages were available for many workers, especially minorities and women.⁵¹

The Gaming Industry provides additional benefits to communities.⁵² Due to requirements of diversity within the gambling industry, women, minorities and individuals with disabilities are often the primary beneficiaries of the casino gaming industry.⁵³ In addition, women-owned and minority-owned businesses are often targeted for contracts with casino operators.⁵⁴ The Pennsylvania Gaming Act stresses the importance of diversity within gaming by requiring the creation and implementation by all licensed casinos of a diversity plan.⁵⁵

In contrast to slot machines that will be introduced in Pennsylvania, The National Gambling Impact Study Commission Report found that lotteries and other “forms of convenience” gambling such as internet gambling, are far more troublesome than any other type of gambling.⁵⁶ Such forms of gambling have minimal benefits and the likelihood of abuse and addiction are great.⁵⁷

It is important to note that economic benefits are most often observed within the community where the casino is physically located, while social costs tend to be diffused

⁴⁸ NGISC Report, *supra* note 24, at 7-5.

⁴⁹ American Gaming Association, *Study Reveals Positive Economic and Societal Benefits of Casino Gambling in New Jurisdictions* (May 7, 1997), available at www.americangaming.org/Press/press_releases/press_detail.cfv?id=135.

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² Key Findings, *supra* note 10, at 11.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ 4 Pa. Cons. Stat. § 1325(B)(1) (2005).

⁵⁶ NGISC Report, *supra* note 24, at 7-4.

⁵⁷ *Id.*

throughout a broader geographic region as tourists return to their home states or towns.⁵⁸ Thus, any negative social effects are not likely to be concentrated in the communities where casinos are located.

Studies of the effects of gambling on homelessness are inconsistent. In gaming communities, individuals with gambling problems tend to constitute a higher percentage of the homeless population.⁵⁹ However, the influx of good entry-level jobs with benefits is a tremendous benefit to homeless workers and to society.⁶⁰ In fact, Project H.O.M.E. Director, Sister Mary Scullian, of Philadelphia, visited an Atlantic City homeless shelter and found that residents said gambling in the city had many positive impacts.⁶¹ Similar employment opportunities will be available to the homeless in Philadelphia, among other areas of the state.

The National Gambling Impact Study Commission (NGISC) heard testimony from a number of elected officials from Illinois, Indiana, Atlantic City and Mississippi.⁶² These officials stated that the advent of legalized gambling within their locales contributed to a general increase in the standard of living for the citizens within those communities.⁶³ Specifically, Kenner, Louisiana officials have stated that the Treasure Chest Casino has generated more than \$32,000,000 for Kenner, without the suspected and feared negative social and economic impacts.⁶⁴ Revenue from the casino has gone to revitalize parks, support local enforcement authorities, and reduce city debt, while having a negligible effect on crime and traffic.⁶⁵

The conclusions of the NGISC Report were examined by the United States General Accounting Office by way of a case study of Atlantic City, New Jersey.⁶⁶ The GAO was unable to find support for the proposition that gambling increases family problems, crime, and suicide

⁵⁸ *Id.* at 7-1.

⁵⁹ *Id.* at 7-27.

⁶⁰ See generally Key Findings, *supra* note 10, at 11.

⁶¹ Mark Brakeman, *Project Home Looks at Gambling's Social Impact*, The Weekly Press, Oct. 19, 2005, available at www.philly1.com/story10101905.html.

⁶² NGISC Report, *supra* note 24, at 7-5.

⁶³ *Id.*

⁶⁴ Pam Radtke Russell, *City Flush with Cash from Treasure Chest*, The Times-Picayune, Sept. 22, 1999, at A-1.

⁶⁵ *Id.*

⁶⁶ United States General Accounting Office, *Impact of Gambling: Economic Effects More Measurable than Social Effects* (Apr. 2000).

among the general population.⁶⁷ When adjusted for the increased population due to tourism, rates of crime, suicide, and embezzlement more closely approximate the state and national levels.⁶⁸

Similar findings have also been found in Vicksburg, Mississippi, a locale that more closely resembles Gettysburg, Pennsylvania. Vicksburg, like Gettysburg, was the site of a historic Civil War battle. At this time, four casinos are located in Vicksburg and two will be built in the near future. Following the passage of gaming in the early 1990s, Warren County, which serves Vicksburg, began training mental health professionals to deal with increases in addictions.⁶⁹ Dan Brown, Administrator of the Warren County Mental Health/Mental Retardation Program, states that the increases never materialized.⁷⁰ Further, statistics available for the years 1999-2002 show that child victimization rates for Mississippi were below the national level⁷¹, while divorce rates have not increased, but have remained fairly consistent at a level slightly above the national average.⁷²

Vicksburg also experienced numerous positive affects. In the years following the introduction of gambling within Vicksburg, the number of visitors to the Vicksburg Battlefield has increased 11 out of the 12 years.⁷³ Research has indicated that cross-over occurs between visitors to the Battlefield and to the casinos. The positive impact of the casinos on the Vicksburg treasury and employment rate has been striking. Although the population decreased by nearly 200 individuals between 1990 and 2000, nearly 5,000 more individuals within Vicksburg have found employment.⁷⁴ One indirect method of assessing the net effects of gambling is to determine the effect of gambling on local property values.⁷⁵ An increase in property values

⁶⁷ *Id.* at 3.

⁶⁸ *Id.* at 35-41.

⁶⁹ Conversation between Dan Brown and Barbara Ernico.

⁷⁰ *Id.*

⁷¹ National Data Analysis System, *State Data Trends for Mississippi* (June 2, 2005), available at http://ndas.cwla.org/data_stats/states/Data_Trends/Mississippi%20State%20Data%20Trends.pdf.

⁷² Centers for Disease Control and Prevention, *Marriage and Divorce Rates by State: 1990, 1995, and 1999-2002*, available at <http://www.cdc.gov/nchs/data/nvss/mar&div.pdf>; Americans for Divorce Reform, available at <http://www.divorcereform.org/03statab.html>.

⁷³ Statistics provided by the Vicksburg Visitors Convention and Visitors Bureau and the National Park Service website, available at <http://www.nps.gov/vick/visctr/sitebltn/visstats.htm>.

⁷⁴ Statistics from The Vicksburg Post (Sept. 7, 2003).

⁷⁵ NGISC Report, *supra* note 24, at 7-11.

reflects positive social and economic benefits within a community.⁷⁶ The property value for a home in 1993 was \$54,540, and resulted in a \$543 tax.⁷⁷ In 2002, such home almost doubled in value (\$100,030), yet produced a tax of \$871.⁷⁸

As a result of the casinos in Vicksburg, the city was able to construct and/or obtain a city pool (\$1.7 million dollars), a convention center (\$13 million dollars), the Jackson Street Community Center (\$1.5 million dollars), a new police department, two new fire stations, new fire fighting equipment, a new computer system, expansion of Halls Ferry Park, and other new equipment for police.⁷⁹ Interviews reveal that police officers in Vicksburg do not believe the casinos have caused an increase in crime, and social service programs in Vicksburg do not believe that increases in child abuse, suicide or divorce are related to gambling.⁸⁰ Evidence of the positive impact casinos have had on Vicksburg comes from the following individuals:

- **Jimmy Heidel, Executive Vice President Vicksburg-Warren County Chamber of Commerce** states that Vicksburg “is better off because there is a steady stream of revenues from casinos to help improve the community.”
- **Laura McCallum, Warren County Family and Children’s Services** states that “casinos have helped reduce poverty and have supported local shelters and [The] United Way.”

The Crossroads Gaming Resort & Spa pledges that it will generate economic development and tourism within Adams County, provide charitable giving to Adams County non-profit organizations, and participate in community leadership through the Chamber of Commerce and other civic organizations. Further, the economic impact for Adams County will be significant. Over 1400 full-time and part-time jobs will be available during the construction period.⁸¹ An additional 923 jobs will be created post-construction.⁸² \$56,000,000 in expenditures will occur annually for salaries, maintenance and supplies, while \$76,000,000 will annually be channeled through the Adams County economy.⁸³ It is projected that 1,000,000

⁷⁶ *Id.*

⁷⁷ Statistics gathered by Barbara Ernico.

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ Interviews conducted by Barbara Ernico.

⁸¹ Information gathered by Barbara Ernico.

⁸² *Id.*

⁸³ *Id.*

additional and new visitors will visit hotels, restaurants and shops within the Gettysburg Borough on an annual basis.⁸⁴ Further, the Gettysburg Borough will receive \$63.5 million in revenue every year from lodging, meals, retail purchases and other services.⁸⁵

Given Crossroads Gaming Resort & Spa's dedication to improving the social and economic life of Straban Township, the Gettysburg Borough, and Adams County, along with the lack of negative social effects, Crossroads will be a significant benefit to Adams County, its businesses, its visitors, and its citizens.

⁸⁴ *Id.*

⁸⁵ *Id.*