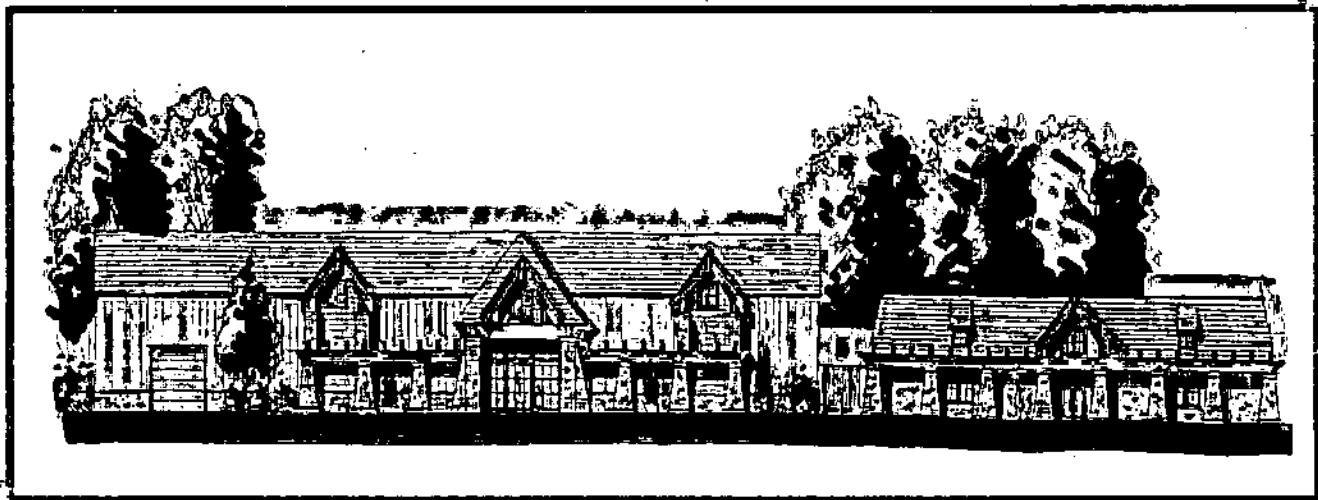




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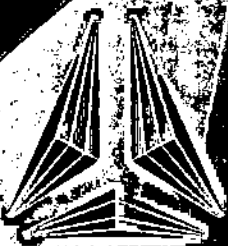


# Local Impact Report (Appendix 41)

*Presented to:*

**Bushkill Group, Inc. for  
Fernwood Hotel and Casino**

*Presented by:*



**Delta Development Group, Inc.**

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## **Appendix 41 – Local Impact Report**

### **Introduction**

The body of this document addresses the requirements stipulated in Appendix 41 of the Pennsylvania Gaming Control Board's Application and Disclosure Information Form for a Category 3 Gaming License:

"Provide a Local Impact Report, engineering reports and traffic studies, including details of any adverse impact on transportation, transit access, housing, water and sewer systems, local police and emergency service capabilities, existing tourism, including historical and cultural resources or other municipal service or resource. Pursuant to 58 Pa. Code §441.3 (c), a copy of the local impact report shall be provided to each political subdivision in which the licensed facility will be located at least seven (7) days prior to the filing of the application for a slot machine license. The Applicant shall file a proof of service with the Board."

As such, this document provides a Local Impact Report for the proposed Fernwood Hotel & Casino in Middle Smithfield Township, Monroe County, Pennsylvania.

### **Contributors**

This Local Impact Report and its attachments were compiled by the following independent entities:

- Fernwood Hotel & Casino
- Herbert, Rowland and Grubic, Inc. (HRG)
- Hnedak Bobo Group
- The Innovation Group
- Delta Development Group, Inc. (Delta)

### **About Delta Development Group**

Delta Development Group, Inc. (Delta), headquartered in Mechanicsburg, Pennsylvania with offices in Pittsburgh and State College, Pennsylvania and Washington, D.C., was founded in 1988 with the purpose of delivering specialized consulting services in community, economic planning, government relations, information technology, real estate development, and transportation services to public and private sector clients. With a client-first focus, Delta has demonstrated stable and steady growth since the firm's inception.

Delta's clients include: developers, regional public and private entities, state agencies, institutions of higher learning, health care facilities, local governments, and diverse corporate



employers. Delta's team currently includes over 55 staff members with a wide range of specialized skills that best represent clients' needs to legislative, regulatory, and community agencies and organizations. Delta prides itself on being an integral component of partnerships that are formed with our clients and stakeholders involved in each project. The projects that are highlighted in this proposal demonstrate the value of Delta's partnerships with our clients.

### **Delta's Methodology**

Delta's professional staff utilized nationally recognized and accepted data sources, standards and methods of analysis to complete the analyses that comprise the body of the Local Impact Report for the Fernwood Hotel & Casino. All sources are fully documented and referenced within the body of the report, including all tables and figures derived from sources outside of Delta Development Group.

Sources used were the most recent available for public use.

### **Document Structure**

This Local Impact Report consists of two bound documents, the main Report and a set of Attachments. All main report sections and Attachments are detailed in the Table of Contents within each bound document.

A "quick glance" matrix of overall local impacts appears immediately after this section to provide a summary of the project's impacts on each of the development categories. In this matrix, we have indicated if the various impacts are positive, negative, or in the event of negligible impacts, neutral. Additionally, a short summary of those impacts appears in the final column.

The structure of the remainder of the report mirrors the development categories as they appear on the matrix. At the front of each specific section you will find an Impact Statement, followed by additional detail about the nature of those impacts, both on site and within the local community. All referenced Attachments are included in the second bound document and are labeled accordingly.



*Summary of  
Local Impacts*



Summary of Local Impacts

IMPACTS				
DEVELOPMENT FACTOR	POSITIVE	ADVERSE	NEUTRAL	DESCRIPTION
<b>Transportation</b>				
Traffic Impact			X	The Fernwood Hotel & Casino development is anticipated to have minimal impacts on the traffic capacity of the Pocono region. PennDOT's improvements to Route 209 will address any congestion anticipated regardless of the Fernwood Hotel & Casino.
Public Transit	X			Proposed expansion of the Fernwood Hotel & Casino is projected to create 174 new full time equivalent jobs at the facility. These new local hires could have a positive impact on the local public transportation system in the form of new transit trips and increased demand for a service extension to Fernwood's location.
<b>Land Use</b>				
Existing Zoning	X			The Fernwood Hotel & Casino is an approved use under the Middle Smithfield Township Zoning Ordinance. Construction of the facility will not require re-zoning, amendments to the existing zoning ordinance, or any extraordinary municipal approvals.
Land Development	X			The Fernwood future growth strategy, including construction of the Fernwood Hotel & Casino, supports Monroe County's smart growth objectives for open space preservation by developing completely within the boundaries of Fernwood's existing facilities.
<b>Environmental Resources</b>				
Existing features			X	No adverse impacts on existing features have been identified or are anticipated.
PNDI Research			X	The PNDI search for the subject project area noted that there were "2 Possible Impacts". HRG is waiting for the final determination based upon additional information submitted, but it is anticipated that no impacts on threatened or endangered species will occur as a result of the redevelopment project.
Wetlands			X	While wetlands have been delineated in areas adjacent to the project area, and storm water runoff from the project area will enter areas of these wetlands, no adverse impact areas are expected.
Historic & Cultural Resources			X	A historical review form was submitted to the PHMC for review. Based upon the PHMC Response, there are no structures of historical significance.
<b>Social Impacts</b>				
Schools			X	Any increase in public school enrollment as a result of the proposed Fernwood Hotel & Casino would be minimal compared to the impact of recent regional in-migration patterns. The 174 new full time equivalent jobs resulting from this new development will produce a public school enrollment increase of eleven (11) children.
Public Safety / Emergency Services			X	The existing service levels for emergency services (fire/police/ambulance) at the Fernwood location exceed both the current and future service level needs of all three public safety providers, based upon nationally recognized planning standards. Therefore, the public safety impact from the proposed facility is negligible.
Health Care	X			The proposed development will have a positive impact on healthcare delivery to the local community by increasing local, state, and federal tax revenues, thereby increasing the level of revenues available to publicly sponsored health programs.
Child Care	X			Fernwood's annual corporate contributions to organizations like the United Way of Monroe County and the Pocono Healthy Communities Alliance help to support programs that benefit Monroe County's children. The Resort's philanthropic activities will only increase as the Resort continues to expand.
Housing / Affordable Housing	X			The proposed Fernwood Hotel & Casino will have a positive impact on the local community's affordable housing mix by attracting more business to the Pocono region. Homeowners will subsequently bear less of the property tax burden. In turn, housing will become more affordable for the average middle-income family.
Living Wage	X			The expected wages for the new job opportunities resulting from the proposed Fernwood Hotel & Casino development will have a positive impact by providing the opportunity for sustaining a higher standard of living for up to 174 households in the local community.

IMPACTS				
DEVELOPMENT FACTOR	POSITIVE	ADVERSE	NEUTRAL	DESCRIPTION
<b>Municipal / Utility Services</b>				
Road System			X	There will be minimal impact to the existing roadway system. An addition of a southbound right turn lane on Winona Falls Road and adjustment of the signal timing will mitigate any level of service drop.
Water & Sewer			X	Sufficient capacity exists to service the proposed Hotel & Casino and the existing Resort.
Utilities			X	There is sufficient electrical service at the property to serve the existing and proposed facilities.
Telecommunications	X			The construction of the Fernwood Hotel & Casino will have a positive impact on broadband telecommunications. Based upon the specifications of the existing phone switch and its capabilities for increased expandability, the current telecommunications system has sufficient capacity to serve the proposed development additions to the Resorts complex.
Open Space			X	The proposed Fernwood Hotel & Casino project will have a negligible impact on open space within the local community, as the development as proposed is entirely contained within an existing development zoned for this proposed use and consumes no additional open space within the community.
<b>Economic Impacts (Municipal/School District/State)</b>				
Private & Public Sector	X			The proposed Fernwood Hotel & Casino development will have a significant, positive economic impact on the local community by providing 174 new, family-sustaining, full time equivalent jobs for local residents and generating an additional \$100,000 in local property taxes annually.
Existing Tourism	X			Development of the Fernwood Hotel & Casino will create additional opportunities for economic development that are often perceived as independent from and complementary of existing tourism and will thus provide a positive impact on existing local and regional tourism.

*Transportation  
Impacts*

1



**Transportation Impacts****Impact Statement**

The Fernwood expansion and renovation is anticipated to have minimal impacts on the traffic capacity of the Pocono region. PennDOT's improvements to Route 209 have addressed any congestion anticipated regardless of the proposed Fernwood Hotel & Casino. The influx of new visitors expected from this redevelopment initiative will be accommodated as detailed in the following section and, as such, will have minimal effects on the local community.

**Introduction**

The Fernwood Resort, located in Bushkill, Pennsylvania, is planning an expansion and renovation of the existing resort facility to include the Fernwood Hotel & Casino. Bushkill is located in Middle Smithfield Township, Monroe County, Pennsylvania. The construction and operation of 500 slot machines and a buffet restaurant is an integral part of this redevelopment plan to bring the Resort into the 21st Century. The addition of a gaming amenity to the Resort with limited slot machines only for guests of the Resort and/or those patrons whom spend \$10.00 or more at Fernwood is a vital part of the plan. The following analysis identifies and examines local/regional traffic impacts that may be associated with this expansion based on an onsite Traffic Impact Study (TIS) that was conducted by Herbert, Rowland & Grubic, Inc. (HRG) in relation to the onsite improvements to the Fernwood facility. That TIS and related documents are included in this Appendix as Attachment B.

**Existing Conditions**

The current guests and visitors to the Pocono region primarily access the area via Route 209. 90% of the traffic utilizing this road comes in from the East, specifically the New York/New Jersey metro-region and parts of Pennsylvania and Delaware. Route 209 and Route 402 are the main arteries traversing the Pocono region North and South. Route 209 is a heavily traveled two-lane road which has been upgraded to provide capacity improvements as part of the Commonwealth's Transportation Improvement Plan (TIP).

Construction has been initiated on key intersections from Marshalls Creek north to Fernwood. The project, called the Marshalls Creek Bypass, broke ground in the fall of 2005 and is upgrading Route 209 to handle the historically heavy traffic flow that passes through the area. The bypass will divert non-local traffic around Marshalls Creek to facilitate traffic flow for those traveling to destinations in the Poconos, including the Fernwood Hotel & Casino.

Further North along Route 209 is a portion of Phase I of the Marshalls Creek bypass project. These improvements occurred directly in front of the Resort at the intersection of Route 209, Winona Falls Road, and River Road. PennDOT has made drainage improvements and added turning lanes and new traffic signals at this location. One hundred and fifty nine (159) parking spaces in front of the Resort were donated for Right-of-Way toward this roadway widening

effort. Construction was completed in October 2006 in the Bushkill/Fernwood Resorts location, and the balance of Phase I is expected to be completed by the end of 2007.

The external growth pressures from the metropolitan areas of New York City and Philadelphia are significantly impacting future growth in Middle Smithfield, Smithfield, and Lehman Townships. To address those issues, Monroe and Pike Counties have developed a Comprehensive Transportation and Land Use Management Strategy (CTLUMS) (Attachment C). The strategy determined that in order to maintain acceptable levels of service for the Route 209 corridor, the Marshalls Creek bypass and a set of growth management controls should be implemented. Construction on the bypass has begun, and the growth management control recommendations identified in this report are in the process of being implemented as determined appropriate. Those recommendations included the following:

- Traffic Impact Studies for proposed developments
- Access Management Districts
- Impervious Coverage Standards
- Adjusted Tract Acreage to control density of development in sensitive areas
- Critical Area restrictions
- Residential Zoning modifications
- Conservation Subdivisions to preserve open space
- Village Center Districts to include pedestrian friendly mixed uses
- Transfer of Development Rights
- Open Space Preservation
- Shuttle Service

### **Proposed Conditions**

The expansion of the Fernwood Resort includes new parking facilities, reconstruction of access points to Route 209, expanded shuttle service, and internal walkway and trail systems. **These improvements have been completed at the time of this report.**

### **Analysis of Impacts**

The Fernwood Hotel & Casino expansion and renovation is anticipated to have minimal impacts on the traffic capacity of the Pocono region. PennDOT's improvements to Route 209 will address any congestion anticipated regardless of the proposed Fernwood Hotel & Casino.

Middle Smithfield Township has historically been very supportive of the Fernwood development and continues to work closely with the Resort to accommodate its future growth in true public/private partnership form. The Township has already rezoned certain areas to include a Village Center and a Planned Residential zone. Details on these and other zoning changes will be discussed in the next section on land use impacts.

Fernwood's expansion is expected to bring an additional 151,000 visitors to the Resort, a substantial increase from the now 460,000 guests that frequent annually. This will equate to approximately 1,500 additional daily trips; however, improved onsite parking in the form of 57 new spaces adjacent to the Fernwood Hotel & Casino and 294 new spaces in the new parking lot, increased shuttle service, and a network of pedestrian thoroughfares are planned to handle this increase onsite. Thus, the influx of new visitors expected from this redevelopment initiative will be accommodated accordingly and have minimal effects on the local community.

The CTLUMS acknowledges the likelihood of increased growth in the region as residential communities are being built and resorts are closing down. Residential development demand is high as populations from the New York, New Jersey, and the Philadelphia metro region search for affordable housing and a more rural lifestyle. This comprehensive plan, prepared by local stakeholders and local governments along with PennDOT and the National Park Service, makes feasible suggestions on how to manage growth and ensure acceptable traffic conditions through 2018.

As recommended in the CTLUMS report, access management standards should be incorporated to link communities and increase pedestrian trips, lessening the reliance on automobile trips thereby minimizing any increase in traffic along Route 209. Upon completion of the expansion, planned pedestrian improvements, including a pedestrian bridge, sidewalks, and pedestrian signals, are going to be constructed. This will enable guests to park their cars onsite and walk around the self-contained property or use the Resort's shuttle service instead of utilizing automobiles and consequently increasing car trips. See Attachment D for a comprehensive view of the Resort's pedestrian plan.

A private shuttle service is currently provided to guests to link their stay to the other worthwhile sites in the region, such as the Crossings Outlets, local wineries, and area attractions. The expansion and resultant increase in visitors to Fernwood will be accommodated through expanded shuttle service. Currently, the resort employs two shuttles. However, traffic impacts to the region will be minimal as Route 209 improvements are completed and growth management controls are implemented.

In summary, Fernwood has in the past and with the proposed expansion will further provide for the future improvements and amenities that are compatible with the intent of the CTLUMS.

These include the following:

- Mixed land uses including residential, recreational, commercial, and open space linked by internal roadways, pedestrian walkways and trails
- Limited access driveways onto Route 209
- Traffic Impact Study performed by HRG, Inc. for the proposed Fernwood expansion
- Shuttle Service to adjacent points of interest
- Maintenance of open space between areas of proposed development within the Fernwood Resort complex

**Public Transportation****Impact Statement**

The construction of the Fernwood Hotel & Casino is projected to create 174 new full time equivalent jobs at the facility. These new local hires could have a positive impact on the local public transportation system in the form of new transit trips and increased demand for a service extension to Fernwood's location.

**Current Services**

Monroe County's public transportation fixed route service currently serves Coolbaugh Township, Bartonsville, Stroudsburg, East Stroudsburg, and Broadheadsville. Fernwood Hotel & Casino, and the entire Fernwood Resorts complex, is located approximately 11 miles northwest of East Stroudsburg.

A total of 13 vehicles served Monroe County at peak hours in 2005-2006. The base passenger fare is \$1.25. While most of the operational costs of public transportation are subsidized with federal and state resources, Monroe County maintained a cost recovery of 34.6 percent during 2001-2002 and a cost recovery of 43 percent during 2003-2004.

The number of passengers served in Monroe County continues to increase. During 2005-2006, Monroe County reported 193,350 total passengers, a 5 percent growth from the previous year. Among these riders, 160,970 were fare paying passengers, a 7 percent increase from the previous year. This demonstrates that Monroe County public transportation is serving more people, and serving more fare paying passengers, bolstering its revenues. Monroe County Transit has optimized its service delivery and reduced its operating expense per passenger from \$17.00 in 2004 to \$12.50 in 2006.

Monroe County also offers Community Transit services including the Shared Ride program. This program offers a community door-to-door transportation service for citizens that would otherwise not be served by public transportation fixed routes due to the rural nature of the County. Monroe County also offers Lottery-sponsored free senior citizen trips; as the County's senior population is estimated at 17,036, or 12.3% of the overall population, this is a significant benefit to potential Resort patrons.

The County also has an innovative employee transportation service called the Workers Express. This program is available to low-income workers, transporting them to and from work until they are able to find permanent transportation. The ride is free of charge for the first 30 days.

**Potential Short Term Service Enhancement**

Monroe County Transit currently provides service to East Stroudsburg, 11 miles short of the Fernwood Resort. Most of Fernwood's existing workforce resides in East Stroudsburg (36%) or Bushkill (32%). If public transit service was extended to serve the Resort, it is estimated that approximately 75-90 existing employees would use the transit service as an alternative mode to commute to work. Fernwood officials have met with the Authority to discuss bridging the gap with a Fernwood stop.



**Projected Service Impacts**

The proposed addition of the Fernwood Hotel & Casino development to the existing Fernwood Resort is projected to create 174 new jobs at the facility. These new local hires could have a positive impact on the local public transportation system. It is estimated that there would be an increase of .0189 percent in work related trips as a result of the proposed development. An estimated 20 percent of new hires, approximately 30.8 employees, would use the existing services. If necessary, the Resort will participate in a transit check program that would provide transit passes to employees to free up parking spaces for guests. Overall, it is possible through partnering with the local transit provider to develop innovative service options that will best serve the Resort and its guests.



**Land Use Impacts**

**Impact Statement**

The Fernwood Hotel & Casino facility is an approved use under the Middle Smithfield Township Zoning Ordinance. Construction of the facility will not require re-zoning, amendments to the existing zoning ordinance, or any extraordinary municipal approvals. The existing Resort and proposed Fernwood Hotel & Casino satisfies and exceeds the intent of the existing ordinance's Resort Commercial (RC) District.

**Existing Conditions**

***Regional Zoning***

**Overview**

Figure 3 illustrates a countywide composite of existing zoning. The Fernwood facility is zoned commercial and is situated at the northern tip of the Route 209 commercial corridor. The predominate zoning surrounding the facility in Monroe County is residential and commercial. These two zoning types will dictate future land development patterns around the facility.

**Zoning Analysis**

**Introduction**

The Fernwood Hotel & Casino will be located within and become a part of the existing Fernwood Resort complex located in Bushkill, Middle Smithfield Township, Monroe County, Pennsylvania. Middle Smithfield is a second class Township. Development within the Township is regulated by a zoning ordinance and a subdivision and land development ordinance. Under the zoning ordinance, the proposed restaurant and casino are permitted uses. Construction of the facility will not require re-zoning, amendments to the existing zoning ordinance, or any extraordinary municipal approvals.

**The Zoning Ordinance**

Under the Township's zoning ordinance, the municipality is divided into use districts. Fernwood Hotel & Casino lies within a Resort Commercial (RC) District. The intent of the RC District is "to provide for a mix of commercial, resort, residential and other compatible uses to promote unified and coordinated development with interior traffic access." The proposed Fernwood Hotel & Casino satisfies and exceeds the intent of the district.

As is customary, the zoning ordinance lists uses that are permitted within the RC District. In addition, the ordinance permits the creation of a "Resort Complex," which is essentially an overlay zone in which additional uses are permitted. A Resort Complex is defined as "a coordinated development that includes overnight lodging, timeshare dwellings, a ski area or a similar large outdoor recreation facility as a principal use, as well as other outdoor recreation and dining facilities. A Resort Complex may involve multiple lots in single or multiple ownership, provided the coordination requirements for a Resort Complex are met."

At the time the Township's current zoning ordinance was adopted, the Fernwood Resort was already a Resort Complex in both the general and defined meanings of the term. When the ordinance became effective, the Resort met the requirements of an "existing Resort Complex." In addition, on October 11, 2005, the Township formally approved a plan designating the Fernwood Hotel & Resort as an "approved Resort Complex." A copy of the Resort Complex Master Plan approved by the Township, which generally depicts the Fernwood Resort as a Resort Complex, is included as Attachment E. Also included, as Attachment F, is a certified copy of the Minutes of the Township Meeting at which the Township granted the formal Complex approval.

Copies of sections of the zoning ordinance cited herein are attached as Attachment G.

**Restaurant & Casino as a Permitted Use**

Under Section 306.B.2b of the Zoning Ordinance, restaurant and banquet halls, retail stores, and nightclubs, are all permitted uses in the RC District and in a Resort Complex.

Also under Section 306.B.2.b, a "betting use" is an allowed use in an approved Resort Complex. A betting use is defined as "a place used for lawful gambling activities, including but not limited to off-track pari-mutual betting and any use of electronic gambling devices. This term shall not regulate state lottery sales or lawful small games of chance." The ordinance permits one betting device for every Resort unit "on the property for rent to transient visitors."

Since the existing Fernwood Resort is a Resort Complex in the RC District, the proposed restaurant and casino, to be housed within the facility, is a permitted use. In addition, because the Resort has a total of 885 units for transient visitor accommodations, the number of slot machines (500) allowed by a Category 3 license being sought by Fernwood Hotel & Casino is well within the requirements of the Township's zoning ordinance.

**The Land Development Plan**

The proposed restaurant and casino will be developed within the Resort's existing Special Events Center. Therefore, Fernwood Hotel & Casino is not required to submit a land development plan to Middle Smithfield Township.

**Conclusion**

The Fernwood Hotel & Casino is an approved use under the Middle Smithfield Township Zoning Ordinance. It is not anticipated that extraordinary zoning relief will be required. Submission of a Land Development Plan is not necessary due to the construction taking place within the existing Special Events Center facility.

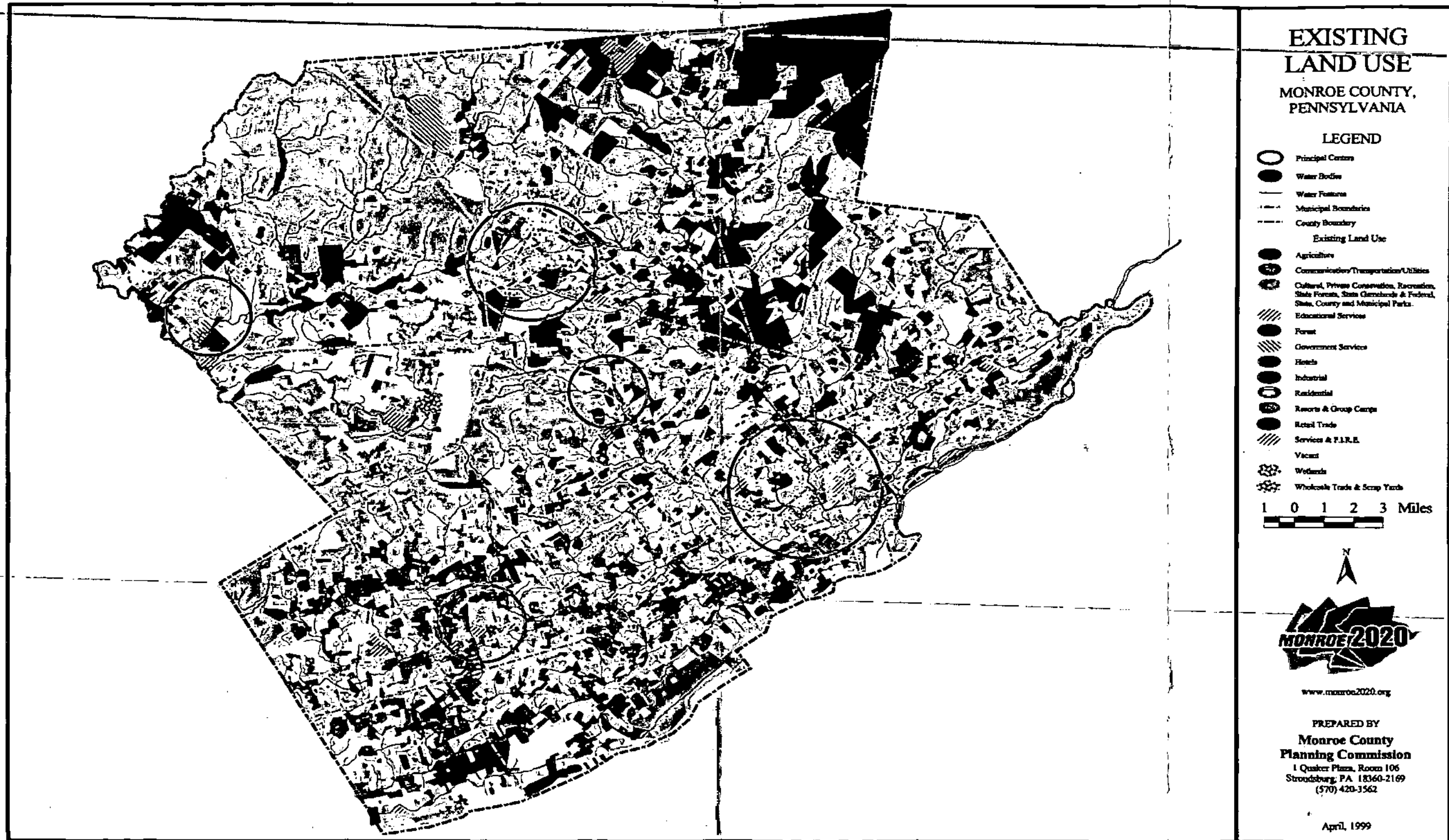
**Regional Land Use/Land Cover**

**Impact Statement**

Fernwood's future growth strategy, including the construction of the Fernwood Hotel & Casino, supports Monroe County's smart growth objectives for open space preservation by developing completely within the boundaries of Fernwood's existing facilities.

Figure 1 illustrates the existing countywide land use/land cover pattern for Monroe County. As shown, the Fernwood Resort facility is classified, "Resorts & Group Camps" and is located in the far eastern tip of the County adjacent to the Delaware Water Gap National Recreation Area delineated in light green. The land use/land cover composition surrounding the Fernwood facility is predominated by scattered residential and highway commercial uses, intermixed with large tracts of forestland, resorts and camps, and various conservation lands.

Figure 1  
Existing Land Use



As illustrated in Figure 2, the Monroe County Comprehensive Plan (Monroe 2020) delineates five Principal Centers based on the availability of sewer and water utilities, accessibility to interstate highways and arterials, as well as access to existing freight and future passenger rail services. The Monroe 2020 plan specifies that future development should be encouraged within these centers to promote infill development and redevelopment opportunities and to maximize the utility of existing infrastructure. Although located outside the five Principal Centers, the construction of the Fernwood Hotel & Casino supports the County's smart growth objectives for open space preservation by developing completely within the boundaries of Fernwood's existing facilities.

Figure 2  
Schematic Plan

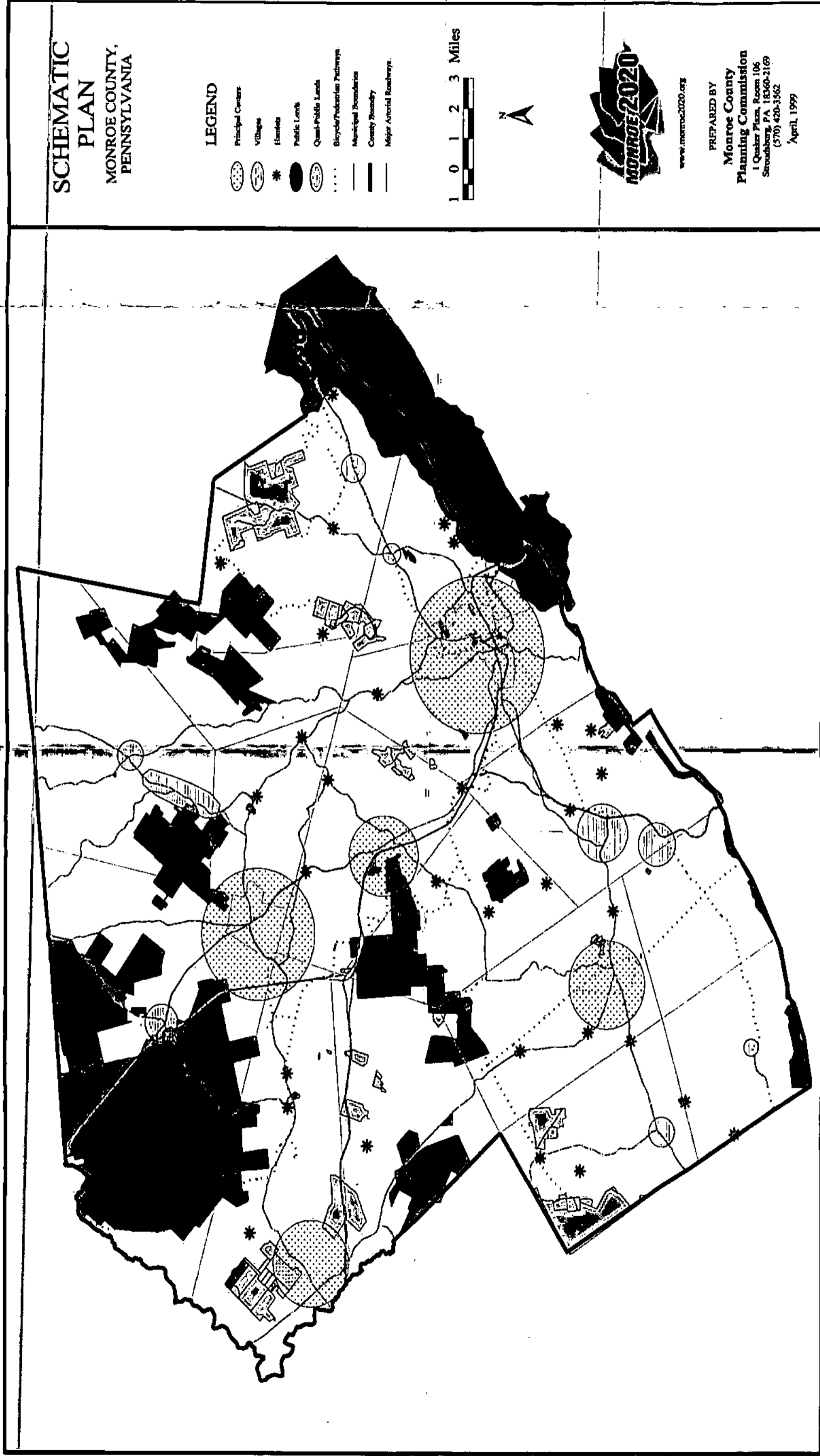
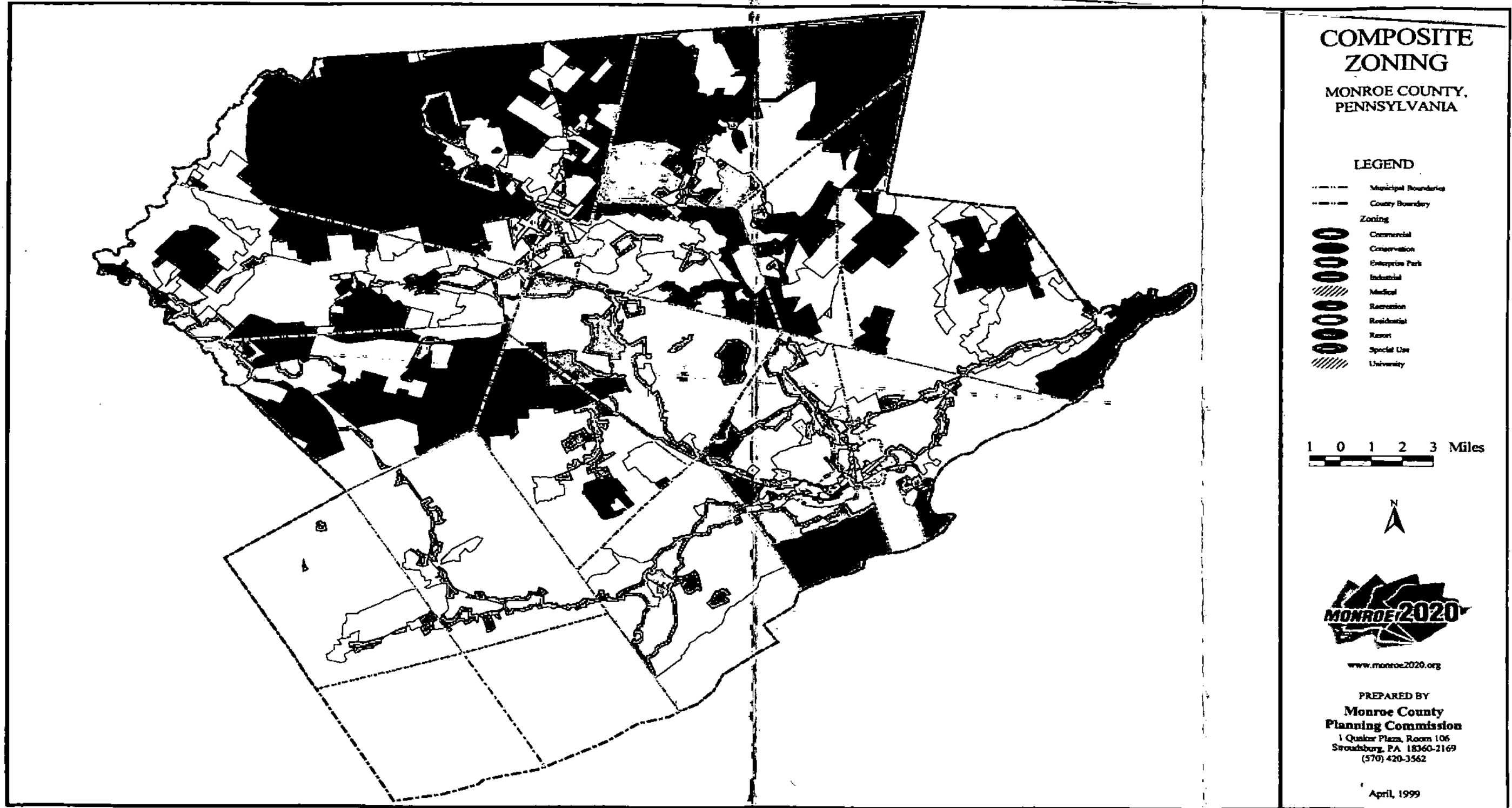




Figure 3  
Composite Zoning



**Transportation and Land Use****Impact Statement**

External forces largely drive Monroe County's housing and commercial markets, and local developments, such as the proposed Fernwood Hotel & Casino, are likely to produce negligible impacts on the region's land use patterns.

As illustrated in Figure 1, Monroe County's land use development patterns are congruent with the County's surface transportation network, which, as previously discussed, is one of the factors supporting the five Principal Centers of growth. The Route 209 Corridor is the single major surface transportation system serving the Fernwood facility. The Monroe 2020 plan identifies Route 209 as a principal corridor that will support future commercial growth in the County.

**Commute to Work Trends**

An estimated 9,000 (nearly 18 percent) Monroe County employed residents commute out of the County to work. The majority of these workers commute to jobs located in the New York-New Jersey Metropolitan areas. In light of this trend, however, the County draws a significant number of workers who live outside of the County to employers such as the Tobyhanna Army Depot, which is the County's largest employer. In fact, fewer than 600 of its 3,600 employees are County residents.

The Monroe 2020 plan predicts that the numbers of commuters and the proportion of commuters in the County's labor force are likely to rise dramatically by 2020.

**Lehman Township, Pike County**

The Monroe 2020 plan also identified Lehman Township in Pike County as an "External Influence" on Monroe County's future development patterns. Pike County, which is far less populous than Monroe, is Pennsylvania's fastest growing county because of its proximity to the New York City and northern New Jersey metropolitan areas and its affordable, rural environment. Lehman Township is located in southeastern Pike County and joins with Middle Smithfield Township in Monroe County. Both Route 209 and the Delaware Water Gap National Recreation Area traverse both municipalities and have supported their strong population and housing growth trends.

According to the Pike County Planning Commission, 2,034 building permits were issued in Lehman Township between January 1990 and April 2005. This represents the second highest number of permits issued for all municipalities in the County and 22.5 percent of all permits issued in the County. As such, Lehman Township is generating school needs and demand for school construction in its portion of the East Stroudsburg School District, the financial and administrative implications of which are being felt in Monroe County.

**Impacts**

Considering the aforementioned factors, it is readily apparent that Monroe County's future growth and development patterns will continue to be largely influenced by the external markets of Philadelphia, New York, and New Jersey. These markets are attracted to Monroe County because of its affordable land and housing prices and the relatively short commute times to work, as well as its many tourist attractions. Consequently, Monroe County is indeed a bedroom community for external employment markets, as well as a destination for the tourism industry.

As such, these external forces largely drive Monroe County's housing and commercial markets, and local developments, such as the proposed restaurant and casino at the Fernwood Hotel & Resort, are likely to produce negligible impacts on the region's land use patterns. Furthermore, the region's predominate land use patterns, such as residential and commercial, are already well established through municipal zoning ordinances, and the County anticipates such uses will further materialize as the external markets continue to dominate the County's growth trends.



**Environmental Impacts**

**Impact Statement**

The proposed Fernwood Hotel & Casino redevelopment project will have minimal impact on the local natural, cultural, visual, air and audible environment. No significant direct impacts on local environmental resources are anticipated. By rehabilitating the resort's main Special Events Center within an existing footprint, Fernwood Hotel & Casino is minimizing its impact on the environment ensuring little to no impact and helping to preserve the resort atmosphere that is so critical to the Pocono region's economy.

**Introduction**

The proposed Fernwood Hotel & Casino complex is located in the Poconos region of Pennsylvania. More specifically, the existing Resort is located between Routes 209 and Bushkill Creek in Middle Smithfield Township, Monroe County, Pennsylvania.

Herbert, Rowland, & Grubic, Inc. (HRG) recently conducted an environmental impact study related to the onsite improvements (Attachment H). Of greater interest to this portion of the impact report is the Marshalls Creek Traffic Relief Study completed in 1999. This report outlines the local region's environmental impacts and assessed the natural assets found within the study area. A map of this study area can be found in Attachment H. This 1999 report was developed as part of the Route 209 bypass project and has a project and study area that overlaps Fernwood's project area. Hence, this data was utilized to provide general information on the existing features surrounding the project area<sup>1</sup>.

**Existing Features**

The following description of existing conditions was extracted from the Final Environmental Impact Statement for the Marshall Creek Traffic Relief Study dated November 1999.

***Natural Environment***

The Poconos region is a fairly rural area with two main roadways, State Route 209 and State Route 402, dissecting the natural landscape. Commercial, residential and resort developments dot these two major arterials. Golf courses and segmented forested tracts provide open space within these corridors.

The natural environment of the Poconos includes hilly regions, where geology and soils are largely the result of glacial processes, ample wetlands, most associated with two major streams,

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<sup>1</sup> (Final Environmental Impact Statement and Section 404 Permit Application U.S. 209, Monroe County, Pennsylvania, Marshalls Creek Traffic Relief Study, November 1999.)

a variety of wildlife from small rodents and songbirds to bears and raptors and native trout. It is a mountainous area lying within the Ridge and Valley Physiographic Province.

Most of the soils in the area are derived from glacial till or glacial outwash. The hills are formed from sandstones, siltstones, shales, and limestones. Outcrops of these rocks are interspersed throughout the slopes and form the ridge tops.

More than 50% of the study area is made up of limestone and shale. Bedrock is found at a greater depth and in nearby streams and waterways and at shallower depths at the upper elevations and on hillsides. The type of bedrock (shale, sandstone, and limestone) and the surficial exposure of bedrock are important for such activities as cut-and-fill and bank stability assessments. There are also no deep shaft mines within the local area; however several surface mines are present.

Today the region is made up of forested slopes and ridges that contain hemlocks, maples, beech, and other hardwoods. These are mostly found on the north-facing slopes and protected coves. South-facing slopes, which are generally more exposed to the elements, are dominated by oaks. Ridge tops are dominated by pines and scrub oak which tolerate more extreme conditions. Ferns and other species grow on the rock outcrops. A large block of relatively contiguous forest lies on the hills and slopes south and east of the Village of Marshalls Creek.

The local environment supports game and non-game species from bears and deer to river otter and beavers. Ephemeral ponds support a variety of frogs and salamanders. Large raptors and smaller birds also live in the area.

The current natural environment is a result of both natural and human forces. Forest fragmentation, stream relocation, wetland encroachment, and sewage discharge have all affected the natural communities. Development has crowded natural features into smaller and more distinct, isolated patches.

### ***Man-Made Environment***

The land surrounding the Fernwood facility is predominated by scattered residential and highway commercial uses, intermixed with large tracts of forestland, resorts and camps, and various conservation lands. The environmental impacts to the local region are assessed in the following report contingent upon a proposed expansion of rooms and slot machines to the Fernwood Resort.

More specifically, there are no community facilities immediately adjacent to the proposed Fernwood Hotel & Casino. The Middle Smithfield Township building and a KOA Campground are the closest man-made resources and are approximately two miles from the Fernwood facility. The East Stroudsburg North Senior High School is approximately six miles from the Fernwood site.



**Impacts**

The Fernwood Hotel & Casino redevelopment project will have minimal impact on the local environment. The development is essentially infill, and any construction and/or demolition activities are addressed under the onsite impact evaluations. The additional visitors to Fernwood will enjoy the benefits of the natural and man-made environment surrounding the resort. However, no significant direct impacts on those resources are anticipated.

HRG's review of the project site in 2005 for environmental impacts does not foresee substantive impacts from the Fernwood facilities expansion activities and, to ensure that this remains true, outlines mitigation plans to minimize surface water run-off due to the increase in impervious surfaces from expanded parking lots.

Any potential impacts to surface water will be mitigated through the implementation of Best Management Practices and engineering controls as outlined in HRG's Environmental Impact Report (Attachment H).

***Surface Water***

There is a very low potential for impact to area surface waters associated with the redevelopment and renovation project. An approved Erosion and Sedimentation Control Plan and National Pollutant Discharge Elimination System (NPDES) permit are in place and will be implemented to further control potential surface water impacts.

***Groundwater and Water Supply***

According to the HRG onsite impact analysis, groundwater resources will not be additionally burdened with the increase in patrons to the Fernwood facility. This additional demand will not overburden the current groundwater system, as there is adequate capacity to handle the additional demand. HRG's Appendix H of its Environmental Impact Report shows the specific capacity (Appendix H). The onsite impacts should not affect outside the parameters of the project site and therefore should not have any further impact on the local groundwater and water supply.

***Air Resources***

Due to Fernwood's expansion, an increase in traffic coming into the region will lead to a net increase of vehicular air emissions. HRG determined these annual increases to be "de minimus" and will not lead to non-attainment of the National Ambient Air Quality Standards (NAAQS) for the identified priority pollutants. The design of the Fernwood project, with its pedestrian oriented sidewalks, crossings, and signals, will minimize any potential impact from an increase in vehicular travel to the region. The private shuttles for guests will also help to minimize any impacts as people will not be as inclined to drive and use their own vehicles and gasoline while visiting the Resort and utilizing its facilities.



**Noise**

Fernwood's plans to modify its existing Events facility ensure that any noise from construction equipment and or related activities will have no significant impact on the surrounding area. The local noise impacts will be maintained within the grounds of the existing Fernwood Resort facility. In other words, any noise derived from Fernwood's construction activities will be limited to onsite impacts and as such these impacts will be minimal. Additionally, the closest residential development is over one-half mile from the Casino location.

**Solid Waste**

HRG estimates a moderate increase in municipal waste generation resulting from the increased patron volume associated with the casino operations. A waste volume increase of approximately 1 ton per day is expected as a result of the new facilities. An examination of local landfill capacity to handle the increased volume of waste has been completed and concluded that a 1 ton per day increase in waste volume would not cause a significant impact on the landfill's permitted daily capacity limit.

**Threatened and Endangered Species/Wildlife Habitat (PNDI Research)**

As the Fernwood project involves expanding an existing facility it is anticipated that no impacts on wildlife habitat or Threatened and Endangered Species will occur. HRG recently conducted a Pennsylvania Natural Diversity Inventory (PNDI) search for the Fernwood redevelopment project site; a copy of the PNDI search receipt is included in Attachment H of this report. Two potential impacts were identified, and HRG is awaiting the final evaluation based upon its submittal of additional information.

Moving forward, if any state or federal regulatory permits are required, the applicant will notify and coordinate with the appropriate agencies, the United States Fish and Wildlife Service (USFWS) and the Pennsylvania Fish and Boat Commission to ensure if any only minimal impacts from the onsite expansion of the Fernwood facility.

**Wetlands**

The Pocono region, including the area surrounding the Route 209 corridor, is rich in water resources, including a variety of wetland system types. While more visitors to the area means more opportunities for individuals to see these resources, we do not anticipate a substantive increase in persons walking into these areas and having a negative impact on the ecology of those systems as a result of the Fernwood Hotel & Casino project.

Wetland areas have also been identified within the Fernwood Hotel & Casino property as discussed in the attached wetlands delineation report (Attachment H). Identified wetlands lie to the north and east of the project area. No wetlands will be disturbed or adversely impacted by the construction of the project, as the wetlands lie completely outside the project area.

**Historic & Cultural Resources**

Fernwood Hotel & Casino proposes to remodel the existing resort facility. The existing facility is located along State Route 209, a high-traffic roadway that has recently experienced road-widening activities in front of the Fernwood Resort that are now completed.

As Fernwood Hotel & Casino are only refitting an existing building, there will be no impacts to culturally significant properties or structures. However, a preliminary review of the surrounding area revealed that several of the structures were constructed around the 1950s, which satisfies the age criteria for potentially culturally significant resources warranting further evaluation by the Pennsylvania Historical & Museum Commission (PHMC).

On behalf of Fernwood Hotel & Casino, Herbert, Rowland & Grubic, Inc. (HRG) submitted a formal notification to the PHMC requesting a formal review of those structures located nearby the project site that meet the age criteria for this evaluation. The PHMC issued a determination on the significance of these resources, indicating that none of the structures in question are eligible for listing on the National Register. A copy of PHMC's determination is included in Attachment H of this report.

The Pocono region is a popular destination for heritage tourism. Every year, thousands of visitors explore the nearby Delaware Water Gap National Recreation Area, attend a bevy of outdoor festivals, and enjoy the fall foliage on any number of scenic byways. By rehabilitating the Fernwood Hotel & Casino environmental impacts are minimized helping to preserve the resort atmosphere that is so critical to the region's economy. The additional number of visitors to the area is not anticipated to have a significant impact on important historic and cultural resources located within the Route 209 Corridor or the Delaware Water Gap National Recreation Area.



**Social Impacts****Impact Statement**

Fernwood Resort's existing commitment to award winning community service coupled with a restrictive policy on gaming patrons will serve to limit any perceived negative community impacts associated with the proposed Fernwood Hotel & Casino.

**Background**

Numerous national and international studies have been conducted to document the social impacts associated with casino gaming. The findings are quite varied and oftentimes reflect the views of organizations that either support or oppose gaming. According to a 1999 report prepared by the American Gaming Association, "While opponents have purported that alleged "social costs" of gambling outweigh the economic benefits of introducing a casino, materials submitted to the NGISC [National Gambling Impact Study Commission] indicated that...the casino gaming industry actually contributes significant social benefits to communities in which it operates."<sup>2</sup> Based on a national survey of gambling behavior conducted by The National Opinion Research Center at the University of Chicago, "there is wide perception among community leaders that indebtedness tends to increase as does youth crime, forgery and credit card theft, domestic violence, child neglect, problem gambling, and alcohol/drug offenses."<sup>3</sup> The same study notes that in communities close to newly opened casinos, "per capita rates of bankruptcy, health indicators, and violent crimes are not significantly changed."

Existing studies aside, what is important to remember when assessing the social impacts of the construction of the Fernwood Hotel & Casino is the scope of the gaming proposed. The project proposes the construction of a casino that will include 500 limited access slot machines. Access to slot machines will only be provided to patrons of the Resort who spend at least \$10.00 at the Fernwood Resort complex. Therefore, the slot machines will not be available for use by the general public unless individuals have made a \$10.00 expenditure at the Resort.

Therefore, the question to be answered for the proposed project is "What social impact will slots-only gaming have on the community?" While limited access, slots-only gaming in and of itself suggests a diminished amount of adverse social impacts, this suggestion is rather speculative without conducting or reviewing research. Limited research is available on either the perceived or measured social impact of slots-only facilities in communities. When asked about how slots-only gaming would impact the quality of life for Philadelphia residents, "Poll

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<sup>2</sup> American Gaming Association. Casino Gaming in America: Key Findings of the National Impact Study Commission (1997-1999), p 36.

<sup>3</sup> National Opinion Research Center at the University of Chicago, Gambling Impact and Behavior Study Report to the National Gambling Impact Study Commission. April 1, 1999, p. x.

results show an overwhelming majority of the public (83 percent) find slots-only gambling acceptable for either themselves or for others."<sup>4</sup>

An additional factor to consider when assessing social impacts is Fernwood's existing social benefits on the community. Highlighting social issues without assessing the benefits that the existing facility brings to the community will not accurately portray true social impacts. "... any costs associated with social impacts should be weighed against estimated benefits."<sup>5</sup>

This social impact assessment begins with a description of existing operations at Fernwood and describes how the facility is an integral component of the social fabric of the community and Pennsylvania's Pocono Mountain Region. Existing conditions of each social factor are identified followed by an assessment of the impacts of the proposed Fernwood Hotel & Casino.

### **Neighborhood/Social Fabric**

#### ***Existing Conditions***

Fernwood Resort, one of the original Pocono Mountain Resorts, has been located in Middle Smithfield Township, Monroe County since the 1930s. Middle Smithfield Township is a community that is fortunate to have civic-minded residents who actively volunteer their time and talents. The community is located within Pennsylvania's Pocono Mountains, and citizens take great care to promote the scenic qualities of their community and support neighbors in time of need.

The Township has several committees developed with the express intent of preserving and enhancing its quality of life and scenic character such as the Planning Commission, Municipal Authority, 911 Road Committee, Community Emergency Response Team (CERT), Park Commission, Open Space Committee, Litter & Beautification Committee, Historical Society, and Environmental Advisory Committee (EAC).

Civic and humanitarian services in the Township and County are provided through different organizations. The Monroe County Red Cross provides humanitarian services for the County in the event of natural disasters. The Red Cross also coordinates disaster preparedness, disaster response, first aid and CPR training, and disease prevention in conjunction with local officials. Monroe County's Retired and Senior Volunteer Program provides services throughout the community with priority given to programs that improve the welfare of the community. The Monroe County Veteran's Affairs provides general veterans benefit services to veterans and their dependants.

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<sup>4</sup> Philadelphia Gaming Advisory Task Force. Final Report. October 27, 2005, p. 300.

<sup>5</sup> CGR Inc., Rochester Downtown Casino An Economic & Social Impact Assessment. July 2004, p. 13.

**Corporate Citizenship**

Fernwood is integral to the social and civic capacity of Middle Smithfield Township, Monroe County, and the region. The resort is a locally owned, extremely active, positive member of the community with numerous established public-private partnerships. The resort is dedicated to giving back to the community. This was recently acknowledged when the resort was awarded the Pocono Mountains Chamber of Commerce "Bizzy Award" for Best Large Business. Chamber members recognized the resort as one of the largest in the Pocono Region, a leader in service, hospitality and amenities, one of the largest employers in Monroe County, a significant taxpayer, and one of the largest corporate donors in the region.

The resort encourages its employees to volunteer on both an individual and corporate level. As a company, the resort has donated over \$150,000 in cash and in-kind contributions annually to over 35 non-profit causes in the region. The following examples demonstrate a sampling of the personal and corporate commitment of Fernwood Hotel & Resort to the community:

- Fernwood Hotel & Resort has been a strong supporter of the Mountain Laurel Center for the Performing Arts, donating labor, materials and cash to the endeavor. Recently, the value of the in-kind and contribution has exceeded \$30,000.
- The resort has generously extended in excess of 100 free room nights to date for family vacation donations to returning soldiers of the US Marine Corps, a value of \$10,000.
- In 2006, the resort sponsored the first county-wide diversity conference, the Pocono Mountain Diversity Awareness Conference. The conference was developed to inspire dialogue about the people who make up the community as a "whole" and not as just one segment of the population. Corporate employees actively participated in the conference.
- The resort works closely with both Northampton County Community College and East Stroudsburg University on developing student internship programs and on-the-job training. In addition, annual contributions are made to the educational institutions' capital campaigns and scholarship programs.
- The resort is also a strong supporter of Middle Smithfield Township's growth, working with officials in several public/private partnerships on road repair, snow removal and maintenance. The company has provided personnel, materials and equipment to make this possible at no cost to the Township. The resort has also adopted the roads along the intersection of Route 209 and River Road to maintain trash and snow removal. The Resort plows Route 209, River Road and Winona Falls Road, approximately 3 miles in length, on behalf of Middle Smithfield Township.
- On the individual level, employees participate in more than 30 community service organizations on the state and county levels. The resort has been and will continue to

be a strong positive supporter of civic, educational, and community groups throughout the region.

- Bushkill Outreach is a community organization that offers basic material support to community families in the greater Bushkill area including food, clothing and furnishings. To help these efforts, the resort and its employees have donated food, toys, furniture, and blankets and raised money to purchase Christmas trees and toys for deserving families in the community.

Attachment A lists organizations that receive corporate contributions from Bushkill Group, Inc., the parent company of Fernwood Hotel & Restort. As noted previously, these contributions average over \$150,000 annually.

**Impacts**

The positive impact that Fernwood has on the neighborhood and social fabric of the community and region is clearly documented. Since the 1930s, the resort has been an active participant in civic, educational, and social service activities. This participation is evident in not only the level of corporate giving but also personal giving by the Resort's employees.

Fernwood's expansion to include a Hotel & Casino will not detract from the 70-year history of social interaction with the community. Slot machine usage will be limited to guests and patrons of the resort who spend \$10.00 at the Resort's facilities, limiting any perceived negative impacts to the social fabric of the community.

The resort's combined commitment to award winning community service coupled with a restrictive policy on gaming patrons will serve to limit any perceived negative community impacts associated with the proposed Fernwood Hotel & Casino.

**Schools**

**Impact Statement**

Any increase in public school enrollment from the proposed Fernwood Hotel & Casino would be minimal compared to the impact of recent regional in-migration patterns. The 174 new full time equivalent jobs resulting from this new development could produce a maximum public school enrollment increase of eleven (13) children.

**Existing Conditions**

**Elementary and Secondary Schools**

Middle Smithfield Township is located within the East Stroudsburg Area School District (ESASD). The district serves the elementary and secondary educational needs of portions of Monroe and Pike counties in Northeastern Pennsylvania. The school district is comprised of

East Stroudsburg Borough and the townships of Smithfield, Middle Smithfield, and Price in Monroe County and the townships of Lehman and Porter in Pike County.

ESASD had an enrollment of 8,125 in the 2005-2006 school year. The school district maintains six elementary schools (grades K - 5), two intermediate schools (grades 6 – 8), and two high schools.

Monroe County's public and private elementary and secondary school enrollment levels have been steadily increasing since the late 1990s. Based on Pennsylvania Department of Education data, enrollment during the 1999 – 2000 school year was 27,244. Enrollment for the 2005 – 2006 school year was 34,155, a 25 percent increase. Enrollment levels in Pennsylvania counties surrounding Monroe County have also been increasing but at different rates. As shown in Table 1, the change in the level of school enrollment in Pike County is generally consistent with Monroe County. Both counties are receiving population increases primarily from the New York-New Jersey metropolitan area. Northampton County, which borders Monroe County to the south, has also experienced school enrollment increases due in part to an influx of citizens from the New York-New Jersey metropolitan area but primarily due to the recent economic growth of the Lehigh Valley counties of Northampton and Lehigh. The Lehigh Valley region is currently the third largest metropolitan area in Pennsylvania. Wayne County has received a modest 3 percent increase in school enrollment between 1999 and 2006, which is reflective of its distance away from the New York-New Jersey metropolitan area and its relatively rural public infrastructure.

**Table 1  
Public and Private School Enrollment  
Select Pennsylvania Counties**

	1999 - 2000	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	% Change 1999 - 2006
Monroe County	27,244	28,145	30,384	30,912	31,960	33,778	34,155	25%
Northampton County	41,847	41,588	43,552	43,835	44,628	47,137	47,735	14%
Pike County	4,805	4,911	5,052	5,182	5,380	5,616	5,776	20%
Wayne County	9,605	9,716	9,644	9,718	9,794	9,795	9,849	3%

Source: Pennsylvania Department of Education.

The Pennsylvania Department of Education maintains data on enrollment levels for each county school district as shown in Table 2. The Stroudsburg Area School District has received the greatest growth of all Monroe County's public school districts, 31 percent, since 1999. The percent change in enrollment patterns is consistent with growth at the County level.



**Table 2  
Public School Enrollment  
Monroe County Public School Districts**

	1999 - 2000	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	% Change 1999 - 2006
East Stroudsburg Area SD	6,604	6,863	7,175	7,481	7,598	7,923	8,125	23%
Pleasant Valley SD	5,892	6,129	6,355	6,664	6,905	7,024	6,958	18%
Pocono Mountain SD	10,080	10,425	10,803	11,166	11,190	11,703	11,743	16%
Stroudsburg Area SD	4,514	4,728	5,030	5,298	5,536	5,693	5,931	31%

Source: Pennsylvania Department of Education.

The school enrollment patterns reflect the influx of new citizens from the New York-New Jersey metropolitan area that has been evident in the Pocono Mountain Region over the past several years. Any increase in public school enrollment from the proposed Fernwood Hotel & Casino would be minimal compared to the impact of these recent in-migration patterns.

**Higher Education/Technical Training**

Monroe County is home to East Stroudsburg University and a branch of the Northampton Community College. East Stroudsburg University, located in East Stroudsburg, is one of the fourteen institutions in the Pennsylvania State System of Higher Education. The University offers course curriculum that is relevant to the Resort including: Restaurant and Tourism Management; Hotel Management; Business Management; and Theatre.

Northampton Community College is part of Pennsylvania's community college network and is headquartered in Bethlehem, Pennsylvania. The Monroe Campus is located in Tannersville and reached full branch campus status in 1993. The Community College offers course curriculum that is relevant to the Resort including: Hotel Management; Hospitality; Culinary Arts; and Food Service Management.

The Monroe Career & Technical Institute (MCTI), located in Bartonsville, Pennsylvania has been providing secondary and post-secondary career training since 1972. MCTI currently has 22 areas of study and opportunities to earn free college credits toward an advanced degree with Articulation Agreement partners such as Northampton Community College. MCTI provides technical education for high school students in each of Monroe County's public school districts. MCTI has been cooperatively planned and developed by representatives from business, education, labor, and industry. The school is organized to supplement the educational program of Monroe County high schools.

Any expansion of the current Resort would enhance and complement the current curriculum and enrollment patterns at local institutions of higher education, thus providing the local population with additional higher education opportunities.

**Corporate Contribution – Schools**

Fernwood participates in the educational development of Monroe County citizens by offering annual scholarships. Average, annual scholarship awards total over \$20,000, and scholarships have been provided to Northampton County Community College and East Stroudsburg University (ESU). Fernwood also offers college student tuition reimbursement on a case-by-case basis to its employees. Annual average employee tuition reimbursement totals \$4,000.

**Impacts**

The proposed Fernwood Hotel & Casino project will have a slight impact on Monroe County public school districts. Enrollment levels in Monroe County public school districts and school districts in the region have steadily increased over the past two decades, with the increase due to the influx of residents from the New York-New Jersey metropolitan area.

Bushkill Group will create an additional 174 new jobs due to the casino expansion. The facility currently employs 473. Delta projects that the 174 new jobs would result in a maximum public school enrollment increase of 13 school age children. This projection is based on the following data and assumptions:

- The calculation estimates the increase in the number of school age children that will enter Monroe County public schools as the result of 174 new jobs. It does not include any school enrollment increases resulting from *indirect* job creation due to the casino expansion. Note: The calculation limits the impact to Monroe County public school districts. The East Stroudsburg Area School District includes two (2) Pike County municipalities. These municipalities were considered part of Monroe County.
- To calculate the potential impact of 174 new jobs on public school enrollment, it was necessary to know how many of Fernwood's new employees will relocate to the area.
- Fernwood estimates that the number of new employees relocating to Monroe County as the result of the casino expansion will be 18.
- Delta assumed that the 18 employees would occupy separate homes. The number of new public school enrollments resulting from 18 employees moving into the area was based on the following:
  - ULI (the Urban Land Institute) social impact indicator multipliers were used to derive the increase in the number of school age children<sup>6</sup>. ULI has derived residential multipliers for school age children by region of the country, dwelling unit type (single-family, townhome, etc.), grade level, and number of bedrooms.

<sup>6</sup> ULI, Development Impact Assessment Handbook. 1994. p. 297.

- o Multipliers for the Northeast United States were selected using single-family homes, an aggregated grade level (K-5, Junior High, High School), and a blended number of bedrooms. A single-family home multiplier was selected, as 79 percent of Monroe County homes are single-family dwellings and a blended rate for number of bedrooms, as data was not available to adequately predict number of bedrooms.

The following table illustrates the calculations based on housing type and grade level.

**Table 3  
Projected Public School Enrollment  
Resulting from the Proposed Project**

Grade	# of Homes*	Multiplier**	Projected # of New Students
K-6	18	0.4994	8.99
Junior High	18	0.1161	2.09
High School	18	0.0964	1.74
<b>Total</b>			<b>13</b>

\* A total of 18 casino employees are projected to move into a Monroe County home as the result of the proposed project.

\*\*ULI, Development Impact Assessment Handbook. Northeast Multiplier; p. 297.

As noted previously, population in-migration from the New York-New Jersey metropolitan area has significantly impacted public school enrollment in the Pocono Mountain Region over the past several years. Enrollment in Monroe and Pike County public school districts has increased by 25 percent and 20 percent respectively since 1999. The projected increase in public school enrollment from the project is minimal compared to the impact of recent in-migration patterns.

The project will have a modest impact on higher education and technical training facility enrollment levels. Enrollment levels could increase slightly if Fernwood Hotel & Casino attracts new employees to the area and the employees or family members of the employees enroll in post secondary education programs at regional educational institutions.

Fernwood Hotel & Casino will continue its corporate philosophy of supporting education in Monroe County by continuing its annual scholarships to Northampton County Community College and East Stroudsburg University.

**Health Care**

**Existing Conditions**

Health care services for Monroe County children not covered through their parents' or guardians' employers are provided through Pennsylvania's Children's Health Insurance Program (CHIP). CHIP offers health insurance coverage to kids ranging in age from birth

through 18. CHIP includes regular checkups, immunizations and well baby visits, emergency care prescriptions and dental. Program eligibility is dependent upon family size and annual family income.

Mental health care services not provided through employers are provided through The Carbon-Monroe-Pike Mental Health/Mental Retardation Program (MH/MR). The program, mandated by the Pennsylvania Mental Health/Mental Retardation Act of 1966, is financed by federal, state, county, and private funds. The Program is one of 46 mental health/mental retardation programs throughout Pennsylvania and one of the first county programs operational in a rural setting.

The goal of the Program is to provide a full range of mental health and mental retardation services responsive to consumer choice and community needs. To meet this objective, MH/MR purchases certain services and also provides direct service.

### ***Corporate Contribution of Fernwood***

Fernwood provides annual corporate contributions, which support health care organizations in Monroe County such as VNA/Hospice, Pocono Health Foundation, and American Cancer Society. The partnerships that the Resort has developed in the community are numerous and are discussed in the Neighborhood/Social Fabric section of this document.

### ***Impacts***

The proposed casino expansion project will increase local, state, and federal tax revenues; thereby, increasing the level of revenues available to publicly sponsored health programs.

Fernwood's annual average for corporate contributions includes partnerships established with local organizations that support health care in Monroe County. The Resort's philanthropic activities will only increase as the Resort expands.

### ***Social Services***

#### ***Existing Conditions***

Social Services in Monroe County and the region are addressed through a variety of organizations, particularly the United Way of Monroe County, the Pocono Healthy Communities Alliance, the Carbon-Monroe-Pike Drug & Alcohol Commission, and the Monroe County Area Agency on Aging.

The United Way of Monroe County is the County's collective effort to help improve or change the lives of Monroe County citizens. The United Way's year round funding efforts support effective and efficient service programs. The United Way of Monroe County has placed a special focus on fully engaging the community's youth in implementing solutions, such as United Way's Youth Allocation or the newly created Teen Works project. United Way also plays a key role in helping partner organizations meet their missions beyond funding. An example is the

United Way's Day of Caring, where hundreds of community volunteers complete multiple community projects in a single day.

The Pocono Healthy Communities Alliance (PHCA) is a countywide community planning organization with a focus on health and human service programs for residents to improve their quality of life.

Through its membership of over 300 individuals, PHCA works with the private sector, agencies, educational systems, government, service providers and service recipients to develop programs and deliver services. PHCA collaborates in identifying the unmet needs of the community as they relate to supporting low- to moderate-income working individuals and families. Additionally, PHCA pursues funding sources for new programs as it collaborates with established agencies and organizations to accomplish identified goals, with the intention of avoiding duplication of services. PHCA is a United Way agency.

The Carbon-Monroe-Pike Drug & Alcohol Commission addresses Monroe County drug and alcohol issues. The Commission was incorporated in 1985 as a 501(c)(3) organization and is the Single County Authority (SCA) for Carbon, Monroe and Pike Counties. The Commission's mission is to provide quality, comprehensive and affordable drug and alcohol services for local residents regardless of race, color, religion, sex, age, national origin, ancestry, disability or ability to pay. The Commission maintains functional prevention, case management and outpatient units that are licensed by the Pennsylvania Department of Health and the Pennsylvania Department of Public Welfare.

The primary goals of the SCA are planning, coordination, and administration of drug and alcohol services for the tri-county community. Prevention programming is available to any interested schools, community groups, religious groups, and employers in Monroe, Carbon, and Pike Counties.

The Monroe County Area Agency on Aging addresses social service issues for senior citizens and has a mission to:

- Strengthen family life
- Assist individuals in attaining or maintaining independence and self-care
- Protect adults in danger of neglect, abuse, or exploitation

The Area Agency on Aging strives to improve the quality of life of Monroe County's older citizens through the coordination of existing services and development of essential programs.

### ***Corporate Contribution of Fernwood***

Fernwood is an active partner in developing the community's social service resources. The Resort is an active contributor to the United Way, Pocono Healthy Communities Alliance, and

the Carbon-Monroe-Pike Drug & Alcohol Commission. Fernwood Resort's average annual corporate contributions total over \$150,000.

**Impacts**

The proposed Fernwood Hotel & Casino's expansion project will provide an increase in local, state, and federal tax revenues, thereby increasing the level of revenues available to publicly sponsored social service programs.

Fernwood Resort's current annual average for corporate contributions totals over \$150,000. This contribution includes partnerships established with local organizations supporting social services in Monroe County. The Resort's philanthropic activities will only increase as the Resort continues to expand.

Gaming can provide a positive impact on the delivery of social services in communities. Findings from the National Gambling Impact Study Commission report the social impacts of gaming on specific locations. The County administrator for Tunica County, Mississippi told the commission "the gaming industry has had a dramatic effect on county government and its ability to provide services."<sup>7</sup> Through increases in tax revenues brought about by gaming, social services have been expanded to include but not limited to: a housing rehabilitation program for elderly and senior citizens, a public transportation system, a youth recreation program, increased elderly service for meals and transportation, and a new emergency communications system.

Conversely, research documents the negative social service impacts associated with legalized gaming. According to a report prepared for the National Gambling Impact Study Commission, "Problem and pathological gamblers experience a variety of tangible consequences at rates that are significantly higher than would otherwise be expected based upon their socio demographic characteristics. Such consequences include burdens to personal health, family, workplace, and the criminal justice system. In other words, such gamblers impose costs on themselves, their families and on those around them, including employers, creditors, and taxpayers."<sup>8</sup> To mitigate any adverse impacts of problems gamblers, Fernwood Hotel & Casino has developed a plan to address the needs of patrons with compulsive or problem gambling issues. Appendix 43 of the application includes a copy of this plan.

The expansion of Fernwood to include limited access slot machines will not adversely impact Monroe County's existing level of social services. Gaming activities will be limited to patrons of the Resort who spend at least \$10.00 at Resort facilities.

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<sup>7</sup> American Gaming Association. Casino Gaming in America: Key Findings of the National Impact Study Commission (1997 - 1999), p 13.

<sup>8</sup> National Opinion Research Center at the University of Chicago, Gambling Impact and Behavior Study Report to the National Gambling Impact Study Commission. April 1, 1999, p. 53.

**Childcare****Existing Conditions**

Monroe County Children and Youth addresses child care needs for Monroe County families, providing information on licensed child care facilities and directing families to financial assistance, if necessary. In addition, the Pocono Health Communities Alliance (PHCA) in conjunction with the United Way of Monroe County addresses countywide childcare issues. *Monroe County's Child Care Plan (2005)* developed by the PHCA is focused on improving quality, capacity, and community awareness and involvement for children throughout Monroe County as follows:

- Quality - Improve early care and education programs in Monroe County through quality improvement and increased professional development.
- Capacity - Expand and enhance the availability and accessibility of programs to meet the unmet childcare needs of Monroe County families.
- Community Awareness and Involvement - Create an integrated community infrastructure supporting childcare and education in Monroe County.

Statewide, Pennsylvania Early Learning Keys to Quality (Pennsylvania Keys), sponsored by the Department of Public Welfare, is a quality improvement program in which early learning providers are encouraged and supported to improve early learning for Pennsylvania's children. Under Pennsylvania Keys, services for early education are now delivered through six regions. Monroe County is located in the Northeast Regional Key.

One of the initiatives under Pennsylvania Keys is Keystone STARS (Standard, Training, Assistance, Resources, Support). Keystone STARS is a statewide quality improvement system that rates the quality of childcare and provides financial assistance to qualified childcare facilities in an effort to improve childcare throughout Pennsylvania. Prior to the STARS pilot program in 2001, Pennsylvania parents did not have a reliable system to evaluate childcare facilities other than National Association for the Education of Young Children (NAEYC) accreditation. As of September 2006, 48 percent (8,913) of the regulated childcare facilities in Pennsylvania participated in Keystone STARS.

Monroe County has achieved notable progress in improving the quality of childcare as noted below:

- Monroe County currently has 47 childcare facilities participating in Keystone STARS, 40 percent of regulated child care facilities in the County.
- Four additional Monroe County childcare facilities received NAEYC accreditation between 2002 and 2007.

- PHCA and the Monroe County Association for the Education of Young Children (MCAEYC), in conjunction with NAEYC, hosted its 2<sup>nd</sup> annual event in April celebrating "The Week of the Young Child".
- PHCA hosted the 4th annual "Including Every Child" conference came out of the goal of providing training for parents and provides daily activities for children on different special health care needs. The conference is focused on including children with special health care needs into community activities.

Fernwood currently provides childcare for Resort patrons. Daily scheduled activities are offered for Resort guests including crafts, games day camps, campfires, and nature education. Day camps are typically scheduled from 9 AM to 4 PM.

**Corporate Contribution of Fernwood**

Fernwood actively contributes to the United Way of Monroe County and the Pocono Healthy Communities Alliance – organizations that contribute to child care services in Monroe County.

Additionally, Fernwood offers daily activities for children of Resort patrons. This childcare service will continue when the casino is in operation.

**Impacts**

The construction of the Fernwood Hotel & Casino will provide an increase in local, state, and federal tax revenues, thereby increasing the level of revenues available to publicly sponsored childcare programs such as Keystone STARS. Through the PHCA in conjunction with the United Way of Monroe County services are in place to meet childcare needs of Monroe County citizens.

Fernwood's annual corporate contributions help to support programs that benefit Monroe County's children. The Resort's philanthropic activities will only increase as the Resort continues to expand.

The Resort currently offers children focused activities, continuing a more than 70-year tradition of operating as a family oriented facility. These activities will continue to be offered when the casino is in operation. At this time, no other casino facility in Pennsylvania offers childcare programs for its patrons.

**Summary**

Numerous studies have documented the potential negative impacts of gaming. However, in jurisdictions throughout the country there are numerous examples of the social benefit that gaming brings to communities. For example, gaming in Mississippi has had a tremendous impact on the ability to deliver social services throughout the state.



"Since 1992, Mississippi casinos have donated more than \$25 million in cash and in-kind services to over 3,000 organizations statewide. They have funded scholarships; provided transportation for crippled and burned children....In addition, they have sponsored educational programs and counseling session on such topics as compulsive gambling, illiteracy, gang prevention, civil rights, childbirth/teenage pregnancy, and environmental awareness."<sup>9</sup>

Likewise, the positive benefits of the proposed project far outweigh perceived negative impacts such as problem gambling or increased crime.

- The Resort will continue and will likely elevate its level of corporate giving in terms of both time and talents of employees and monetary contributions to schools, social services, and local government.
- The Resort will expand upon the recreational opportunities of the Pocono Mountain Region.
- The Fernwood Hotel & Casino will result in the creation of 174 new jobs, bringing revenue to Middle Smithfield Township, Monroe County, and Pennsylvania.

The addition of 500 limited access gaming slot machines at Fernwood Hotel & Casino will not detract from the social interaction that the Resort has developed with the community over the past 70+ years.

### **Living Wage**

#### **Impact Statement**

The expected wages for the new job opportunities resulting from the proposed Fernwood Hotel & Casino development will have a positive impact by providing the opportunity for sustaining a higher standard of living for up to 174 households in the local community.

#### **Supporting Details**

A living wage is different from the minimum wage. Minimum wages are set by state and federal governments as the lowest wage employers may legally pay workers. Minimum wages are not adjusted for cost of living. A full-time worker earning the federal minimum wage (\$5.15 per hour) often cannot afford all the basic necessities, which include food, clothing, housing, health care, child care, transportation, utilities, etc. As a result, these workers must often prioritize necessities or go without, particularly if they live in a more affluent community - or a community experiencing rapid growth. Advocates of the living wage argue that minimum wage levels should be adjusted each year to reflect cost of living increases from place to place. To examine the true

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<sup>9</sup> Harrison County Development Commission. The Mississippi Coast Miracle: How the State with the Worst Odds Ended up With a Winning Hand. September 1998, p. 30.

extent of poverty in Pennsylvania, researchers at Penn State University launched The Living Wage Project. An outgrowth of The Living Wage Project was an online data tool that calculates the living wage for all Pennsylvania localities, including municipalities, counties, and census designated places (CDP). Living wage estimates for Monroe County and Middle Smithfield Township are as follows:

**Table 4**

**Living Wage Estimates for Monroe County**

	One Adult	One Adult, One Child	Two Adults	Two Adults, One Child
Living Wage (per hour)	\$8.07	\$15.64	\$11.88	\$17.64
Minimum Wage (per hour)	\$5.15	\$5.15	\$5.15	\$5.15
Poverty Wage (per hour)	\$4.73	\$6.38	\$6.03	\$7.43

*Source: The Living Wage Project, Penn State University*

**Table 5**

**Living Wage Estimates for Middle Smithfield Township**

	One Adult	One Adult, One Child	Two Adults	Two Adults, One Child
Living Wage (per hour)	\$7.71	\$15.28	\$11.52	\$17.28
Minimum Wage (per hour)	\$5.15	\$5.15	\$5.15	\$5.15
Poverty Wage (per hour)	\$4.73	\$6.38	\$6.03	\$7.43

*Source: The Living Wage Project, Penn State University*

For Monroe County, The Living Wage Project estimates that an individual working *full-time* as the *sole provider* would need to earn \$11.88 an hour to meet the basic needs of a two-adult household. If earnings dropped below \$6.03 an hour, that household would be living in poverty. In a household with two adults and one child, a sole provider would have to earn \$17.64 an hour in order to meet the family's basic needs. If earnings dropped the level of \$7.43 per hour, that household would be living in poverty. Living wage data for Middle Smithfield Township closely mirrors the living wage data for Monroe County.

The weighted average salary for Bushkill Group employees is \$21,790. At this wage level, an individual working full-time (2080 hours per year) would earn \$10.48 an hour. This wage level *far exceeds* the living wage for one adult – by 30 percent in Monroe County and by 36 percent in Middle Smithfield Township. Although this hourly rate does fall short of the living wage for other household types, it is important to note that these wages levels are commensurate with wage levels for occupations within the Pocono Mountains gaming industry. The new job opportunities created by this project will create demand for skilled labor in the service sector,

which ultimately will place upward pressure on employee wages. It is assumed that the mix of job categories and associated wages for the new job opportunities resulting from the proposed resort development will be similar to that of the current employees. It is also expected that the majority of the new workforce will be supplied by local labor, thereby providing quality job opportunities in a community with persistently high unemployment. As recently as March 2007, unemployment was at 4.7 percent in Monroe County. This rate is lower than previous months but still higher than the March rate for Pennsylvania (4.2 percent). The new jobs will provide the opportunity for sustaining a higher standard of living for up to 174 households in the local community.

### **Affordable Housing**

#### ***Impact Statement***

The proposed Fernwood Hotel & Casino will have a positive impact on the region's affordable housing mix by attracting more business to the Pocono region. Homeowners will subsequently bear less of the property tax burden. In turn, housing will become more affordable for the average middle-income family.

#### ***Supporting Details***

During the Reagan administration, the federal government developed a benchmark for tracking affordable housing issues. Housing was considered "affordable" if a household spent no more than 30 percent of its income on housing costs (i.e. mortgage/taxes or rent, plus utilities). To this day, the U.S. Department of Housing & Urban Development and other federal agencies rely upon this formula for gauging trends in the housing market. Housing experts agree that 30 percent is a healthy percentage of income to be spent on housing. A household is considered *moderately burdened* if it spends 35 percent or more of its income on housing costs. At this point, households may be forced to forego basic household necessities, such as food, clothing, transportation, and medical care, in order to meet their housing costs. Once households are spending 50 percent or more on housing costs, they are considered at high risk for homelessness.

In 2003, The Housing Alliance of Pennsylvania ("The Alliance") released a study of housing affordability entitled "The State of Pennsylvania's Housing – A Comparative Analysis of Need, Policy and Funding." Using 2000 U.S. Census data, the most current on record, the Alliance found that nearly 1 in 4 Pennsylvanians were spending more than 30 percent of their household income on housing. Two primary factors have contributed to Pennsylvania's affordability problem: (1) Aging Housing Stock. Over half of Pennsylvania's housing stock is over 40 years old. Older housing requires more maintenance than newer construction. Pennsylvania has an aging population base. Senior citizens living on restricted income cannot afford the high cost of housing maintenance. (2) Lower Household Incomes. Due to stagnant job growth – and job gains in generally lower-paying service sectors - the earnings for Pennsylvania workers has not kept pace with rising housing costs.