

**BEFORE THE
PENNSYLVANIA GAMING CONTROL BOARD**

IN RE: BUSHKILL GROUP INC.

FILED BY: BUSHKILL GROUP INC. AN
APPLICANT FOR A CATEGORY 3
GAMING LICENSE

DOCKET NO.: 1567-2010

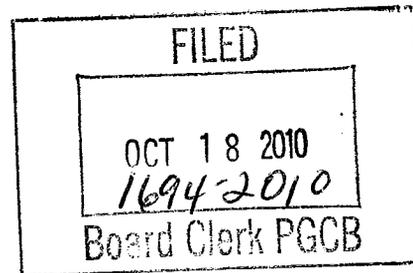
DATE FILED:
OCTOBER 18, 2010

DATE OF LICENSING HEARINGS:
NOVEMBER 16 and 17, 2010

PRE-HEARING MEMORANDUM PURSUANT TO 58 Pa. Code §441a.7(i)

COUNSEL OF RECORD FOR BUSHKILL GROUP INC.:

Marie Jiacopello Jones
Fox Rothschild LLP
Suite 400, 1301 Atlantic Avenue
Atlantic City, NJ 08401
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PA License No. 75696



I. INTRODUCTION

This pre-hearing memorandum is submitted by Bushkill Group Inc. d/b/a Fernwood Hotel and Resort ("Bushkill" or "Applicant"), Docket Number 19404, pursuant to 58 Pa. Code §441a.7(i), to identify all supportive evidence that it intends to present before the Pennsylvania Gaming Control Board (the "Board") at its license application hearing. The licensing hearings have been scheduled for November 16 and 17, 2010. Bushkill requests that to the extent any evidence referenced under a particular category of this memorandum is also relevant to other categories, such evidence be deemed to have been referenced with respect to such other categories without further action. Bushkill also incorporates by reference into this memorandum and into the record its application, all updates thereto and its prior testimony before the Board during its local input hearings and hearings related to eligibility and suitability.

II. TESTIMONY

1. Bushkill may produce the following witnesses for testimony at its licensing hearing, who will address the criteria set forth in 4 Pa.C.S. §§1305, 1309, 1310, 1313 and 1325 and 58 Pa. Code §441a.7, including, without limitation, the suitability and eligibility of Bushkill and its proposed project:

Attached hereto as Schedule A is a list of witnesses that Bushkill may call to provide testimony at its licensing hearing and the matters about which such witnesses will testify. Applicant reserves the right to supplement this list.

2. Bushkill may rely on or introduce the following documents and reports at its licensing hearing:

Attached hereto as Schedule B is a list of documents and reports that Bushkill may offer for admission into evidence and which may be utilized during the testimony of witnesses at its licensing hearing.

Bushkill reserves the right to supplement this list to include additional materials including, without limitation, materials offered in response to the Board's or Board Staff's comments, that may be received subsequent to the date of this submission.

The introduction of any documents or reports listed above should not in any case be interpreted as a determination by Bushkill to waive the confidentiality provisions of 4 Pa. C.S. §1206(f).

3. Bushkill may present the following audio/visual or non-documentary evidence at its hearing:

Attached hereto as Schedule C is a list of audio/visual and/or non-documentary evidence that Bushkill intends to present at its licensing hearing. Applicant reserves the right to supplement this list.

4. Pursuant to 58 Pa. Code §441a.7(i), Bushkill intends to present evidence demonstrating its: (a) eligibility for licensure pursuant to 4 Pa.C.S. §1305 and 58 Pa. Code §441a.7; (b) suitability for licensure pursuant to 4 Pa.C.S. §§1309, 1310 & 1313 and 58 Pa. Code §441a.7; and (c) satisfaction of Additional Requirements pursuant to 4 Pa.C.S. §1325 (b) and (c) and 58 Pa. Code §441a.7. This evidence will consist of the following:

During its licensing hearing, Bushkill will present oral testimony and documentary evidence demonstrating its eligibility and suitability to

receive a Category 3 License as well as its satisfaction of the Additional Requirements set forth in 4 Pa. C.S. §1325 (b) and (c) and 58 Pa. Code §441a.7.

Attached hereto as Schedule A is a list of witnesses that Bushkill may call to provide testimony during Bushkill's license hearing. Applicant reserves the right to supplement this list.

Attached hereto as Schedule B is a list of documents and reports that Bushkill may offer for admission into evidence and which may be utilized during the testimony of the witnesses. Applicant reserves the right to supplement this list.

Attached hereto as Schedule C is a list of audio/visual and or other non-documentary evidence that Bushkill intends to present at its license hearing. Applicant reserves the right to supplement this list.

Dated: October 15, 2010

Respectfully submitted,

By: 
Marie Giacopello Jones, Esquire
Fox Rothschild LLP
1301 Atlantic Avenue, Suite 400
Atlantic City, NJ 08401
Attorney for Applicant
Bushkill Group Inc.

CERTIFICATE OF SERVICE

Pursuant to 58 Pa. Code §441a.7(i), a true and correct copy of Bushkill Group Inc.'s Pre-hearing Memorandum was sent to the following persons via e-mail on October 18, 2010 and regular mail on October 15, 2010:

Cyrus R. Pitre, Esquire
Chief Enforcement Counsel
Pennsylvania Gaming Control Board
10th Floor, Verizon Tower, Strawberry
Square
303 Walnut Street
Harrisburg, PA 17101

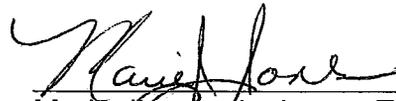
R. Douglas Sherman
Chief Counsel
Pennsylvania Gaming Control Board
P. O. Box 69060
303 Walnut Street
Harrisburg, PA 17101

Adrian King, Esquire
Ballard Spahr Andrews & Ingersoll,
LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103-7599
Attorney for Woodlands Fayette, LLC

Stephen D. Schrier, Esquire
Blank Rome, LLP
301 Carnegie Center
3rd Floor
Princeton, NJ 08540
Attorney for Mason-Dixon Resorts, L.P.

Michael D. Sklar, Esquire
Levine, Staller, Sklar, Chan, Brodsky &
Donnelly, P.A.
3030 Atlantic Avenue
Atlantic City, NJ 08401
Attorney for Penn Harris Gaming, L.P.

The information contained in this Certificate of Service is true and correct.



Marie Jacopello Jones, Esquire
Fox Rothschild LLP
1301 Atlantic Avenue, Suite 400
Atlantic City, NJ 08401
Attorney for Applicant
Bushkill Group Inc.

Date: October 15, 2010

SCHEDULE A

1. Bushkill Group Inc. d/b/a Fernwood Hotel and Resort ("Bushkill") may call the following witnesses to testify at its licensing hearing, each of whom may (a) testify as to any of the standards and criteria described in 4 Pa.C.S. §§1305, 1309, 1310, 1313, 1325(b), & 1325(c) and 58 Pa. Code §§441a.3, 441a.5, 441a.7, & 481a, and any element of Bushkill's proposed project; and (b) refer to any of the documents or reports described in Paragraph 2 of the Memorandum to which this Schedule is attached. Bushkill reserves the right to supplement this list.

- i. W. Andrew Worthington
President and Chief Executive Officer
Bushkill Group Inc.
P. O. Box 447
Route 209
Bushkill, PA 18324
Phone: (570) 588-6661

Mr. Worthington may provide testimony regarding all aspects of the proposed gaming facility at Bushkill and the history of the company. His testimony will address any and all of the applicable standards and criteria found in 4 Pa.C.S. §§1305, 1309, 1310, 1313, 1325 and 58 Pa. Code §§441a.3, 441a.5, 441a.7, & 481a, and any other issue, standard or criteria related to the application.

- ii. Gina J. Bertucci-Turner
Vice President of Marketing
Bushkill Group Inc.
P. O. Box 447
Route 209
Bushkill, PA 18324
Phone: (570) 588-6661

Mrs. Turner may discuss the details and implementation of Bushkill's proposed diversity plan and criteria set forth in 4 Pa.C.S. §1325(b) and 58 Pa. Code §§441a.7 and 481a. Mrs. Turner may also discuss Bushkill's marketing plan. Her testimony will address the standards and criteria set forth in 4 Pa.C.S. §1325 and 58 Pa. Code §441a.7, and any other issue, standard or criteria related to the application.

- iii. Steven T. Snyder,
Senior Vice President, Corporate Development
Penn National Gaming, Inc.
825 Berkshire Boulevard
Wyomissing, PA 19610
Phone: (610) 373-2400

Mr. Snyder may testify as to the management and operation of the proposed gaming facility. He may also testify as to the economic impact of the proposed gaming facility, including the projected revenue and economic development expected from the project. Mr. Snyder may also testify regarding the financing of the proposed gaming facility. His testimony will address the standards and criteria set forth in 4 Pa.C.S. §§1305, 1309 and 1325 and 58 Pa. Code §441a.7, and any other issue, standard or criteria related to the application.

- iv. Walter Bogumil
Penn National Gaming, Inc.
825 Berkshire Boulevard
Wyomissing, PA 19610
Phone: (610) 373-8389

Mr. Bogumil may testify as to the economic impact of the proposed gaming facility. His testimony may address the projected revenue and economic impact expected from Bushkill. His testimony will address the standards and criteria set forth in 4 Pa.C.S. §§1305, 1309 and 1325 and 58 Pa. Code §441a.7, and any other issue, standard or criteria related to the application.

- v. Mark Turner
Vice President and Chief Operating Officer
Bushkill Group Inc.
P. O. Box 447
Route 209
Bushkill, PA 18324
Phone: (570) 588-6661

Mr. Turner may testify as to the management and operation of the proposed gaming facility. He may also testify as to the economic impact of the proposed gaming facility, including the projected revenue and economic development expected from the project. Mr. Turner may also testify regarding the financing of the proposed gaming facility. His testimony will address the standards and criteria set forth in 4 Pa.C.S. §§1305, 1309, 1310, 1313 and 1325 and 58 Pa. Codes §§ 441a.3, 441a.5, 441a.7 and 481a, and any other issue, standard or criteria related to the application.

- vi. Christopher K. Bauer
Professional Engineer
Herbert, Rowland, & Grubic, Inc.
300 East Park Drive
Harrisburg, PA 17111
Phone: (717) 561-1121

Mr. Bauer may provide testimony regarding the traffic and transportation impact of the proposed gaming facility at Bushkill, including testimony regarding the traffic and transportation impact reports. His testimony will address the standards and criteria set forth in 4 Pa.C.S. §1325(c) and 58 Pa. Code §441a.7, and any other issue, standard or criteria related to the application.

- vii. Jamie B. Keener, AICP
Regional Manager
Herbert, Rowland, & Grubic, Inc.
104 Route 611, Suite 1
Bartonsville, PA 18321
Phone: (570) 629-7140

Mr. Keener may testify regarding land use and environmental resources, including compliance with local zoning and municipal ordinances. Further, Mr. Keener's testimony may include reference to the municipal/utility services and environmental impact review reports. His testimony will address the standards and criteria set forth in 4 Pa.C.S. §1325(c) and 58 Pa. Code §441a.7, and any other issue, standard or criteria related to the application.

- viii. Thomas Meyerer
Investment Officer
CapitalSource Bank
Structured Finance
640 Fifth Avenue, 11th Floor
New York, NY 10019
Phone: (212) 321-7207

Mr. Meyerer may testify as to the current financing of Bushkill. His testimony will address the standards and criteria set forth in 4 Pa.C.S. §§ 1305 and 1325 and 58 Pa. Code §441a.7, and any other issue, standard or criteria related to the application.

- ix. David B. West
West Consulting Services
4037 Cresson Street
Philadelphia, PA 19127
Phone: (215) 498-4199

Mr. West may testify as to the economic impact of the proposed gaming facility, including the local impact, projected revenue and economic development expected from the proposed Category 3 facility. His testimony will address the standards and criteria set forth in 4 Pa.C.S. §§ 1305, 1309, 1325 and 58 Pa. Code §441a.7, and any other issue, standard or criteria related to the application.

- x. R. Douglas Olmstead, Jr.
Engineer
Middle Smithfield Township
25 Municipal Drive
East Stroudsburg, PA 18302
Phone: (570) 223-8920

Mr. Olmstead may provide testimony regarding the local impact including land use, environmental issues, compliance with local zoning and municipal ordinances and traffic and transportation impact of the proposed gaming facility at Bushkill. His testimony will address the standards and criteria set forth in 4 Pa.C.S. § 1325 and 58 Pa. Code §441a.7, any other issue, standard or criteria related to the application.

- xi. Jennifer Ann Wise
Solicitor
Middle Smithfield Township
25 Municipal Drive
East Stroudsburg, PA 18302
Phone: (570) 620-2550

Ms. Wise may provide testimony regarding the local impact including land use, environmental issues, local economic development, compliance with local zoning and municipal ordinances and traffic and transportation impact of the proposed gaming facility at Bushkill. Her testimony will address the standards and criteria set forth in 4 Pa.C.S. §§ 1305, 1309, 1325 and 58 Pa. Code §441a.7, any other issue, standard or criteria related to the application.

- xii. Harry W. Rivkin
President
The IDT Group
1650 Market Street
36th Floor
One Liberty Place
Philadelphia, PA 19103
Phone: (267) 207-2837

Mr. Rivkin may provide testimony regarding the economic impact of the proposed gaming facility, including the local impact, projected revenue and economic development expected from the proposed Category 3 facility. His testimony will address the standards and criteria set forth in 4 Pa.C.S. §§ 1305, 1309, 1325 and 58 Pa. Code §441a.7, and any other issue, standard or criteria related to the application.

2. Bushkill may call the following expert witnesses to testify at its licensing hearing, each of whom may (a) testify as to any of the standards and criteria described in the Act and Board Regulation §441a.7, and any element of the proposed Bushkill project and (b) refer to any of the documents or reports described in Paragraph 3 and Schedule B of this Memorandum, but who are each expected to testify primarily on the matters described below their names. Bushkill reserves the right to supplement this list to include additional witnesses including, without limitation, witnesses offered in response to the Board's and Board Staff's comments that may be received subsequent to the date of this submission and to include additional information regarding the witnesses.

- i. Steven T. Snyder,
Senior Vice President, Corporate Development
Penn National Gaming, Inc.
825 Berkshire Boulevard
Wyomissing, PA 19610
Phone: (610) 373-2400

Mr. Snyder may testify as to the management and operation of the proposed gaming facility. He may also testify as to the economic impact of the proposed gaming facility, including the projected revenue and economic development expected from Bushkill. Attached hereto as Exhibit "A" is Mr. Snyder's Curriculum Vitae. The witness may refer to any or all of the documents comprising the applications for licensure submitted on behalf of Bushkill as well as its affiliates and qualifiers, including supplements thereto.

- ii. David B. West
West Consulting Services
4037 Cresson Street
Philadelphia, PA 19127
Phone: (215) 498-4199

Mr. West may discuss the economic impact of the proposed gaming facility and the projected revenues and economic development expected from the proposed gaming facility operation. Attached hereto as Exhibit "B" is Mr. West's Curriculum Vitae. The witness may refer to any or all of the documents comprising the applications for licensure submitted on behalf of Bushkill as well as its affiliates and qualifiers, including supplements thereto.

- iii. Christopher K. Bauer
Professional Engineer
Herbert, Rowland, & Grubic, Inc.
300 East Park Drive
Harrisburg, PA 17111
Phone: (717) 564-1121

Mr. Bauer may provide testimony regarding the traffic and transportation impact of the proposed gaming facility, including testimony regarding the traffic and transportation impact reports. Attached hereto as Exhibit "C" is Mr. Bauer's Curriculum Vitae. The witness may refer to any or all of the documents comprising the applications for licensure submitted on behalf of Bushkill as well as its affiliates and qualifiers, including supplements thereto.

- iv. Jamie B. Keener, AICP
Regional Manager
Herbert, Rowland, & Grubic, Inc.
104 Route 611, Suite 1
Bartonsville, PA 18321
Phone: (570) 347-0513

Mr. Keener may testify regarding land use and environmental resources, including compliance with local zoning and municipal ordinances. Further, Mr. Keener's testimony may include reference to the municipal/utility services and environmental impact review reports. Attached hereto as Exhibit "D" is Mr. Keener's Curriculum Vitae. The witness may refer to any or all of the documents comprising the applications for licensure submitted on behalf of Bushkill as well as its affiliates and qualifiers, including supplements thereto.

- v. Walter Bogumil
Penn National Gaming, Inc.
825 Berkshire Boulevard
Wyomissing, PA 19610
Phone: (610) 373-8389

Mr. Bogumil may testify as to the economic impact of the proposed gaming facility, including projected revenue and economic impact expected from Bushkill. Attached hereto as Exhibit "E" is Mr. Bogumil's Curriculum Vitae. The witness may refer to any or all of the documents comprising the applications for licensure submitted on behalf of Bushkill as well as its affiliates and qualifiers, including supplements thereto.

- vi. R. Douglas Olmstead, Jr.
Engineer
Middle Smithfield Township
25 Municipal Drive
East Stroudsburg, PA 18302
Phone: (570) 233-8920

Mr. Olmstead may testify as to the land use and environmental resources, including compliance with local zoning and municipal ordinances, as well as regarding traffic and transportation impact of proposed gaming facility. Further, Mr. Olmstead's testimony may include reference to the municipal codes and

ordinances and various environmental impact. Attached hereto as Exhibit "F" is Mr. Olmstead's Curriculum Vitae. The witness may refer to any or all of the documents comprising the applications for licensure submitted on behalf of Bushkill as well as its affiliates and qualifiers, including supplements thereto.

vii. Harry W. Rivkin
President
The IDT Group
1650 Market Street
36th Floor
One Liberty Place
Philadelphia, PA 19103
Phone: (267) 207-2837

Mr. Rivkin may discuss the economic impact of the proposed gaming facility and the projected revenues and economic development expected from the proposed gaming facility operation. Attached hereto as Exhibit "G" is Mr. Rivkin's Curriculum Vitae. The witness may refer to any or all of the documents comprising the applications for licensure submitted on behalf of Bushkill as well as its affiliates and qualifiers, including supplements thereto.

SCHEDULE B

Bushkill Group Inc. d/b/a Fernwood Hotel and Resort ("Bushkill" or "Applicant") may present any or all of the following:

1. All of the documents comprising the applications for licensure submitted on behalf of Bushkill and all of its affiliates, principals, qualifiers and management company, including supplements thereto.
2. All materials, documents, and/or testimony submitted to the Board during Bushkill's application process.
3. All materials, documents, and testimony relating to Bushkill's local input hearings held on April 30, 2008 and September 2, 2010 and its eligibility and suitability hearings held on October 17, 2007 and October 23, 2008, including all testimony given at the eligibility and suitability hearings and all materials, applications, reports, testimony and supplements submitted to the Board by Bushkill subsequent to this hearing.
4. Bushkill Group, Gaming Market Assessment and Economic Impact Report, compiled by David West, dated October 2010, attached hereto as Exhibit "H".

Bushkill reserves the right to supplement this list to include additional documents including, without limitation, materials offered in response to the Board's and/or the Board Staff's comments and any other documents that may be received subsequent to the date of this submission.

The introduction of any documents or reports listed above should not in any case be interpreted as a determination by Bushkill to waive the confidentiality provisions of 4 Pa. C.S. §1206.

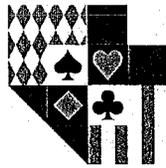
SCHEDULE C

Bushkill Group Inc. d/b/a Fernwood Hotel and Resort intends to use the following audio/visual materials to make its presentation at the license hearing:

1. Microsoft® PowerPoint Presentation.

Exhibit A

Curriculum Vitae of Steven T. Snyder.



PENN NATIONAL GAMING, INC.

STEVEN T. SNYDER

SENIOR VICE PRESIDENT - CORPORATE DEVELOPMENT

With nearly 20 years of diverse financial industry experience counseling private and public companies as well as municipalities, Mr. Snyder has specialized in capitalization structures, long-term financing, growth and expansion financing, mergers, acquisitions, joint venture negotiations and private investments.

2003 – Present

Senior Vice President of Corporate Development - Penn National Gaming, Inc.

1998 – 2001

Vice President of Corporate Development - Penn National Gaming, Inc.

Mr. Snyder is responsible for identifying and conducting internal and industry analysis of potential acquisitions, partnerships and other opportunities to support the Company's goals for growth and profitability. He manages the due diligence review of these opportunities, oversees the preparation of financial modeling, presents findings and recommendations to the Company's Board of Directors and assists in the management of integration programs once acquisitions are completed.

Mr. Snyder is also responsible for developing and maintaining bank and financial community relationships to ensure Penn National's continued access to capital for growth.

Prior to joining the Company, Mr. Snyder was a partner with Hamilton Partners, Ltd., as well as Managing Director of Municipal and Corporate Investment Banking for Meridian Capital Markets. Mr. Snyder began his career in finance at Butcher & Singer, where he served as First Vice President of Public Finance.

Accomplishments

Negotiated the purchase of the minority interest in Charles Town, West Virginia Entertainment Complex.

Headed the acquisition of two gaming properties in Mississippi.

Negotiated the purchase of the Louisiana and Ontario gaming operations of Carnival Resorts and Casinos.

Led negotiations with Wembley plc concerning the potential acquisition of its assets including Lincoln Park, a Rhode Island racetrack and gaming facility.

Attained an agreement with Davric Maine Corporation which provides Penn National the exclusive rights to develop and operate any gaming facilities to which Scarborough Downs may be entitled.

Developed an agreement with Capital Seven, LLC to purchase all of the shares of Bangor Historic Track, Inc., the company that operates harness racing at the city-owned track at Bass Park in Bangor, Maine.

Education

Carnegie Mellon University - Graduate School of Administration -Masters of Science in Industrial Administration (1984)

Dickinson College - Bachelor of Arts (1982)

Exhibit B

Curriculum Vitae of David West.

David B. West

Home Address:

4037 Cresson Street
Philadelphia, PA 19127
(215) 498-4199
professorwest@gmail.com

EDUCATION

A.B.D. in Park, Recreation, and Tourism Resources (Marketing)

Michigan State University, College of Agriculture and Natural Resources
Department of Park, Recreation, and Tourism Resources
East Lansing, MI. (all but dissertation)

Masters of Science in Park, Recreation, and Tourism Resources (Marketing)

Michigan State University, College of Agriculture and Natural Resources,
Department of Parks, Recreation, and Tourism Resources
East Lansing, MI.

Bachelor of Science in Natural Resources

University of Michigan, School of Natural Resources and Environment
Ann Arbor, MI,

EXPERIENCE

December 2009 – Present

Vice President of Marketing and Sales, **Pocono Mountains Visitors Bureau**, Stroudsburg PA

Responsible for all aspects of PMVB marketing efforts: Advertising campaigns, collateral material, strategic marketing plan, web site, mobile web site, text marketing, cooperative advertising, and business development. PMVB has an overall budget of \$5.5 million of which the marketing allocation is approximately \$2 million. Since joining the PMVB, we have built a new state of the art mobi site, engaged in mobile marketing and built our mobile community to over 1000 numbers; developed a cooperative advertising program which generated \$250,000 this past summer. Developed a partnership with NBC Universal to broadcast a “live” daily beauty shot from the Pocono Mountains. Manage a staff of nine with the marketing and sales dept.

September 2007 – November 2009

Marketing Director, **Bucks County Conference and Visitor Bureau**, Bensalem, PA

Responsible for all aspects of BCCVB marketing efforts: Advertising campaigns, visitor guide, collateral material, web site, strategic marketing plan, research, grant writing, and internal marketing. BCCVB has an overall budget of \$3.2 million of which the marketing allocation is

approximately \$1 million. I designed the “state of the art” the new visitbuckscounty.com web site and developed new marketing campaigns for Bucks County that won US Travel Association Destiny Award, Travel Weekly Magellan Silver, and HSMAI Adrian Gold Award. Generate over \$100,000 in co-operative advertising and work continually with local, state, and federal officials for grants and partnerships. Manage and work with a staff of five.

September 2004 – September 2007

Visiting Assistant Professor, **Drexel University**, LeBow College of Business, Department of Marketing, Philadelphia, PA

Taught exclusively in the MBA program; courses taught include Corporate Social Responsibility (Evening MBA and Executive MBA), Strategic Marketing (1 Year Corporate MBA and Evening MBA) and Services Marketing (Evening MBA). In addition, those courses were also provided for the Online MBA. I have conducted research on Internet Marketing, Customer Service / Loyalty, Services Marketing, Product Brand Marketing, and Corporate Social Responsibility.
July 2006 – June 2007

Executive Director / Marketing Director, **Manayunk Development Corporation**, Philadelphia, PA, 19127

Manayunk Development Corporation is a non-for-profit business association that manages the business district with roughly a \$1.3 million dollar budget for promotion, development, and community enhancement. I also organized the 2007 Manayunk Arts Festival – a two day 500,000 people event and generated sponsors totaling \$125,000 and 260 artists. Designed and developed the manayunk.com web site (very small budget). Managed a staff of nine.

August 1999 – August 2004

Instructor, **Temple University**, School of Tourism and Hospitality Management affiliate of The Fox School of Business and Management, Philadelphia, PA

Taught and conducted research on tourism, marketing, electronic marketing, destination management, hospitality accounting, sport finance, and supply chain management. Also was strongly involved with curriculum development and managing student internships.

January 1996 - August 1999

Lead Research Analyst, **World Travel and Tourism Tax Policy Center**, A division of the World Travel and Tourism Council, London United Kingdom
Travel, Tourism, and Recreation Resource Center, Michigan State University
East Lansing MI

Researched and maintain international tax database for use in a published worldwide index. I worked with many countries on tourism taxation and marketing.

August 1998 – August 1999

Adjunct Faculty, **Lansing Community College**, Business Careers Division, Lansing, MI

Taught principles of marketing

August 1999 – Present

Owner, West Consulting Services: PA Travel, UNISYS, Society of Hospital Medicine

RECENT FUNDED RESEARCH

- 2004 Baltimore Convention and Visitor Association – Baltimore Visitor Center Visitor Survey - \$32,750
- Travel Industry Association of America and the National Council of State Tourism Directors - 2003 Survey of State Technology Uses, Web Site Metrics, and Web Site Marketing - \$2,500
- 2001 Greater Philadelphia Tourism Marketing Corporation - Online Visitor Conversion Study for the www.gophila.com web site and follow up survey (2002) - \$15,000 (in total)
- 2001 Travel Industry Association of America and the National Council of State Tourism Directors - 2001 Survey of State Technology Uses, Web Site Metrics, and Web Site Marketing - \$1,500
- 2001 Pennsylvania Department of Community and Economic Development - Online Visitor Survey for the www.experiencepa.com web site - \$3,000
- 2001 Pennsylvania Department of Community and Economic Development - Usability Study for the www.experiencepa.com web site - \$12,000

RECENT PUBLICATIONS

- Hu, C., & West, D. B. (2003). Chapter 25: Distribution services - Servicing the hospitality and tourism industries. In R. A. Brymer (Ed.), *Hospitality & Tourism* (11th ed., pp. In press). Dubuque, IA: Kendall/Hunt Publishing Company.
- West, David. (1998). WTTC's Travel & Tourism Tax Barometer, No. 6. World Travel & Tourism Council. London, United Kingdom
- West, David. (1998). WTTC's Travel & Tourism Tax Barometer, No. 5. World Travel & Tourism Council. London, United Kingdom.

RECENT PRESENTATIONS

- 2008 Pennsylvania CVB association – “Getting the best ROI from your web site”
- 2004-2007 Numerous talks throughout the Delaware Valley. Most recent, Philadelphia as a Sports Tourist Destination for the Philadelphia Sports Congress.
- 2004 Travel and Tourism Research Association's Annual Conference, “Travel Segment Differences in Assessing State Destination Attractiveness”. Montreal, Quebec
- 2003 E-Tourism Summit, “What Content Sells Tourism?”, Chicago, Illinois
- 2003 E-Tourism Summit, “How to Write a Winning Grant Proposal”, Chicago, Illinois
- 2003 Travel and Tourism Research Association's Annual Conference, “Acceptance and Perceived Effectiveness of Biometrics and Other Airport Security Measures”. St. Louis, MO.
- Travel and Tourism Research Association's Annual Conference, “Conducting a Usability Study for Your Tourism Web Site”. St. Louis, MO.

RECENT PROFESSIONAL SERVICE

Committee Chair – Destination Marketing Association International – Content and Distribution, Technology Committee

Committee Member – Travel Industry Association – ESTO Education – 2008 – Present

Trustee – Manayunk Neighborhood Council, 2004-2006

President & Chairman of the Board - Northeast Chapter of the Travel and Tourism Research Association, 2000 - 2006

RECENT AWARDS & SCHOLARSHIPS

2008 US Travel Association – ESTO – Destiny Award Winner

2008 HSMAI's Adrian Award – Gold Award Winner

2008 Travel Weekly's Magellan Award – Silver Award Winner

2003 Travel & Tourism Research Association - Chapter Achievement Award

2003 Travel & Tourism Research Association – Best Illustrated Paper

2003 Temple University Merit Award for Research, Service and Teaching

2002 Travel & Tourism Research Association - J. Desmond Slattery Professional Marketing Award

2002 Temple University Merit Award for Research, Service and Teaching

2001 School of Tourism and Hospitality Management Professor of the Year

PROFESSIONAL ASSOCIATIONS

Travel and Tourism Research Association

American Marketing Association

US Travel Association

Destination Management Association International

Exhibit C

Curriculum Vitae of Christopher K. Bauer.



CHRISTOPHER K. BAUER, P.E., PTOE
TRANSPORTATION SERVICE GROUP MANAGER

EDUCATION:

B.S., Civil Engineering, Norwich
University Military College of
Vermont, 1993

REGISTRATION(S):

Professional Engineer, PA: 070948,
01/30/2004

Professional Engineer, NY: 078395,
02/07/2001

Professional Traffic Operations
Engineer: 01/08/2007

AFFILIATION(S):

Institute of Transportation Engineers
American Society of Civil Engineers

Mr. Bauer is the Transportation Service Group Manager with Herbert, Rowland & Grubic, Inc. (HRG). He is responsible for the management of the firm's transportation services. He has extensive experience in highway design and highway project management, including roadway geometry, surveying, CADD, plan preparation, drainage design, right-of-way investigations, utility coordination, erosion and sedimentation control design, pavement design, wetland mitigation, traffic control design, and construction administration and inspection.

In addition, Mr. Bauer has completed Way-finding and Logo sign design for the Southwest Signing Trust, Pennsylvania Tourism Signing Trust and parking lot design for several Port Authority of NY and NJ facilities.

TRAFFIC ENGINEERING

Pennsylvania Tourism Signing Trust- State of Pennsylvania- Mr. Bauer is the Client Manager the Pennsylvania Tourism Signing Trust Logo (Motorist Specific Signing) Signing Program. Mr. Bauer is responsible for overall engineering project oversight, QA\QC compliance, and general consultation for the Trust.

Southwest Tourism Signing Trust- State of Pennsylvania- Mr. Bauer is the Client Manager the Laurel Highlands Way-finding Program within southwest PA. Mr. Bauer is responsible for overall engineering project oversight, QA\QC compliance, and general consultation for the Trust.

PA 696 Bridge Widening – Southampton Township, Franklin County PA – Project manager for the widening of the SR 696 Overpass over I-81 at Exit 24. This project had four major phases. Three highway occupancy permits for three separate entities, signalization of the existing intersections, design of a high volume driveway, and a grading highway occupancy permit all in support of the bridge widening. The Bridge widening project was designed using private funds and federally funded for construction. From notice to proceed to plan specifications and estimate the project was completed in under 12 months. This included preliminary engineering and environmental clearance, right-of-way clearance, utility clearance and final design.

Bucknell University – Campus Entrance Evaluation – East Buffalo Township, Union County PA – Project manager for the development of a conceptual design study. This study was commissioned to evaluate different alternatives for the US 15 Campus Entrance.

PPL Generation LLC, - Brunner Island Facility – York Haven, York County PA – Project manager for the design of an at-grade highway rail crossing elimination project. In the existing condition Wago Road crosses the PPL rail siding the crossing has had significant accident issues in the past. The project elevated Wago Road a State Highway over the PPL Siding. This project was privately funded. The project required significant coordination with PennDOT and Pennsylvania Public Utility Commission.

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Open End Agreement for PENNDOT District 4-0 - Project manager for the Dunmore, PA O'Neill Highway/Blakley Street corridor project. The project entailed the detailed traffic study of 11 intersections within the corridor and recommend traffic operations improvements including lane additions and a possible traffic responsive system.

Route 22 Corridor Signal Timing Study in Support of the Retainer Engineer Agreement, Lower Paxton Township, Dauphin County, PA - Project manager for the study of Route 22 corridor signal timing study. The project entailed the study of 22 intersections within the corridor and providing recommendations to improve traffic signal timing and operations.

Route 22 and Progress Avenue Intersection, Susquehanna Township, Dauphin County, PA - Project manager responsible for the preliminary design of improvements to the Walnut Street and Progress Avenue Intersection, which has become heavily congested and prone to accidents due to significant population growth and development over the past several years. On this project, HRG examined past traffic analyses, collected new traffic counts and origin and destination data as needed to analyze current traffic capacity and project future capacity to the year 2025, completed environmental investigations to identify the potential for impacts, and designed a variety of alternate intersection improvements, including 13 unconventional intersection configurations. An evaluation of the costs, benefits, and impact of each design alternative was performed for the township to aid in selection of the preferred design. Also an extensive public involvement program (40+ displacements) and environmental clearance process was completed to comply with Federal funding requirements.

Ridge Pike Roadway Rehabilitation, Springfield and Whitemarsh Townships, Montgomery County, PA - Provided traffic control plans for the design of 4.83 km of existing roadway that extended north from the Philadelphia City line through Whitemarsh and Springfield Townships. This project included the widening of portions of the roadway from three to four lanes; the evaluation, improvement, and possible interconnection of five signalized intersections; and an archaeological evaluation/mitigation.

Airport Beltway Widening for PENNDOT District 4-0, Luzerne County, PA - Provided traffic design services for the widening of State Route 3026, Section 301, from two lanes to four lanes and the addition of a continuous center left turn lane. Project includes revisions to several traffic signals.

Lower Paxton Township, Dauphin County, PA - Provided various traffic engineering services to the Township in support of its retainer engineering agreement with HRG.

Susquehanna Township, Dauphin County, PA - Provided various traffic engineering services to the Township in support of its retainer engineering agreement with HRG. Specific tasks included reviewing traffic plans for various subdivisions, reviewing traffic studies performed by Township forces and consultants, designing traffic calming measures to be installed on Township roads (including speed humps along Locust Lane), and investigating citizens' traffic complaints and recommendations.

West Hanover Township, Dauphin County, PA - Provided various traffic engineering services to the Township in support of its retainer engineering agreement with HRG.

Derry Township, Dauphin County, PA - Provided conceptual construction cost estimates for improvements to the Route 39/Route 743 Corridor in support of the Township's retainer engineering agreement with HRG.

Derry Township, Dauphin County, PA - Provided traffic analysis and traffic signal design in support of the relocation and realignment of the intersection of Route 743 and Route 422.

Harrisburg International Airport, Jednota Estates, and the Capital Business Center Access Study for Penn State University's Harrisburg Campus, Dauphin County, PA - Project manager responsible for conducting a regional study to address traffic concerns in an area consisting of varied types of development (i.e., residential, commercial, educational, and

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airport). The project entailed transportation planning to determine the appropriate infrastructure improvements based on current PENNDOT and FHWA design criteria.

Hammon Avenue Traffic Study, Ephrata, PA - Provided analysis of several alternatives to ease congestion in and around the middle school located on Hammon Avenue.

State Route 611, Stroud Township, Monroe County, PA - Provided preliminary traffic design services for 8,700 feet of roadway improvements along State Route 611.

Historic Drive/Route 896, Strasburg Borough, PA - Provided municipal support during the review and preliminary design of State Route 896.

State Route 39 Improvements, West Hanover Township, PA - Traffic engineer responsible for supervising the design analysis for PENNDOT Engineering District 8-0 for the reconstruction and widening of Route 39 from Jonestown Road to Fairville Avenue. The project involved widening to a five-lane cross-section and the design of four new traffic signals. Responsibilities included data collection coordination, accident analysis, traffic forecasting, access management, existing and future conditions analysis, improvement evaluation and recommendations, preliminary sketch plans, cost estimates, and traffic signal designs.

Lowe's, Lower Paxton Township, Dauphin County, PA - Supervised the traffic impact study and left turn advance study for the Lowe's located on Union Deposit Road.

Swatara Township, Dauphin County, PA - Provided various traffic engineering services to the Township in support of its retainer engineering agreement with HRG.

Ritner Highway Warehouse, Carlisle, PA - Supervised the preparation of a traffic impact study and highway occupancy permit for a 600,000 square-foot warehouse facility.

Gettysburg Hospital, Gettysburg, Adams County PA - Provided traffic engineering related services in connection with the master planning activities, including a parking needs assessment and opinions of probable costs.

TRAFFIC SIGNAL DESIGN

Downtown Signalization Upgrades, City of Harrisburg, Dauphin County, PA - Serves as project manager for the design and upgrade of 23 traffic signals along six corridors within the city including: Maclay Street, Sixth Street, Seventh Street, and Thirteenth Street. In upgrading the city's traffic signal equipment, Mr. Bauer will design new signal heads with LED emitters, mast arms with street names, new loops, and new controllers. He will also design ornamental fixtures that are consistent with the nostalgic design criteria the city has established for certain corridors within the project area as well as nostalgic lighting where these fixtures are installed.

Lower Paxton Township, Dauphin County, PA - Design of emergency pre-emption systems for several traffic signals on the Route 22 corridor.

West Hanover Township, Dauphin County, PA - Design of two traffic signals on the Route 22 corridor and the installation of wireless communications for signal coordination for the corridor.

Carlisle Crossings, South Middleton Township, Cumberland County, PA - Design of six traffic signals in support of a 71-acre property in South Middleton Township being developed for more than 400,000 square feet of retail space.

Wal-Mart, Washington Township, Dauphin County, PA - Design of three traffic signals in support of a Wal-Mart development.

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Wal-Mart, *West Manheim Township, York County, PA* - Design of a traffic signal in support of a Wal-Mart development.

TRAFFIC IMPACT STUDIES

Mr. Bauer has completed or reviewed traffic impact studies for the following commercial and residential developments:

- **Stray Winds Farms**, *Susquehanna Township and Lower Paxton Township Dauphin County, PA* - Supervised the development of a traffic impact study associated with a 298-acre planned residential development located in Lower Paxton Township and Susquehanna Township, Dauphin County, Pennsylvania
- **Pennterra**, *Middlesex Township, Cumberland County, PA* - Supervised the development of a traffic impact study associated with a 500-acre planned residential community in Middlesex Township that will include 1,000 homes, 200 acres of recreational open space, and a town center of stores and services.
- **Carlisle Crossings**, *South Middleton Township, Cumberland County, PA* - Supervised the development of a traffic impact study associated with a 71-acre property in South Middleton Township being developed for more than 400,000 square feet of retail space, outparcels, and associated infrastructure improvements.
- **Aycock Property**, *Silver Spring Township, Cumberland County, PA* - Supervised the development of a traffic impact study associated with an 88-acre tract along Woods Drive and Silver Spring Road being developed for an age-restricted residential community and associated infrastructure improvements.
- **Sheetz Convenience Stores**, *Locations in Clarks Summit, Schuylkill Haven, Clearfield, East Hempfield, Marysville, Danville, Plainfield, and Chambersburg* - Supervised the development of a traffic impact studies associated with the locations listed above.
- **Wal-Mart Stores**, *Central PA including West Manheim Township, Windsor Township, North Cornwall Township, Lower Heidelberg Township, and Washington Township* - Supervised the development of traffic impact studies.
- **Jack Frost Resort**, *Blakeslee, PA* - Supervised the development of a traffic impact study for the development of a golf course and resort properties and an alternate access to State Route 940.
- **Big Boulder Resort**, *Lake Harmony, PA* - Supervised the development of a traffic impact study for the development resort properties.
- **Silver Spring Speedway**, *Mechanicsburg, PA* - Supervised the development of a traffic impact study for the redevelopment of the speedway site.
- **Swatara Township**, *Dauphin County, PA* - Responsible for supervision of a traffic impact study for a truck restriction study on the 63rd Street Bridge.
- **Key Real Estate Ritner Highway**, *Carlisle Borough, Cumberland County, PA* - Supervised the development of a traffic impact study for a 600,000 square-foot warehouse distribution center on Ritner Highway.
- **Key Logistics Penn Township**,

HIGHWAY OCCUPANCY PERMIT PLANS

Mr. Bauer prepared Highway Occupancy Permits for the following commercial developments:

- **Sheetz Convenience Stores**, *Locations in Clarks Summit, and Clearfield, PA*
- **Wal-Mart Stores**, *Locations in West Manheim Township and Washington Township*
- **Commerce Bank**, *Manheim Township, PA*
- **Carlisle Crossings**, *South Middleton Township, Cumberland County, PA*
- **Key Real Estate Ritner Highway**, *Carlisle Borough, Cumberland County, PA*
- **Key Logistics Penn Township**,

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PREVIOUS EXPERIENCE

From December 2000 to October 2003, Mr. Bauer was a project manager/senior engineer with Wiley Engineering in Hauppauge, NY. Key projects included:

- **Case Studies, *Town of Brookhaven, NY*** - Served as project manager involved in the management of a traffic study team responsible for the investigation of several high accident rate areas centered around an elementary school and public library. Responsibilities included the authoring of a report that presented possible mitigations.
- **Traffic Study, *Village of Islandia, NY*** - Served as project manager involved in the management of a traffic study team responsible for the investigation of a high accident rate corridor and the authoring of a report that presented possible mitigations.
- **Topographic Mapping, *Nassau County Museum of Art*** - Served as project manager involved in the management of two junior engineers; the topographic mapping of a five-acre building site for the expansion of the museum; and the production, quality assurance, and quality control of a final topographic map.
- **Traffic Calming, *Town of Islip, NY*** - Served as senior engineer involved in the design of a roundabout on Commack Road and a cul-de-sac to close 38th Street, which was currently used as a bypass. Work elements included topographic mapping of the area, horizontal and vertical alignment, grading, drainage, pavement marking, and signing.
- **Creedmoor Psychiatric Center Roadway and Parking Expansion, *Dormitory Authority State of New York*** - Served as senior engineer involved in the planning and design for the roadway and parking expansions. Planning included development of conceptual parking layout and roadway alternatives (including expansion of the entrance and security system). Final design included roadway alignment construction staging, parking expansion, grading and drainage, pavement design, pavement marking, signing, parking lot design, and lighting. Responsibilities included the oversight of all design and the design team.
- **Site Development for Americana Shopping Center, *Manhasset, NY*** - Served as senior engineer involved in the preparation of civil and site plans for the rehabilitation of the Americana Shopping Center in Manhasset, NY. Work elements included roadway widening, curbs and sidewalks, topographic survey, grading, drainage, pavement marking and signing. Responsibilities included the oversight of all design and the design team.
- **Miscellaneous Traffic and Safety, Design, and Integration for INFORM, *New York State*** - Served as senior engineer involved in the development of a temporary bypass ramp on Seaford Oyster Bay Expressway for the 2002 US Golf Open at Bethpage State Park. Work tasks included topographic survey, ramp alignment and grading, maintenance and protection of traffic schemes, nighttime closure schemes, construction stakeout, and construction supervision/support. Other responsibilities included the oversight of all design and the design team.
- **Port Elizabeth Secondary Access Roadway Design for Port Authority of New York and New Jersey** - Served as senior engineer involved in the design of an occasional use access over an existing railroad crossing. Work elements included topographic mapping, horizontal and vertical alignment, grading, drainage, and signing. Responsibilities included the oversight of all design and the design team.
- **LaGuardia Airport Roadway Design for Port Authority of New York & New Jersey** - Served as senior engineer involved in the complete redesign of the entrance roadways to the airport west of the Central Terminal Building. Work elements included roadway alignment, construction staging, maintenance of traffic, two vehicular signalized intersections, two signalized pedestrian crosswalks, pavement markings, signing, and parking layout. Responsibilities included the oversight of all design and the design team.

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- **County Road 12 Roadway Design, Suffolk County, NY** - Served as senior engineer involved in the development of plans, specifications, and estimate for County Road 12. Work elements included intersection improvements, traffic signal rebuilds, milling, grading, and pavement overlay, as well as pavement marking and signing. Responsibilities included the oversight of all design and the design team.

From March 1997 to December 2000, Mr. Bauer was a staff engineer with Louis K. McLean Associates in Brookhaven, NY. Key projects included:

- **Highway Needs Assessment, Suffolk County, NY** - Provided oversight of three field inspection teams and subconsultants for this project, which involved inventory and database development for the 450 centerline miles of roadways that comprise the Suffolk County highway system. Aspects included analysis of the existing databases; field inventories of guide rail, pavement markings, roadside hazards, and sight distance; and pavement condition analysis using an automated road analysis van. Other aspects included assessment and prioritization of needs, traffic planning, highway safety, and bicycle route determination. Mr. Bauer was also responsible for the authoring of a final report.
- **Maintenance of Traffic, JFK International Airport Runway 13L Airport Lighting System for Port Authority of New York & New Jersey** - Designed maintenance of traffic plans for the installation of a conduit bank servicing the 13L runway lighting system. The route crossed the JFK Expressway by open trench.
- **Construction Staging Maintenance of Traffic, JFK International Airport 5KV Loop Extension International Arrivals Building for Port Authority of New York & New Jersey** - Performed design services for the construction staging and maintenance of traffic associated with the installation of two two-foot by three-foot conduit duct banks. This project entailed crossing two major roadways and the International Arrivals Terminal parking lot and concourse.
- **Parking Lot Design, FK Central Taxihold Expansion for Port Authority of New York & New Jersey** - Responsible for the redesign of the Central Taxihold Area. Aspects of design included curb layout, widening of a major road to accommodate a new entrance/exit plaza and sidewalk, traffic calming, and striping plan. The construction was staged such that the existing lot maintained its operation.
- **JFK Jet Blue Terminal for Port Authority of New York & New Jersey** - Performed three traffic studies to determine the feasibility of the construction of a new terminal in the airport's southwest quadrant. This study was commissioned in conjunction with the Jet Blue Airline service expansion to JFK Airport. Responsibilities included oversight of the field data collection and authoring of the final report.
- **Construction Staging and Maintenance of Traffic, LaGuardia Airport Fire Suppression System for the Delta Marine Terminal for Port Authority of New York & New Jersey** - Performed design services associated with the construction staging and maintenance of traffic for a water main across a New York City road servicing Rikers Island, several pay-to-park lots, and a secure fuel facility, all of which had to remain operational at all times.
- **Construction Staging and Maintenance of Traffic, Outerbridge Crossing Deck Replacement for Port Authority of New York & New Jersey** - Performed design services associated with the construction staging and maintenance of traffic for the replacement of the sidewalks and bridge deck. This 30-month-long project had seven different types of nighttime closures to accommodate the traffic volumes. The traffic detours required for the nighttime shutdown spanned the entire length of Staten Island along Route 440 and I-278.
- **Construction Staging and Maintenance of Traffic, Holland Tunnel Fire Standpipe Replacement for Port Authority of New York & New Jersey** - Performed design services associated with the construction staging and maintenance of traffic for the replacement of the fire suppression system feeding both the Manhattan entrance and

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exit portals. This project consisted of several road crossings and required coordination between several different ongoing construction projects.

- **Roadway Reconstruction, Holland Tunnel 14th Street Reconstruction for Port Authority of New York & New Jersey** - Performed design services for this project, which involved traffic design, striping plans, staging, and maintenance of traffic for 14th Street. (14th Street is the exit portal of the Holland Tunnel in New Jersey.) This project included the entire rehabilitation of 14th Street and the reconstruction of Jersey Avenue, a major cross street.
- **Asset Channels/Globalink Fiber-Optic Festoon Cable System** - Performed design services for this project, which involved the design and construction of a fiber-optic communications ocean landing located in Shirley, New York. This project included permitting, terrestrial route design, and the design of two offshore horizontal directional drills constituting approximately three kilometers of drilling.
- **Tyco Submarine Systems Transatlantic Fiber-Optic Cable Crossing** - Responsible for the design of a seven mile long conduit system and the construction inspection associated with its installation and the renovation of a building from a warehouse to a fiber optics communications switching station. This conduit raceway consisted of 2.5 miles of concrete encased conduit. In addition, several horizontal directional drills were needed to complete this raceway. One 2,500-foot horizontal drill was designed to cross under the inter-coastal waterway, and a series of four horizontal drills ending at a cable anchor block 4,000 feet out into the Atlantic Ocean were also installed.
- **Brookhaven Landfill Expansion Cells 4, 5, and 6** - Coordinated the inspection crew of seven engineers for the construction of a composite clay lined landfill consisting of three 3.5-acre cells. Also compiled and wrote the daily engineer's report and performed soil testing, mechanical inspection, and liner inspection.

From August 1993 to February 1997, Mr. Bauer was a construction inspector with Shah Associates in Freeport, NY. Key project included:

- **Beach Lane Bridge Replacement for NYSDOT D254551** - Responsible for the inspection and static testing of four pre-cast concrete deep pile foundations associated with the replacement of a 215-foot Bascule Span Bridge and one-quarter mile of asphalt road reconstruction. Other responsibilities included the inspection of all structural steel erection, concrete placement, span balancing, mechanical installation, electrical system installation, control system testing, soil testing, concrete testing, and preparation of as-built drawings.

ADDITIONAL TRAINING

Right-of-way for the Project Manager – PennDOT 2007

Highway Capacity Software Training, Polytechnic University of New York, 1999

Identification and Mitigation of High Accident Locations, Northwestern University, 2000

Roadside Design, ASCE, 2003

Leadership Training for the Engineer, ASCE, 2000

AutoCAD Land Development Desktop, Autodesk, 2000

PSMJ Project Manager Boot Camp, Smart Pro's Project Management for Engineers

COMMUNITY SERVICE

Lions Club International

Knights of Columbus

Exhibit D

Curriculum Vitae of Jamie B. Keener.



JAMIE B. KEENER, AICP
Regional Manager, Stroudsburg

Mr. Keener is a regional manager for Herbert, Rowland & Grubic, Inc.'s (HRG) Stroudsburg office. In this capacity, he is responsible for managing the day-to-day operations of the regional office, staff development and training, and business development initiatives. In addition, he is responsible for coordination of civil engineering services for both municipal and private clients. Municipal services include engineering representation; site and roadway design; infrastructure engineering; construction contract administration; review of subdivision and land development plans; inter-municipal agreement coordination; and assistance with water and wastewater system design, permitting, and operating. Services provided to private clients include land use planning, and development of subdivision and land development plans and site engineering for residential, commercial, industrial, and institutional projects as well as local, state, and federal permit and approval coordination.

PROJECT EXPERIENCE

Northampton Community College for MKSD, Tannersville, Monroe County, PA
– Role: Project Manager. Responsible for the managing all aspects of the project in conjunction with an Assistant Project Manager and multiple task managers. Project entailed development of a new community college campus on approximately 75 acres. The project includes three proposed buildings, multiple parking areas, and open space areas. The design approach is environmentally sensitive with alternative energy and energy conservation design aspects incorporated into the site.

Westfall Township Engineer for Westfall Township, Pike County, PA – Project Manager. Responsible for managing the contract, performing plan reviews, attending municipal meetings, and providing municipal engineering and planning services. Project entailed ACT 537 Sewage Facilities Planning, Comprehensive Plan and Ordinance consultation, plan reviews, site inspection, road design, and stormwater management services.

Bangor Business Park for Bangor Borough, Bangor, Northampton County, PA
– Role: Project Manager. Responsible for performing an engineering feasibility study to determine the viability of converting an abandoned municipal waste incinerator and land fill into a business park. Project entailed aerial mapping, development of several sketch plans, a traffic study, and cost estimates for various alternatives.

RELATED EXPERIENCE

From January 2000 to January 2005, Mr. Keener was an office manager/planner for a local architecture/engineering firm. His responsibilities included managing all aspects of the Pocono Office, including sales, marketing, and project management. During his tenure at Buchart-Horn, Mr. Keener served as contract manager for a master planning contract at Tobyhanna Army Depot, project manager for an open-end engineering contract with Barrett Township, and project manager for the preparation of site plans for 30 AT&T Wireless

EDUCATION:

B.A., Geography, Bucknell University, 1987

CERTIFICATION(S):

Certified Planner, American Institute of Certified Planners (AICP)

JAMIE B. KEENER, AICP

cellular communication sites in Middlesex, Monmouth, and Sussex Counties, New Jersey. Mr. Keener also prepared various planning studies to determine water, wastewater, transportation, and educational needs and reviewed land development plans for various municipalities throughout Pennsylvania.

From May 1988 to January 2000, Mr. Keener was a planner/designer for a local architecture/engineering firm. His responsibilities included assisting with the preparation of subdivision and land development ordinances, zoning ordinances, and comprehensive plans. He also performed stormwater management studies, designed stormwater management facilities and erosion control plans for new development, and reviewed land development plans for various municipalities.

From November 1987 to May 1998, Mr. Keener was an erosion control technician in York County, PA. His responsibilities included reviewing erosion control plans and enforcing the PA Clean Streams Law.

TRAINING

- Comparison of Hydrologic Models HEC 1/TR20
- Computational Methods in Stormwater Management
- Leadership Pocono
- Pennsylvania Real Estate Classes
- Project Management Bootcamp, PSMJ

COMMUNITY SERVICE

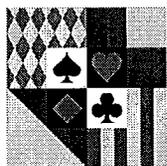
United Way of Monroe County: 1st Vice-President (2010/11), Campaign Chair (2008 and 2009)
Youth Association of Pocono Mountain, Assistant Football Coach (2010)
Big Brothers/Big Sisters of the Bridge Serving Monroe County: Board Member (2004-2006)
Pennsylvania State Association of Township Supervisors: Tobyhanna Township Supervisor - 2007 to Present
Pocono Mountain Regional Police Commission: Member - 2008 to Present
Monroe County Economic Advisory Board
Monroe County Transportation Authority: Member
Monroe County Workforce Investment Board
Greater Pocono Chamber of Commerce
Chairman of the Board (2009 - 2010)
Board Member (2002 - present) ED/Transportation Committee Chairman (2003 - present)
SAFE 80 Committee Chairman (07/10 - present), Chairman (2009 - present)

PROFESSIONAL MEMBERSHIP(S)

American Planning Association Pennsylvania Chapter
American Institute of Certified Planners

Exhibit E

Curriculum Vitae of Walter Bogumil.



PENN NATIONAL GAMING, INC.

Walter Bogumil Vice President, Financial Analysis

Employment History

Penn National Gaming, Inc (PENN), Wyomissing, PA
Fortune 100 Fastest Growing Public companies for five years
Vice President Financial Analysis

04/2002 to Current

Reports to: CFO

- Participated in the **negotiation of bank and bond offerings** totaling nearly \$4 Billion resulting in significant loosening of covenants and reduction in pricing
 - \$250 Million 6-3/4 Sub-Debt Offering
 - \$200 Million 6-7/8 Sub-Debt Offering
 - \$800 Million Senior Secured Bank Deal
 - \$2.725 Billion Senior Secured Bank Deal
- Participated in **negotiation of merger agreement** for \$2.2 Billion acquisition of Argosy Gaming Company
- Negotiated the acquisition of Zia Park Raceway and Slots for \$200 Million
- Negotiated portions of the merger agreement for Penn National Gaming \$9 Billion “go-private” transaction
- Oversaw acquisition analysis, due diligence team and participated in merger negotiations for \$27 Billion Harrah’s takeover attempt
- Responsible for consolidation of company budgets for seventeen separate properties and corporate office
- Develop and present company investor relations presentations for Wall Street analyst conventions
- Responsible for quarterly **Wall Street forecasts** (most accurate in the gaming industry)
- Developed cash flow forecasting model to maximize debt reduction and allow efficient hedging
- Responsible for the **valuation and due diligence of all M&A** proposals and green field projects (reviewed over 50 potential targets including Harrah’s, Harrah’s spin-off’s, Horseshoe Gaming, Grace Gaming, Wembley PLC, Casino Queen, Hyatt Blackhawk)
- Developed demographic penetration model that allows quick and reliable valuation of potential and existing gaming sites
- Analyze, value and propose modifications to state level gaming legislative proposals in Pennsylvania, Maine, Illinois, Mississippi and West Virginia
- Coordinate with Corporate Director of Tax to minimize tax related cash outlays
- Coordinate and provide direction for the Corporate Director of Purchasing on **company wide contracts** (ATM, Check Cashing, Cash Advances, Tote Services, AV Equipment, Waste Removal, Coke) resulting in significant savings
- Participated in \$200 Million multi-property Hurricane Katrina claim (PD & BI)
- Responsible for the financial aspects of the corporate jets

Microsoft Corporation (MSFT), Redmond, WA

03/2000 to 03/2002

Business Manager

Reported to: Director of Industry Planning

- Provide support to the Business Development team with deal structure and economics on large deals. Created and assisted in the negotiation of Joint Ventures, Revenue Sharing arrangements and distribution deals with companies including Citibank, Pfizer, Starbucks, Drugstore.com, Charter Communications and Safeway.
- Created business measurement system used to gauge effectiveness of ad sales on MSN
- Created the business strategy for MSN ad sales to Pharmaceutical, and Consumer Products Industry
- Created a DB to measure inventory and unit pricing

Sun International Resorts (now Kerzner International-private)

10/1998 to 03/2000

Atlantis Resort, Paradise Island, Bahamas

Finance Manager

Reported to: Director of Financial Planning

- Responsible for property level budgets and property level operational analysis
- Responsible for position justification of all property level hiring
- Led guest evacuation during Hurricane Floyd (over 60 employees and 1,200 guests)
- Participated in \$70 million hurricane Floyd claim

Walt Disney World Company (DIS), Orlando, FL

05/1996 to 10/1998

Magic Kingdom

Financial Analyst

Reported to: Finance Manager

- Responsible for property level budgets, company wide operational analysis and pro-forma analysis on capital projects

Education

Rollins College, Crummer Graduate School

08/1994 to 05/1996

MBA

University of Central Florida

08/1988 to 12/1993

Baccalaureate in Finance

Exhibit F

Curriculum Vitae of R. Douglas Olmstead, Jr.

R. Douglas Olmstead, Jr., P.E.
RR #2, Box 99
Lesoine Drive
Henryville, PA 18332

Education

- University of Pennsylvania, BS in Civil Engineering, December, 1974
- Graduate courses in Transportation and Environmental Engineering at the University of Pennsylvania

Registration

- Professional Engineer, Pennsylvania (PE030082E)

Continuing Education

- PSMJ Seminar in Project Management
- OSHA 40 hour training (certificate outdated)
- OSHA 8-hour Supervisor training (certificate outdated)
- Dale Carnegie Course in Human Relations
- Dale Carnegie Course in Management
- Various one or two day seminars, including, but not limited to:
 - Stormwater management
 - How to Interview People
 - Hiring and Firing
 - Erosion and Sediment Pollution Control
 - DEP Water Treatment

Publications/Teaching

- Peabody Barnes Pressure Sewer System Design manual, 1st edition (1982)
- Dale Carnegie Graduate Assistant and Instructor for the Human Relations Course during the late 70s and early 80s

Public Service

- Rotary Club of the Stroudsburgs
- Pocono Medical Center
 - Pocono Medical Center Board of Directors, Secretary/Treasurer
 - Pocono Healthcare Management Board of Directors, Member
 - Joint Venture Ad-hoc Committee, Chair
 - Finance Ad-hoc Committee, Chair
 - Governance Committee, Member
 - Compensation Committee, Member
- Monroe County Career and Technical School
 - Advisory Oversight Committee, CAD and Drafting Curriculum

Work Experience

Louis T. Klauder and Associates, Inc., (now LTK) January, 1975 to October, 1975

- Various rail analysis studies for Canadian National Railways
- Assistance with a computer modeling program to simulate train movements

RKR Hess Associates, Inc., October, 1975 to March, 2003

Design Experience

- Subdivisions including all facets of the design including, road design, lot layout, drainage/stormwater management design, erosion and sediment pollution control plans, water systems, sewer systems and traffic studies.
- Water system designs include multi pressure region water distribution system design, water well location studies, water treatment design and water tower analysis and design.
- Sewer system designs include gravity collection systems, pressure sewer systems, pump station design and sewage treatment facility design.
- Other miscellaneous design experience includes flood studies, SWIP studies, forensic engineering study on a commercial development water system and Act 537 updates.
- Commercial design experience includes two office building designs and a fast-food restaurant.
- Bridge inspections, as part on the national NBIS system, for multiple Townships and Monroe County.
- Two bridge replacement projects for Monroe County

Presentation and Professional Witness Experience

- Extensive presentation experience before municipal Planning Commissions and Township Supervisors and Borough Councils as well as County Planning Boards and County Commissioners
- Presentations also made to private clients, community associations and regulatory agencies
- Two court cases related to drainage
- Numerous ZHB hearings for flood studies
- Numerous Conditional Use Hearings for commercial and residential project issues

Permitting Experience

- DEP permitting experience includes water distribution systems, well permitting, water towers, sewage collection systems, sewage pumping stations, wastewater treatment facilities, NPDES permits for stormwater management, hazardous waste disposal, sludge application to farm land, and permitting for a waste oil processing facility.
- PA DOT permitting for driveway permits, low and medium volume access roads, and bridge replacement review and permitting

Municipal Experience

- Engineer for the Monroe County Commissioners, approximately 10 years.
- Engineer for the Monroe County Planning Commission, approximately 5 years.
- Price Township Engineer, approximately 10 years

Management Experience

- Project management experience dates back to the late 70s and continued for my entire tenure at RKR Hess.

- Shareholder from 1983 to my departure in 2003. Titles held included Vice president and corporate treasurer. General duties and authority included the ability to hire/fire staff and assist in the general day to day operations of the company.
- Oversaw the OSHA compliance program for field personnel

Boucher & James, Inc., March, 2003 to February, 2008

Design Experience

- Subdivisions including all facets of the design including, road design, lot layout, drainage/stormwater management design, erosion and sediment pollution control plans, water distribution systems and sewage collection systems.
- Flood studies
- Commercial design experience includes a branch bank, pharmacy and two fast-food restaurants.

Presentation and Professional Witness Experience

- ZHB hearings for flood studies
- Extensive presentation experience before municipal Planning Commissions and Township Supervisors and Borough Councils
- Presentations also made to private clients and regulatory agencies

Permitting Experience

- DEP permitting experience includes NPDES permits for stormwater management, and permitting for a waste oil processing facility
- PA DOT permitting for driveway permits, as well as low and medium volume access roads

Municipal Experience

- Price Township Engineer, 5 years

Management Experience

- Project management experience continued for my tenure at Boucher & James, Inc.
- Shareholder from 2005 to my departure in 2008. Titles held include Regional Manager and Director of Engineering (Stroudsburg Office)

Middle Smithfield Township, March, 2008 to Present

Work Experience

- Land Development and Subdivision Plan reviews including all facets of the design: including, road design, lot layout, drainage/stormwater management design, erosion and sediment pollution control plans, water distribution systems and sewage collection systems.
- Review and recommendation of changes to the SALDO and Zoning Ordinances as well as Sewerage regulations.
- Extensive presentation experience before the Planning Commission and Township Supervisors.

- Construction observation of all facets of land development and subdivision projects for consistency with the plans approved by the Township.
- Assistance in negotiations relative to land acquisitions, wastewater capacity and assorted municipal contracts and agreements.

Management Experience

- Middle Smithfield Township Engineer

Exhibit G

Curriculum Vitae of Harry W. Rivkin

Harry Rivkin
President
The IDT Group

Harry Rivkin has more than 45 years experience as an entrepreneur and CEO of companies focused on database management systems and services in the hospitality, healthcare, financial services and real estate industries during which time he has developed expertise in the development and implementation of data-driven analytical and reporting solutions for sales, marketing, CRM, revenue management, data modeling, forecasting, predictive scoring and consulting

He is cofounder and president of The IDT Group, a provider of database marketing planning and consulting services and database management technologies. IDT currently serves more than 250 firms in the hospitality, real estate and membership services industries. He has consulted with and provided database marketing technology and services to a variety of firms including AAA, AT&T, Alitalia Airlines, Verizon, Citibank, Lotus, Priceline.com, Prodigy and ServiceMaster as well as the nation's leading financial services providers.

Rivkin published a widely recognized and respected publication in the financial services industry, Compendium, and has spoken at numerous conferences and seminars (including those sponsored by the Hospitality Sales and Marketing Association International, Hospitality Financial and Technology Professionals, American Bankers Association, Bank Marketing Association and Financial Institutions Marketing Association) on a variety of topics including market segmentation, demand forecasting, database marketing, product development, lifetime value and profitability.

Rivkin earned a Bachelor of Arts Degree from the University of Delaware in political science; completed graduate work for a Masters Degree in marketing and economics at Temple University and for international economics from the University of Pennsylvania. He was an Adjunct Professor at Saint Joseph's University Graduate School of Business teaching courses that comprised the school's core marketing curriculum and has taught in Cornell University's Profession Development Program.

Rivkin resides in Philadelphia, Pennsylvania, is married and the father of four.

Exhibit H

Bushkill Group, Gaming Market Assessment and Economic Impact Report, compiled by David West, dated October 2010.

Bushkill Group

**Gaming Market Assessment
and
Economic Impact Report**

**For
Fernwood Resort & Casino**

As of October 2010

Compiled by:
Professor David West

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Professor David West

Home Address:

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Philadelphia, PA 19127
(215) 498-4199
professorwest@gmail.com

A.B.D. in Park, Recreation, and Tourism Resources (Marketing)

Michigan State University, College of Agriculture and Natural Resources
Department of Park, Recreation, and Tourism Resources, East Lansing, MI. (all but dissertation)

Masters of Science in Park, Recreation, and Tourism Resources (Marketing)

Michigan State University, College of Agriculture and Natural Resources,
Department of Parks, Recreation, and Tourism Resources, East Lansing, MI.

Bachelor of Science in Natural Resources

University of Michigan, School of Natural Resources and Environment, Ann Arbor, MI.

August 1999 - Present

*Owner of **West Consulting Services***: PA Travel, UNISYS, Society of Hospital Medicine

December 2009 - Present

*Vice President of Marketing and Sales, **Pocono Mountains Visitors Bureau***, Stroudsburg PA.

September 2007 – November 2009

*Marketing Director, **Bucks County Conference and Visitor Bureau***, Bensalem, PA.

September 2004 – September 2007

*Visiting Assistant Professor, **Drexel University***, LeBow College of Business, Department of Marketing, Philadelphia, PA.

*Executive Director / Marketing Director, **Manayunk Development Corporation***, Philadelphia, PA.

August 1999 – August 2004

*Instructor, **Temple University***, School of Tourism and Hospitality Management affiliate of The Fox School of Business and Management, Philadelphia, PA.

January 1996 - August 1999

*Lead Research Analyst, **World Travel and Tourism Tax Policy Center***, A division of the World Travel and Tourism Council, London United Kingdom Travel, Tourism, and Recreation Resource Center, Michigan State University, East Lansing MI.

August 1998 – August 1999

*Adjunct Faculty, **Lansing Community College***, Business Careers Division, Lansing, MI.

FUNDED RESEARCH

- 2004 Baltimore Convention and Visitor Association – Baltimore Visitor Center Visitor Survey
- Travel Industry Association of America and the National Council of State Tourism Directors - 2003 Survey of State Technology Uses, Web Site Metrics, and Web Site Marketing
- 2001 Greater Philadelphia Tourism Marketing Corporation - Online Visitor Conversion Study for the www.gophila.com web site and follow up survey (2002)
- 2001 Travel Industry Association of America and the National Council of State Tourism Directors - 2001 Survey of State Technology Uses, Web Site Metrics, and Web Site Marketing
- 2001 Pennsylvania Department of Community and Economic Development - Online Visitor Survey for the www.experiencepa.com web site
- 2001 Pennsylvania Department of Community and Economic Development - Usability Study for the www.experiencepa.com web site

PUBLICATIONS

- Hu, C., & West, D. B. (2003). Chapter 25: Distribution services - Servicing the hospitality and tourism industries. In R. A. Brymer (Ed.), *Hospitality & Tourism* (11th ed., pp. In press). Dubuque, IA: Kendall/Hunt Publishing Company.
- West, David. (1998). WTTC's Travel & Tourism Tax Barometer, No. 6. World Travel & Tourism Council. London, United Kingdom.
- West, David. (1998). WTTC's Travel & Tourism Tax Barometer, No. 5. World Travel & Tourism Council. London, United Kingdom.

AWARDS & SCHOLARSHIPS

2008 US Travel Association – ESTO – Destiny Award Winner

2008 HSMIA's Adrian Award – Gold Award Winner

2008 Travel Weekly's Magellan Award – Silver Award Winner

2003 Travel & Tourism Research Association - Chapter Achievement Award

2003 Travel & Tourism Research Association – Best Illustrated Paper

2003 Temple University Merit Award for Research, Service and Teaching

2002 Travel & Tourism Research Association - J. Desmond Slattery Professional Marketing Award

2002 Temple University Merit Award for Research, Service and Teaching

2001 School of Tourism and Hospitality Management Professor of the Year

Scope of Report

In July 2007 and June 2008, the Bushkill Group submitted Market Assessment and Economic Impact reports in support of its application for one of two available Category 3 Pennsylvania Casino Licenses.

These reports were prepared for the applicant by the Innovation Group and were based on a proposed 500 slot resort casino to be located at the Fernwood Hotel & Resort in Bushkill, PA.

Bushkill Group's application for the current one remaining Category 3 License has been revised to account for the following changes since its 2007/08 submissions:

- 1. The addition of table games*
- 2. New projected casino revenues*
- 3. Affiliation with Penn National Gaming as Bushkill's casino operator*
- 4. Commitment for 100% project funding from Penn National Gaming*

THE PURPOSE OF THIS REPORT IS TO ASSESS THE FOLLOWING:

- A. THE ABILITY OF THE POCONO REGION TO SUSTAIN ADDITIONAL CASINO LICENSES;***
- B. FERNWOOD'S CAPACITY TO PROVIDE THE MAXIMUM POSSIBLE BENEFIT TO THE COMMONWEALTH UPON BEING AWARDED A CATEGORY 3 CASINO LICENSE.***

THE FOLLOWING FIVE FACTORS ARE CRITICAL IN ASSESSING THE ABOVE:

1. AMPLE CAPACITY FOR ADDITIONAL GAMING OPPORTUNITIES IN THE REGION: (See detailed analysis starting on page 8)

- A population exceeding 28 million within a 100 mile radius
- Demographics show an over index in propensity to visit casinos
- The Pocono region currently has approval for only one slot per 5,600 adults within 100 miles
- Approval for only one table game per 280,000 adults within 100 miles
- Due to the enormous size of the market, and its existing visitation habits to the Pocono Region, the "cluster effect" will be triggered with the opening of an additional casino

In the Pocono Mountains, one of the main reasons why the region is known for resort vacations is because there are so many options. If there were only a few, the Poconos would not experience its high levels of demand from New York and Philadelphia. If Fernwood is awarded the final Category 3 License, the facility will contribute to the creation of the "cluster effect" defined by Michael Porter in August of 2010 (see page # of this report). The Fernwood license would help drive innovation through marketing partnerships and finally, will drive increased tourism. The Pocono Mountains have been known for outdoor recreation for many years but that reputation would be expanded with additional gaming choices.

2. ***THE EXISTING MARKET STRENGTH FOR THE FERNWOOD HOTEL & RESORT:*** (See detailed analysis starting on page 10)

- Fernwood is located minutes from the Delaware Water Gap Bridge and the New Jersey state line
- Approximately 90 minutes west of metropolitan New York City and northern New Jersey
- **84% of the Resort's visitation is from outside of the Commonwealth** allowing for greater out of state spend
- 906 rooms for timeshare and rental use
- Accommodations for up to 4,500 guests and renters at any one time
- 60,000 square feet of meeting, conference and event facilities
- 13,000 golfers annually
- 26,500 Winter Fun Center visitors annually
- 185,000 restaurant covers annually
- The owners of Fernwood's 16,000 timeshare memberships are concentrated in the New York and New Jersey metropolitan area
- Owners spend 4.2 nights on average at the resort, generating 67,200 unit nights annually
- An average of 4.25 adults per owner occupied unit totaling approximately 285,600 adult person nights
- Fernwood's customer database exceeds 115,000 households from the U.S. and 51 different countries
- Additional "prospect" database of 200,000 households held by Fernwood
- Adjacent to the 70,000 acre Delaware Water Gap National Recreation Area with 5.2 million visitors in 2009
- Timeshare owners nationally have an average household income of \$94,933
- For the entire Pocono Mountain region, multiple timeshare resorts contribute over 50,000 timeshare memberships to the region, generating approximately 210,000 unit nights and approximately 892,500 annual adult person nights

3. ***THE DEMAND FOR GAMING AMONG EXISTING VISITORS TO THE POCONO REGION:*** (See detailed analysis starting on page 12)

- The Pocono region draws from the number one market area in the United States (The New York DMA [Designated Market Area] with an estimated population of 20.8 million)
- The Poconos also draws from the number four-market area in the U.S. (The Philadelphia DMA with an estimated population of 7.85 million)
- For the New York City DMA, 63.91% of the population had a propensity to visit a casino
- For the Philadelphia DMA, this number is almost identical at 63.56%
- Both DMAs are shown to have an over index for participation in recreation compared to the norm in the U.S.
- Among those who jog, bike, fish, golf, camp and ski/board from these two DMAs, an average of 42.8 % identify themselves as gamers

4. THE EXISTING STRENGTH AND GROWTH OF TOURISM IN THE POCONO MOUNTAINS: (See detailed analysis starting on page 15)

- 24.5 million visitors annually
- 8.5 million overnight visitors
- Visitation is 93% leisure
- The top area in the Commonwealth and Mid-Atlantic region for resort vacationing
- Year to date 2010 occupancy up 3.5%
- Room revenues up 10.2% in May, 4.2% in June, 19.9% in July, and 7% in August
- In 2008, overnight visitors directly spent \$1.3 billion
- Average trip party size continues to be 3.1 whereas the national norm is 2.8
- Day trip visitors spent \$800 million with \$272 million on recreation alone
- Casino activity came in at 17% which was second only to shopping in terms of day-trippers
- The Delaware Water Gap Bridge receives 53,900 cars per day or roughly 19.5 million vehicles over the course of the year
- 2,400 square miles encompassing Pennsylvania's Carbon, Monroe, Pike and Wayne counties

5. THE DEGREE OF ECONOMIC IMPACT REGIONALLY AND STATEWIDE, AND THE TAX BENEFITS TO THE COMMONWEALTH: (See detailed analysis starting on page 17)

By selecting the Fernwood location, the Commonwealth will benefit from:

- Controversy-free and opposition-free license award
- The potential for the fastest "approval to opening" period in the Commonwealth to date
- The highest projected tax revenue income from a Category 3 License
- The creation of over 900 jobs in a county that is experiencing some of the highest unemployment figures in the Commonwealth.
- The creation of local jobs in a county from which the residents have the longest commute to work in the United States
- The flow of tax benefits to a township that has 35% of tax exempt lands and a county that has 28% tax exempt lands within their respective borders

Northeast market factors, the growth of the Pocono Mountains, and the four season destination reputation that the Pocono Mountains brand already possesses, combine to show that selecting the Pocono region for a Category 3 License is the only choice for the Board and does not risk over saturation in the area.

Ample capacity for additional gaming opportunities in the region

Category 3 vs. Category 2

A Category 3 Resort License is by definition different than a Category 1 or 2 License. From a consumer behavior perspective, will a Category 3 take market share away from the existing Category 2 casino located in the Poconos?

The answer is no. In fact, the exact opposite will occur.

By awarding a License to Fernwood, the Pennsylvania Gaming Control Board will contribute to market growth for the Mt. Airy casino. As a result of Fernwood's existing 425,000 annual guest visits and its long established marketing programs into the New York City and Northern New Jersey markets, a casino at the Fernwood Hotel & Resort will draw additional and new out of state gamers into the Poconos from the east. The gaming experience at Fernwood will be more akin to cruise ship gambling. Generally speaking, people don't go on cruises strictly for gaming. However, because gaming is there, they partake in that amenity frequently throughout their trip. In studies on cluster behavior, Fernwood will be a great feeder to Mt. Airy casino. This new gamer would be a prime candidate for cooperative marketing opportunities between Fernwood and the larger facilities.

The Cluster Effect and Market Share

Michael Porter, noted Harvard Business School Professor and acclaimed business author, developed the theory of the business cluster effect. He postulates that clusters have the potential to affect competition in three ways: by increasing the productivity of the companies in the cluster, by driving innovation in the field, and by stimulating new businesses in the field. Fast food restaurants have understood and modeled this concept for many years and it has been shown across numerous industries that the business cluster effect has a very positive outcome on economic growth.

Industries participating in a strong cluster register higher employment growth as well as higher growth of wages, number of establishments, and patenting. Industry and cluster level growth also increases with the strength of related clusters in the region and with the strength of similar clusters in adjacent regions. Importantly, we find evidence that new industries emerge where there is a strong cluster environment. Our analysis also suggests that the presence of strong clusters in a region enhances growth opportunities in other industries and clusters. Overall, these findings highlight the important role of cluster-based agglomeration in regional economic performance.¹

One of the main reasons why Atlantic City had such a strong hold on New York City and Philadelphia was because there was a network of casinos and not one. Consumers knew they could visit Atlantic City and find a selection of casino experiences to satisfy their needs. In addition to consumers seeking out their desired activities, they are more likely to be drawn to an area in which there is a choice of multiple

¹ *Clusters, Convergence, and Economic Performance* – Mercedes Delgado, Michael E. Porter, Scott Stern, August 2010

and different locations providing just what they are looking for. One could also argue that both Foxwoods and Mohegan Sun in Connecticut built an “internal cluster” with retail and entertainment in order to convince consumers that they are more than just one stand alone casino.

In the Pocono Mountains, one of the main reasons why the region is known for resort vacations is because there are so many options. If there were only a few, the Poconos would not experience its high levels of demand from New York and Philadelphia. If Fernwood is awarded this Category 3 License, the facility will contribute to the creation of the cluster effect defined by Porter. The Fernwood license would help drive innovation through marketing partnerships and finally, will drive increased tourism. The Pocono Mountains have been known for outdoor recreation for many years but that reputation would be expanded with additional gaming choices.

Room for more Choice

With a population of 28 million within 100 miles of the resort and the existence of approximately 9,242 guestrooms, over 30,000 vacation homes, and 8,183 campsites in the Pocono region,¹ there is room for significant additional gaming choices before any degree of regional saturation is reached.

Furthermore, given that the primary play at the casino will be from resort guests as anticipated by the Category 3 requirements, Fernwood’s 906 rooms and 4,500 overnight guest capacity means that the vast majority of casino visitation will be new play from out of state gamers bringing maximum benefit to the Commonwealth.

¹ *The Poconos region is defined as the four county area of Monroe, Pike, Carbon & Wayne.*

The existing market strength for the Fernwood Hotel & Resort

Casino Visitation

According to the 2010 State of the States American Gaming Association Survey, gross gaming revenues in the United States in 2009 were \$30.74 billion with Pennsylvania showing the largest revenue increase of 21.6% due to market expansion. According to a national poll, more than one-quarter - 28% - of the U.S. adult population visited a casino in 2009. This equates to approximately 61.7 million people. Of that group 59% identified slot machines as their favorite game. In 2009, consumers spent \$1.96 billion which translated into \$929 million in taxes to the Commonwealth of Pennsylvania from Category 2 casino gaming. Additionally, \$1.58 billion in revenue and \$742 million paid in state taxes came from PA racetrack casinos. When asked how casino gaming has impacted tourism in their area, 69% of the residents felt gaming was a positive factor. Among those who visited a casino in the past year, 50% visited a local casino for a few hours at a time while 23% took both short trips and long-distance trips to casino resort destinations. During those visits to destination casinos, 75% took advantage of other amenities such as recreational facilities, spas, restaurants and live entertainment.

Located at the “gateway” to Pennsylvania from the East

Fernwood is located minutes from the New Jersey state line, approximately 90 minutes west of metropolitan New York City and northern New Jersey. These market areas already contribute heavily to the resort patronage, delivering over **84% of the Resort’s visitation from outside of the Commonwealth**. Access to the property is easy and seamless via U.S. Route 209 with a junction to Interstate 80 located approximately 7 miles to the south. The traffic corridor serving the resort from Interstate 80 is nearing the end of a multi-phase improvement project with the Pennsylvania Department of Transportation recently beginning construction on the final phase of their traffic relief project that adds a by-pass for Route 209 around the Marshalls Creek intersection. Already completed are several intersections along the route with the estimated completion of Phase III by October 2012.

Fernwood

In a survey of casino gamers conducted by the Blackstone Group in 2006 for the Innovation Group, 60% stated they would prefer gaming in the Pocono Mountains than the Catskills and 76% said they would visit the Poconos if they offered casino gaming. Respondents had a positive perception of the Pocono Mountains and their overnight experiences in the region. In the year prior to the survey, respondents had on average taken 3.9 overnight pleasure trips and 2.7 of those trips included gaming. Respondents spent most on gaming followed by lodging, food and beverage, shopping then entertainment.

The survey then focused on recognition of the Pocono Mountain brand. Over 35% of the respondents stayed at a resort in the region most of whom were married with 37% having a household income of \$50,000 - \$100,000 and 46% with household incomes of \$100,000 plus. Of that group, 60% already had Fernwood Hotel and Resort brand recognition.

A Category 3 Casino at a Timeshare Resort

Of the sample set in the Blackstone survey, 14% owned timesharing and of that set 30% owned timesharing in the Pocono Mountains. From a 2003 industry survey on timeshare ownership and propensity to game, timeshare owners spent in excess of \$5.4 billion annually in the U.S. According to the American Resort Development Association, timeshare owners have an average household income of \$92,405 with the average for most recent purchasers rising to \$94,933.

Fernwood's ownership includes 16,000 memberships concentrated in the New York and New Jersey metropolitan area. Owners spend 4.2 nights on average at the resort, generating 67,200 unit nights annually with an average of 4.25 adults per owner occupied unit totaling approximately 285,600 adult person nights of demand. For the entire Pocono Mountain region, multiple timeshare resorts contribute over 50,000 timeshare members to the region, generating approximately 210,000 unit nights and approximately 892,500 annual adult person nights of demand.

A Category 3 Casino at a Rental Resort with International Visitation

Fernwood's existing customer database will be pure gold to a newly constructed casino at the resort. From day one, the Resort's visitation database of 115,000 households, visiting from throughout the United States and 51 different countries will be leveraged to provide immediate Category 3 gaming. An additional "prospect" database of 200,000 households held by Fernwood can also be mined to attract new visitation to the resort.

A Category 3 Casino Operated by a Leading Gaming Company

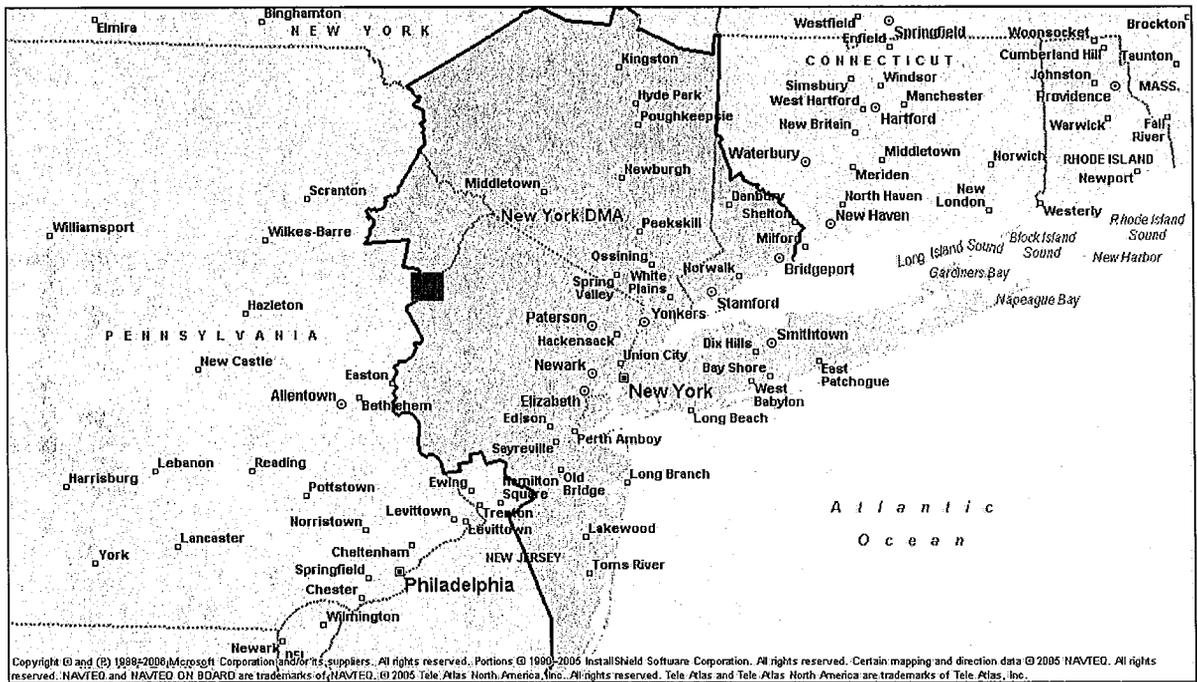
Penn National operates 22 gaming facilities in 16 jurisdictions in the U.S. & Canada. They are the largest pari-mutuel operators in the country and Penn's management team has over 100 years experience in gaming and hospitality management.

A Category 3 Casino - Guest Capacity is What Really Counts

Fernwood currently offers 906 rooms for timeshare and rental use, accommodating up to 4,500 overnight guests and renters at any one time; four food and beverage outlets; 60,000 square feet of meeting, conference and event facilities; and a host of amenities for indoor and outdoor recreation set on 440 acres. Total room inventory, under common ownership, greatly exceeds the statutory requirement. The Resort's four seasons of amenities and attractions include an 18-hole golf course bringing in over 13,000 golfers annually, horseback riding, canoeing, bumperboats, tennis, basketball, swimming in eight indoor/outdoor pools, miniature golf, a Winter Fun Center drawing over 26,500 customers to its family and single snowtubing lanes and Tiny Tot play area, live entertainment, a daily activities schedule, kids camps, festivals, Segway Tours, pony rides, two shops, an interactive Game Zone arcade, two fitness areas, saunas, hot tubs, massage, water aerobics, and hiking. The resort is located in close proximity to many of the Poconos' major attractions including Shawnee Mountain and Camelback Ski Areas, Bushkill Falls, The Crossings Premium Outlets, Camelbeach Waterpark, and the Delaware River. It is adjacent to the Delaware Water Gap National Recreation Area, which received 5.2 million visitors in 2009. According to the National Park Service, this makes it the 6th most visited site in the nation, just behind the Lincoln Memorial. In addition, Fernwood is surrounded by several other established Pocono-area resorts, attractions, golf courses, campgrounds and second home communities within a 25-mile radius.

The demand for gaming among existing visitors to the Pocono region

The New York City DMA consists of the five boroughs of New York City, Long Island, southern New York, southern Connecticut, and northern / central New Jersey for a total of 29 counties. It is the number one market area in the United States. The estimated 2009 population is 20.8 million people. The demographic is mostly aged 35+ with a skew toward 55+. The majority has a household income of \$50,000 plus. According to the 2010 New York Scarborough Release 1 Study, 36.5% of all individuals in the New York DMA have visited a casino at least once in the past 12 months. In addition, the following table demonstrates the number that have participated in an activity AND have visited a casino in the last 12 months.



Activity from the New York City DMA	% of those who also visited a casino
Of all those that play golf	51.9
Of all those that go fishing	46.4
Of all those that go hunting	38.1
Of all those that bicycle	37.2
Of all those that snow sports (board, tube, ski, etc)	36.5
Of all those that go hiking – backpacking	35.7
Of all those that go jogging - running	35.1
Of all those that snow ski	33.4

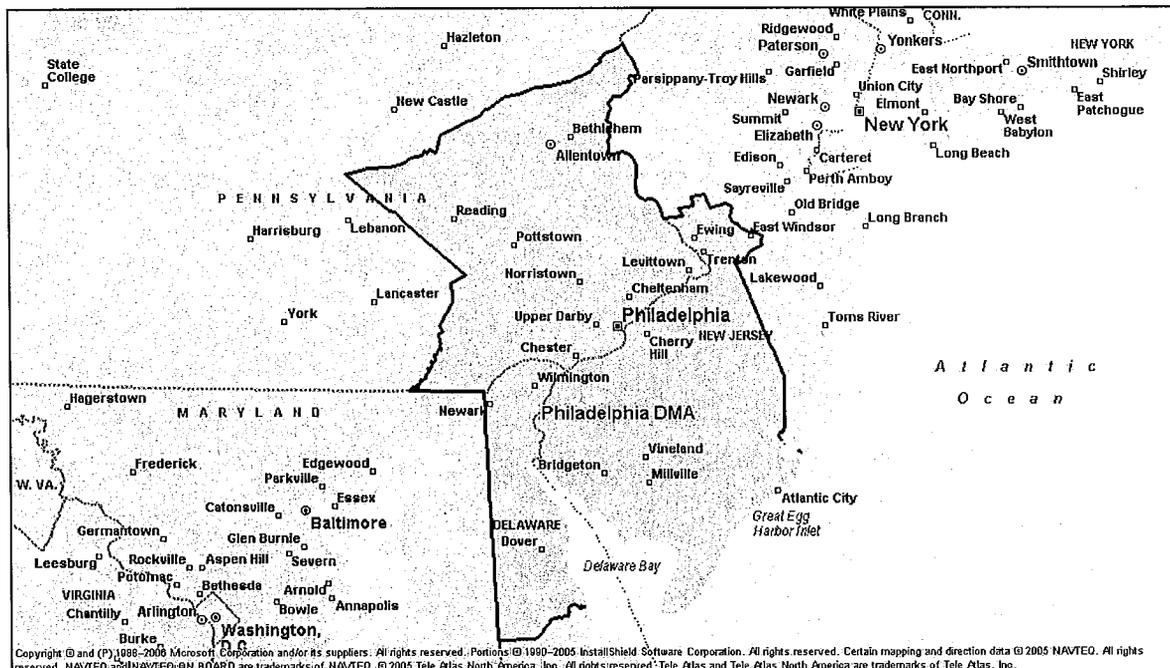
The above table demonstrates that, of the New York City DMA golfers sampled in the last 12 months, 51.9% visited a casino. Likewise, of all the New York City DMA anglers, 46.4% have visited a casino.

According to PRIZM data for the New York City DMA, 63.91% of the population had a propensity to visit a casino. When reviewing the Pocono Mountain winter season in 2009, 11.65% of the New York DMA also has a propensity for winter recreation. In all cases, both for PRIZM and the Scarborough research, the New York City DMA is shown to have an over index compared to the norm of the U.S., which makes it a very robust market for the Pocono Mountains and the proposed Fernwood casino.

New York City DMA is the number one market in the United States. The time pressures on today's New Yorker, as well as all Americans, is enormous. There is no doubt that the Pocono Mountains can and do get a high percentage of the New York market share. According to the Delaware River Joint Toll Bridge Commission, the Delaware Water Gap Bridge receives 53,900 cars per day or roughly 19.5 million vehicles over the course of the year.

This number continues to grow because of ease of access and proximity, long standing reputation, years of marketing programs directed at that DMA, and the four season destination experience the Pocono Mountains deliver. When a New Yorker finally does decide to get away from the city, the Pocono Mountains and, in particular Fernwood, delivers that getaway experience affordably and with a full selection of resort amenities. The addition of gaming will offer an added value amenity to this experience. Unlike other gaming-only facilities, the Fernwood Category 3 License will combine outdoor recreation and gaming – the very intent of the Legislation.

The Philadelphia DMA consists of 20 counties surrounding and including Philadelphia County. Philadelphia is the 4th largest DMA in the United States with a population of 7.85 million people. The Philadelphia DMA is mostly 25 plus and the majority have a household income of \$50,000 plus. According to 2010 Philadelphia Scarborough Release 1 Study, 42.76% of all individuals in the Philadelphia DMA have visited a casino at least once in the past 12 months. In addition, the following table demonstrates the number that have participated in an activity AND have visited a casino in the last 12 months.



Activity from the Philadelphia DMA	% of those who also visited a casino
Of all those that go hunting	51.91
Of all those that snow ski & board	49.10
Of all those that go jogging - running	49.00
Of all those that bicycle	46.54
Of all those that go fishing	46.19
Of all those that go camping	40.12
Of all those that go hiking - backpacking	39.76
Of all those that go canoeing	32.91

Once again, this table demonstrates that of the Philadelphia DMA snow skiers and boarders sampled in the last 12 months, 49.1% have visited a casino. Likewise, of all of the Philadelphia DMA anglers, 46.19% have also visited a casino. According to PRIZM data for the Philadelphia DMA, 63.56% of the population had a propensity to visit a casino. When reviewing the Pocono Mountains winter season last year, 11.34% of the Philadelphia DMA population indicated they are winter recreationalists. In all cases, according to both Scarborough and PRIZM research, the Philadelphia DMA is shown to have an over index compared to the norm of the U.S., which provides a secondary market for the northeast corner of the Pocono Mountains.

The Pocono Mountains are the primary recipient of those individuals who seek a winter recreation experience like snowtubing or skiing and, although the Philadelphia DMA has many other casino options for gamers, those that patronize the Pocono Mountains will be seeking a resort and winter recreation experience first with gaming as an added value amenity. Will a traveler seeking a gaming experience make Fernwood a primary destination from the Philadelphia DMA? Data dictates they would not. However, they will come to the Pocono Mountains to seek a recreation experience that includes a secondary gaming experience. For their gaming only experience, they will select a more local and larger facility.

The existing strength and growth of tourism in the Pocono Mountains

The Pocono Mountains region, with 2,400 square miles encompassing Pennsylvania's Carbon, Monroe, Pike and Wayne counties, is home to rolling mountain terrain, breathtakingly beautiful waterfalls, thriving woodlands and 170 miles of winding rivers. Winters offer guests the opportunity to ski and snowboard on over 185 trails at eight ski resorts, snowtube, dogsled, snowmobile and even snowshoe through winter wonderlands. Summers also cater to the active traveler allowing exploration of 261 miles of hiking and biking trails, over 35 golf courses, whitewater rafting, boating, NASCAR racing, fishing and open access to nine State and two National Parks. The resort is located within driving distance to most major East Coast cities, providing visitors year-round. This region, teeming with history, offers year-round cultural performances and art exhibitions, abundant antiquing, brand name shopping, concerts by nationally touring acts, and a full calendar of festivals showcasing the heritage, music and food of the Pocono Mountain region and northeastern Pennsylvania.

24.5 Million Visitors Annually – And Growing.

According to a study done in 2008 by Longwoods Travel USA, the Pocono Mountains received an estimated 24.5 million visitors with 8.5 million staying over night. 75% of the visitors to the Pocono Mountains come from the New York City DMA and the Philadelphia DMA (Designated Market Area) with the state of New Jersey divided between the New York and Philadelphia DMAs. The Pocono Mountains' visitation demographic makes it a 93% leisure destination, making it the top area in the Commonwealth and Mid-Atlantic region for resort vacationing. The Pocono Mountains Visitors Bureau reported that thus far in 2010 occupancy is up 3.5% and revenue up 9% according to Smith Travel Research. This past summer of 2010 saw an increase in room revenue up 10.2% in May, 4.2% in June, 19.9% in July, and 7% in August. During that same quarter, the 800poconos.com website experienced a 15% increase in traffic from the New York City and Philadelphia DMAs.

Additional results of the Longwoods survey demonstrated that overnight visitors to the Pocono Mountains directly spent \$1.3 billion of which 63% was on lodging and food. The average trip party size was and continues to be 3.1 whereas the national norm is 2.8. Day trip visitors spent \$800 million with recreation in the top spot at \$272 million or 34% of those expenditures. Within those day trips, casino activity came in at 17% which was second only to shopping in terms of day-trippers. However, for overnight trips, casino play dropped down to the middle of the ranking to 12%. 80% of all visitors to the Pocono Mountains fall within the 25-64 demographic with almost half having an income of \$75,000 plus.

In the past 12 months, according to a 2010 Scarborough Release 1 Study, the Pocono Mountains rank 10th as places visited once by all of the New York DMA. To put that in perspective, Manhattan is 2nd, Connecticut is 5th, Philadelphia is 13th and Orlando is 17th. From a numbers sense, that equates to 1,427,400 heads of households experiencing visitation. From the same study, the Philadelphia DMA ranks the Pocono Mountains as the 5th in most places visited. To put that in perspective, the New Jersey Shore is 1st, New York City is 4th, the City of Philadelphia is 6th, and Pennsylvania Dutch Country is 7th. In total numbers from this study, the Pocono Mountains received 692,100 heads of household visits for a combined total of 2,119,500.

The Pocono Mountains also draw from both Pittsburgh and Washington DC DMAs. Pittsburgh is the 24th market in the United States and Washington DC is the 9th. From Washington, DC it would take a person the same amount or more time to get to the Pittsburgh area than to the Pocono Mountains. Maryland is also a growing market for the Pocono Mountains. Last winter, the 800poconos.com website experienced a 20% growth of traffic from Maryland in snow sports interest.

In 2010, the Pocono Mountains recorded 2.6% increase in visitor winter recreation days. This visitation translates into an upward trend with 1.269 million skier visits in 2007; 1.392 million skier visits in 2008 and, this past ski season, the Pocono Mountains broke its record with 1.429 million skier visits.

The Pocono Mountains are growing with resort and attraction investment. Shawnee Mountain Ski Area has just completed the construction of a new high speed quad and complete renovation of their Summit Lodge. Blue Mountain Ski Area is in the planning phase of a multi million dollar waterpark facility. Camelback Mountain Resort launched an outdoor adventure park this past summer and has plans approved for the construction of a 400 room waterpark hotel; the Inn at Pocono Manor renovated its horse stables and other facilities, The French Manor opened a new Spa. Pocono Raceway became one of the first “green” racetracks in the nation, and if current plans come together, five indoor waterparks could call the region home with a total investment of \$250 million. In spite of one of the worst economies on record, the drive-to market nature of the Pocono Mountains made it possible for the region to fare better than most. This is partly due to the deep customer base with Pocono Mountain brand recognition that reflects decades of marketing to the New York City and Philadelphia DMAs. The Pocono Mountains are no longer a place known for honeymoons and heart shaped tubs, but are now recognized by consumers as a four-season outdoor and family recreation drive-to destination that has demonstrated its propensity to be the perfect region for the “staycation” travel trend. As airline prices rise, the hassle of flying increases and as time pressures of work require getaways rather than vacations. The Pocono Mountains and in particular Fernwood, are only 1-1.5 hours from New York City and central New Jersey.

Finally, there is no doubt that outdoor preserved areas are not on the increase in the Mid-Atlantic. Economic restraints preclude the establishment of new parks and urban areas for recreation. If travelers want to get away from the concrete jungle of New York City or the high prices of the New Jersey shore – the Pocono Mountains are by far the closest, most reliable, and most affordable option for the ideal outdoor and indoor getaway experience.

The degree of economic impact regionally and statewide, and the tax benefits to the Commonwealth

Methodology

The methodology used by the Innovation Group in producing the 2007/08 Economic Impact Report previously submitted as part of Bushkill's application remain current and relevant. In light of the revised revenue and construction cost projections following the addition of table games and the affiliation with Penn National Gaming, the economic impact calculations needed to be revised to reflect changes.

The new construction costs for the Fernwood casino are estimated to be 2.35 times higher than those projected prior to the addition of table games and the economic impacts of construction, both direct and indirect, have been adjusted accordingly.

The new projected revenues for the casino when stabilized are approximately 3 times higher than those projected for a 500 slot facility in 2008. For the most part, the economic impacts from revenues, including direct, indirect and induced have been adjusted accordingly. The economic impact of increased hotel occupancy has been adjusted by a minimal factor due to capacity constraints on weekend nights.

The Numbers

The Fernwood casino is expected to generate \$107 million in gaming revenues when casino operations are stabilized. Gamer-induced gross incremental food and beverage revenues should provide for an additional \$5.575 million in revenue, plus approximately \$535,000 in miscellaneous retail revenues. The gaming revenues and the majority of the ancillary revenues will be new to the resort. As a result, the casino will contribute to the labor demand, service industries, wholesalers in the region, and local/state revenues.

It is estimated that 13% of gaming revenue will pass back to the local and state economy due to additional resort employee payroll. Their subsequent spending will generate additional revenue from sales and income taxes. The expanded resort and gaming facility will also generate a significant amount of tax revenues to the local economy, as sales taxes accrue from expenditures by the casino gamers.

The Pocono region can also expect growth in tourism as a result of the resort and gaming facility expansion. Tourism creates growth in numerous sectors of the community, ranging from hotels and restaurants to parks and golf courses. Revenue growth for area businesses could therefore be expected, which would yield both employment growth and tax revenue generation. The physical construction of the casino complex will stimulate the local economy by necessitating the employment of many local laborers and craftsmen creating a large number of short-term employment positions within the construction industry. Job creation translates to earnings for area residents. This directly increases spending in the local economy on goods and services, which indirectly results in increased expenditures by merchants to their suppliers. As a result, jobs are created throughout the economy and earnings rise as the new spending is introduced. Similarly, the government benefits as tax revenues rise as a result of increases in spending and incomes.

The direct impact of construction is the total of the expenditures made on the project during the construction process within the region. It is anticipated that the total cost of construction and renovation for the Fernwood Resort will amount to approximately \$27.8 million, not including slot machines and table games, interest expenses or operation start-up costs. Slot machines and tables are expected to be obtained through national distributors and would not generate any significant additional construction impacts in the region or state. The following table is a breakdown of the direct construction spending and the percentages of how much will be staying within the Commonwealth and the Pocono Mountains region.

	Construction Spending	Percent that stays within the Commonwealth	Percent that stays within Pocono Mountains Region
Materials	\$14,494,269	97.5%	80.0%
Labor (including burden)	\$9,038,932	97.5%	73.7%
Wholesale and Business Services	\$4,314,299	78.5%	64.7%
Total	\$27,847,500	94.5%	75.2%

Based on construction costs as provided above, it is projected that statewide direct expenditures resulting from the construction of this facility would be over \$26 million, of which \$20.9 million would accrue in the Pocono region. If construction costs exceed projections, direct impacts would rise accordingly, and would naturally lag on an annualized basis if there were construction delays. Indirect spending as a result of construction will provide for approximately \$13.6 million in earnings to Pennsylvania residents of which approximately \$8.8 million would be earned by residents of the Pocono region.

In total, the temporary economic impact to Pennsylvania that could be expected to occur during construction is projected to total approximately \$52 million, of which nearly \$35 million will accrue to the Pocono region. Earnings to employees statewide are expected to rise by over \$21 million during construction and as a result of the expenditures attributable to casino-resort construction and renovation and at the regional level, earnings of area workers are projected to increase by \$14.5 million during the construction phase. Unlike the ongoing economic impact, which will be discussed in the following section, these are the total benefits that could be expected during construction and are not annual averages. It is expected that construction of the facility would be a 6 to 9- month process, after which the direct benefits would cease to exist, and subsequent phases of the multiplier process will trickle down. It is projected that 180 casino construction jobs will be attributed to the Category 3 License.

Statewide Construction Impact			
	Direct	Indirect	Total
Spending	\$25,273,216	\$26,046,209	\$51,319,425
Earnings	\$7,755,987	\$13,589,747	\$21,345,734

Pocono Mountains Region Construction Impact			
	Direct	Indirect	Total
Spending	\$20,158,178	\$24,671,520	\$34,829,698
Earnings	\$5,769,325	\$8,757,487	\$14,526,812

1.3 million Gamer Visits

Based on the market assessment calculations, the gaming facility is capable of attracting 1.3 million gamer visits when casino operations are stabilized. In addition to the gaming expenditures made by the gaming patrons, it should be expected that these patrons would spend elsewhere in the complex, including at entertainment venues and restaurant facilities, as well as for hotel rooms, particularly since non-gaming expenditure is a necessary condition for being permitted in the gaming facility. While to a minor extent expenditures by the local gamers in the food and beverage establishments would be considered as substitutes for other local dining and drinking establishments, the majority could be considered as new expenditures in the economy.

Direct Spending

Food and beverage revenues are expected to be one of the major sources of incremental non-gaming revenues for the resort as the increased resort visitation will warrant the addition of food and beverage venues. It is projected that an additional \$5.75 million per year in revenues will be generated by the resort through food and beverage sales, not including gratuities. It is also projected that approximately 42,000 additional room nights per year will be demanded as a result of the resort expansion. At an average daily rate of \$130, room revenues at the resort should increase by \$5.46 million, with total revenues, including telephone, internet and other amenities increasing this total to \$6.0 million. It is estimated that approximately 24% of this revenue would be diverted from other Pocono hotels, such that the incremental impact to the market from the new lodging demand would be \$4.55 million.

Gaming patrons are projected to spend on average approximately \$1.25 per visit on retail goods and other non-gaming expenditures, such as ATMs, sundry items and souvenir Fernwood memorabilia. It is recognized that some of the room, food and beverage and ticketed entertainment will be provided as complimentary (comps) to gaming patrons, however the funding to provide these services will come from gaming operations, and are not accounted for elsewhere in these projections.

The context of direct expenditures on hotel, food and beverages, entertainment and retail within the complex includes that of both patrons and the establishment. The multiplier effect is attached to expenditures by the hotel, restaurants, shops and entertainment venues though expenditures by patrons (and comps) are included as well in the direct impact calculations as initial transactions.

Casino labor expenses are projected to amount to 13% of casino revenues in the first full year of operation of the casino facility. Food and beverage, retail and hotel operations labor increase this to 16.5% as a percentage of new facility revenues not including entertainment operations. The new facility is projected to require new employment of 360 full time equivalents though some incremental labor may be needed at some of the existing venues to accommodate the additional resort patronage. It is expected that the vast majority of these jobs will be held by residents of the Pocono region though several administrative positions may be filled by experienced persons that will need to relocate to the market.

In the food and beverage department, it is anticipated that total costs will equate to approximately 93.5% of revenues. Salaries and benefits for food and beverage employees amount to approximately 35% of the revenues, with the cost of goods sold being equal to approximately 43.5% of the revenues. Service providers and supplies add an additional 15%. This will result in a departmental operating margin of 6.5%. Additionally, food and beverage employees can expect gratuities averaging 15% of the total food and beverage expenditures.

The following tables provide direct expenditure projections that will be made by the facility and its patrons when stabilized. The local and statewide economy could expect new direct spending of approximately \$72 million following the expansion of the resort and the opening of the slot and table game facility. The main difference between the local and statewide spending is the advertising expenditures, which most likely will be more regionally-based than local. Net new earnings of area residents could be expected to increase by \$19.3 million. The figures reflect the direct economic benefits of new resort operations taking into consideration only those activities that take place within the resort's boundaries or purchases directly made by the facility operators.

Statewide Direct Economic Impact of Incremental Gaming Resort Operations				
	Casino	Patron Hotel, F&B, Entertainment, Retail	Expenditures by Hotel, F&B, Entertainment, Retail	Total
Direct Spending	\$16,857,594	\$33,637,380	\$21,553,539	\$72,048,513
Direct Earnings	\$9,521,676	\$2,103,855	\$7,692,801	\$19,318,332
Direct Employment	360		279	639
Pocono Mountains Region Economic Impact of Incremental Gaming Resort Operations				
	Casino	Patron Hotel, F&B, Entertainment, Retail	Expenditures by Hotel, F&B, Entertainment, Retail	Total
Direct Spending	\$16,218,903	\$33,637,380	\$21,553,539	\$71,409,822
Direct Earnings	\$9,521,676	\$2,103,855	\$7,692,801	\$19,318,332
Direct Employment	360		279	639

Induced Spending

Local merchants, restaurateurs, hoteliers and recreational operators will benefit from the expansion with the addition of gaming. Patrons of the property can be expected to spend some money elsewhere in the area during their visit, ranging from convenience stores and gas stations to area restaurants and hotels. The following table projects induced expenditures of \$1.9 million once casino operations have been stabilized.

Fernwood Induced Expenditures			
	% Hotel	Average per Patron	Total Spend
Other hotel	0.5%	\$95	\$546,700
Food & Beverage	5.0%	\$16	\$920,150
Retail / Other	5.0%	\$8	\$458,150
Total			\$1,925,000

Indirect Spending

Indirect spending is the result of the multiplier effect in the economy as applied to the direct and induced spending, as described in the construction phase. The following calculations assess the indirect expenditures that would accrue from the direct and induced expenditures as presented for both the Pocono region and for Pennsylvania as a whole. Indirect expenditures from gaming and incremental resort operations will originate with spending by vendors, employees, and from expenditures by establishments providing goods and services to gaming and new resort patrons.

It is projected that 40% of induced restaurant earnings will be spent on goods in both the Pocono and in-state economy. Twenty percent of earnings by retail outlets are projected to be spent locally in the Pocono region and 25% in-state, with these low percentages reflecting the fact that most souvenir goods are imported. A rate of 40% of revenues is projected to be spent within the local Pocono market (and hence in-state) by hotels.

As a result, it is projected that the annual stimulus to the statewide economy indirectly by the resort expansion and casino operations will be \$14.6 million in new spending, with 273 jobs created and \$6.25 million in new household earnings.

Project Indirect Statewide Expenditures from New Casino-Hotel Operations			
	Indirect Spending	Indirect Earnings	Indirect Employment
Casino - Direct	\$2,261,713	\$1,441,288	68
Hotel - Direct	\$1,113,356	\$729,722	34
Restaurant - Direct	\$2,320,861	\$1,265,406	69
Retail - Direct	\$134,671	\$98,847	4
Entertainment - Direct	\$115,615	\$73,676	3
Households - Direct	\$8,179,768	\$2,414,405	86
Total From Direct	\$14,125,984	\$6,023,344	264
Hotel - Induced	\$67,970	\$44,549	2
Restaurant - Induced	\$144,977	\$79,046	4
Retail - Induced	\$43,095	\$31,631	1
Households - Induced	\$229,335	\$67,692	2
Total From Induced	\$485,377	\$222,919	9
Total Statewide Indirect	\$14,611,361	\$6,246,262	273

Job creation, as a result of the Category 3 License, is projected at 360 new casino jobs - 279 resort jobs in hotel and food & beverage, and an additional 273 indirect state-wide jobs for a total of 912 new jobs.

Fiscal Benefit to the Commonwealth

The state and local economies will benefit from the presence of the casino complex, the demand for the expanded amenities at the resort, the increased patronage of area businesses by the expansion of the tax base and an increase in overall economic activity. Additionally, gaming taxes will be generated yielding benefits at both the local and statewide level, providing for public services as well as tax relief.

The state tax revenue when casino operations are stabilized is shown in the following table:

Gaming Taxes	
Property Tax Relief	\$31,829,389
State Development and Infrastructure Tax	\$4,680,793
County Tax ¹	\$2,012,741
Municipal Tax	\$2,012,741
Horseman Association	\$1,685,085
General Fund	\$1,685,085
Total	\$50,646,176

Based on the projected volume that will patronize Fernwood, the following table shows a projected sales tax potential once casino operations have stabilized

Sales Tax Potential	
Direct Food & Beverage	\$334,500
Direct Hotel	\$273,000
Direct Retail / Other	\$32,100
Induced Food & Beverage	\$55,209
Induced Hotel	\$32,802
Induced Retail / Other	\$27,489
Indirect Spending	\$1,315,022
Total Sales Tax	\$2,070,122
Local Hotel Tax (tourism marketing)	\$140,868

Northeast market factors, the growth of the Pocono Mountains and the four-season destination reputation that the Pocono Mountains brand already possesses, combine to show that selecting the Pocono region for a Category 3 License is the only choice for the Board and does not risk over saturation in the area. But more importantly, the numbers justify this decision.

By doing so, the Commonwealth will realize the highest projected tax revenue income from a Category 3 License and place the benefits of the creation of over 900 jobs in a county that is experiencing some of the highest unemployment figures in the Commonwealth.

If these factors, together with increasing revenues to the Commonwealth from out of state patrons, are the goals of the Pennsylvania Gaming Control Board, there is no better location for this Category 3 License than Fernwood Hotel and Resort in the Pocono Mountains of Pennsylvania.

¹ *Bushkill is the only Category 3 applicant from which the county taxes will benefit county/s other than the host county (Monroe)*